



B-BBEE VERIFICATION SERVICES

# TAKING YOUR BUSINESS TO THE NEXT LEVEL

AUDIT • ADVISORY • TAX

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CLEAR ADVICE FROM ETHICAL, INDEPENDENT AND QUALITY-DRIVEN EXPERTS, THROUGHOUT THE COUNTRY AND AROUND THE WORLD.

1700 people providing clarity in audit, tax, advisory, and business outsourcing to companies across numerous industries. Seven offices in South Africa and 91 054 people in 167 countries around the globe.

We offer industry-specific practices, world-class resources, and an unparalleled commitment to meeting our clients’ needs with 75% of our clients recommending us. We serve more than 49 JSE-listed domestic clients and over 158 international clients, who are clear on why they chose BDO:

- Quality, independence and a high ethical standard across all services
- Unparalleled partner-involvement (10:1 staff to partner ratio, globally)
- Deep industry knowledge and participation
- Geographic coverage across South Africa and Africa
- Cohesive global network
- Level 2 BEE Contributor
- Focused capabilities across over 20 disciplines
- Culture defined by values and purpose

Being ethical and quality driven is a given for us, and to show exactly how this is a part of our DNA, we have developed the BDO Clarity Charter. This is our commitment as individuals and as a firm. It underpins all we say and do, from how we live our values to how we engage with you, our clients and all our stakeholders.

WHAT IS OUR AMBITION?

Driven by our own ambition, our clients’ needs and a focus on delivering exceptional client service, we’re working collaboratively across the world to offer innovative solutions and services to our clients. We’re striving to become a much larger BDO, and to be seen as the only viable choice for our clients whose companies are looking to grow. We aim to be the one true powerhouse of the mid-tier – a major player on the global stage of our profession.

BDO IN SOUTH AFRICA

BDO South Africa’s seven offices and over 1700 professionals are at your service – no matter where you do business. You will find us in Cape Town, Durban, Johannesburg, Port Elizabeth, Pretoria, Roodepoort and Stellenbosch.

OUR PEOPLE

At BDO, we understand that exceptional service to our clients begins – and ends – with exceptional regard for our people.

- Partners and staff are accessible
- We encourage collaboration in an atmosphere of trust and cooperation, mentoring, consulting, and exchanging ideas
- The BDO culture emphasises career growth
- Locations in large and small centres around the globe

	\$ 10.3 B	<b>FEE INCOME</b> Global revenues increased by 10.1%
	91 054	<b>PARTNERS AND STAFF</b>
	1 658	<b>OFFICES</b>
	10:1	<b>PROFESSIONAL STAFF TO PARTNER RATIO</b>
	167	<b>COUNTRIES &amp; TERRITORIES</b>
	114	<b>MEMBER FIRMS</b>

“BDO is one of the leading global accounting and consulting organisations uniquely built to provide the absolute highest standards of service with a collaborative culture that values all of its relationships.”

## OUR B-BBEE SERVICES

### VERIFICATION

We conduct a thorough audit of an entity's B-BBEE scorecard in order to verify their contributions and/or performance in each of the 5 elements. This is much the same concept as an auditor auditing your financial statements, however with a different set of measurement criteria and rules. A certificate is the final product of this process.

### TRAINING

Our technical experts around the country provide regular public training courses on which you can book a seat. Where there are a number of delegates requiring training, we can tailor in-house training programmes to suit your needs as a more affordable and targeted solution.

### SCORECARD COMPILATION

We are able to compile a preliminary B-BBEE scorecard in preparation for verification or as part of one of our other services.

### SCENARIO PLANNING

Using your current scorecard as a benchmark or a year-

to-date analysis, we can plot gaps in terms of where you are and where you would like to be and suggest various scenarios for you to achieve this.

### CONSULTING AND STRATEGY PLANNING

Our senior technical team can assist in defining specific strategies and helping you to implement these in your business in order to increase your scoring, keeping in mind return on investment.

Consulting must occur separately to verification, and we may not verify your scorecard for two years after we complete our consulting obligations to you, as we must remain impartial.

