

EASY ROADS MAKES SLEEPY TRAVELLERS

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South Africa celebrated 24 years of Freedom on the 27th of April with many citizens looking back at the nations imperfect transition with issues around land, youth unemployment and monopoly capital grabbing the headlines.

There is no denying that real economic transformation in the current South African landscape is not only essential but inevitable for businesses to thrive. However, easy roads have led to sleepy travellers over the years in terms of B-BBEE compliance, and nowhere is that more evident than in the verification process of the journey.

The BEE Verification process has gone through several changes since the release of the Broad Based Act which set the scene for the industry, with the BEE Codes moving the industry from a self-regulating one to one falling under BEE Verification bodies.

The South African National Accreditation System (SANAS) was the original verification body which accredited the first batch of BEE Verification agencies back in 2009. It's interpretation and application of the Codes follow the ISO standards, resulting in a strong but often tedious procedural based system that became standard for businesses to bear with for verification.

In 2011, The Independent Regulatory Board of Auditors became the latest player in the accreditation space after its members were given the greenlight by the DTI to conduct verifications.

Many businesses were drawn to conducting their verification through IRBA members as they did not require that same type of vigorous assessment applied by SANAS especially when it came to the verification of employees and financial reports.

IRBA agencies also did not have a broad enough understanding of the B-BBEE landscape to ask the right questions for the issue of an accurate certificate, with the body seeing itself as nothing more than an approval group anyway.



It's been more than 2 years since the IRBA announced its intentions to withdraw from the regulation of B-BBEE assurance services and almost a year and a half since the withdrawal came into effect, but many businesses still find themselves dragging their feet in collecting critical information to get their B-BBEE affairs in order.

What we hope our clients recognize as a matter of urgency is that B-BBEE can in fact contribute to an organisations growth and profit if done right the first time and all the time. At Traverse Advisory, we therefore encourage our clients to:

- Take a strategic viewpoint to transformation
- Engage their consultants to build a B-BBEE Strategy that fits with the company's long term goals long before the next verification is due
- Look for ways to fulfil short term goals or low hanging fruits within their B-BBEE strategy
- Do not collect B-BBEE related information simply to get a certificate but take a broader view of contributing to real economic transformation and growth
- Prepare for the next verification process as soon as the company's financial year kicks off

The B-BEE verification process, should therefore be based on key measurement principles and standards met by the client and the agency, demonstrating a clear understanding and knowledge of the B-BBEE Framework and Codes of Good Practice. To achieve this organisations need to remember that there are only 2 mistakes one can make on the road to success – not starting at all or not going all the way.