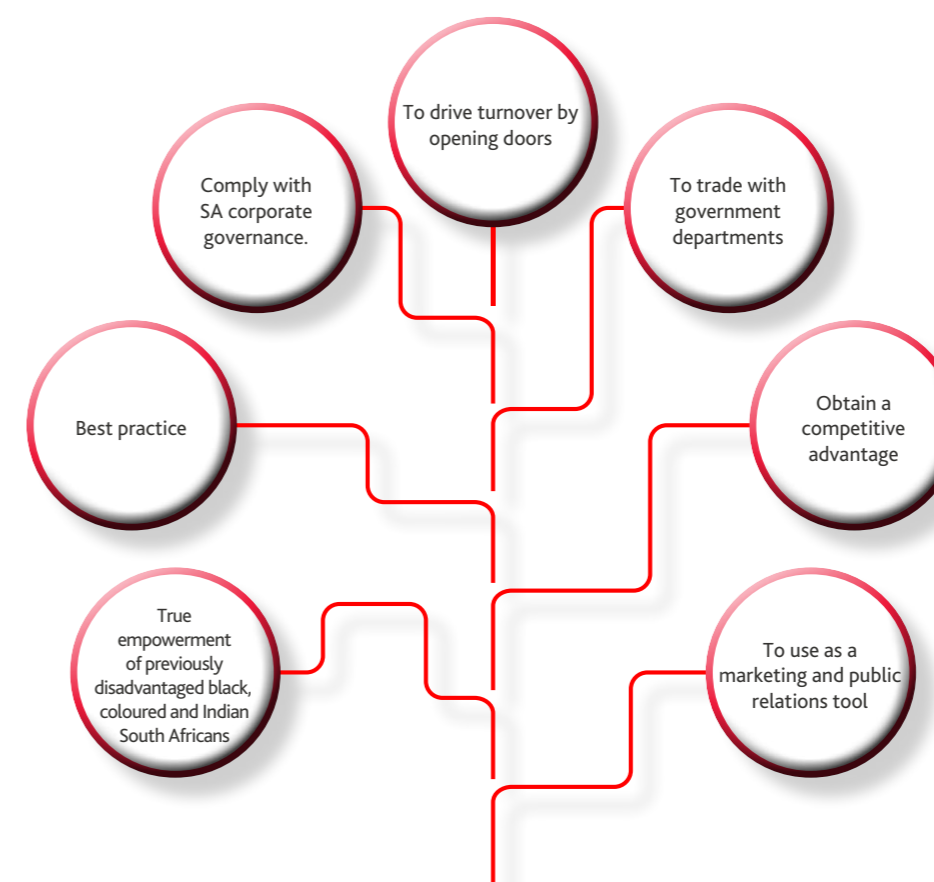
### SUPPLIER ANALYSIS

Assessing your suppliers in order to establish the overall B-BBEE procurement recognition benefit you can achieve from the procurement element can maximise your score. The process includes contacting suppliers, collection of certificates and calculation of procurement flow through recognition.

*All of our services come with a complimentary needs analysis meeting with one of our skilled representatives – whether face-to-face, on Skype or telephonically.*

*The answers to these questions are viewed as a proportion of 'black' investment to 'non-black' investment and result in a compliance level. The sum of all these elements of compliance forms a broad-based scorecard.*

### SEVEN REASONS TO COMPLY WITH B-BBEE



### A COMPANY'S COMPLIANCE AND STATUS IS MEASURED IN TERMS OF THE FOLLOWING FIVE ELEMENTS:

- 1. Ownership**  
What percentage share do black people hold in the business?
- 2. Management Control**  
What percentage of your management structure is occupied by black people?
- 3. Skills Development**
- 4. Enterprise and supplier development**
  - a. How do your suppliers' BEE ratings impact on yours?
  - b. How are you developing your black-owned supply chain through value-adding initiatives?
  - c. How are you developing other black-owned enterprises through value-adding initiatives?
- 5. Socio Economic Development**  
How are you aiding access to the economy for the black community?

CATEGORIES

CATEGORY	ANNUAL TURNOVER THRESHOLD (R)	AUTOMATIC RECOGNITION – BLACK OWNERSHIP LEVEL		
		100%	> 51%	< 51%
EME	< 10m	Level 1	Level 2	Level 4
QSE	< 50m	Level 1	Level 2	Not automatic, use scorecard points
Generic	> 50m	Not automatic, use scorecard points		

SUMMARY OF SCORECARD WEIGHTINGS

BOBBEE ELEMENTS	GENERIC WEIGHTING	QSE WEIGHTING
Ownership	25	25
Management control	19	15
Skills development	20	25
Enterprise and supplier development	40	30
Socio economic development	5	5
Total	109	100



VERIFICATION PROCESS

Free needs analysis meeting/virtual meeting	1	n/a	You collect your documentation and compile a BEE file and submit your file to us for analysis	6	Up to 1 month
Complete application and send to us	2	n/a	Analysis of your information, preparation of a preliminary scorecard, compilation of an audit plan and confirmation of an audit date by us	7	Up to 2 weeks
Receive your quotation	3	Within 48 hours	Site audit occurs	8	3 days from issuing of audit plan
Send us your acceptance by signing the quotation, receive invoice and pay	4	Up to 30 days	In office finalisation of information and review by a technical signatory, certificate issued	9	Up to 2 weeks
Briefing meeting/virtual briefing meeting occurs	5	Within 1 week	Analysis of your information, preparation of a preliminary scorecard, compilation of an audit plan and confirmation of an audit date by us	10	Up to 2 weeks



BEE RECOGNITION AND LEVELS



THE ROLE OF A VERIFICATION AGENCY IN ISSUING A CERTIFICATE

Verification agencies play much the same role in the auditing of your BEE credentials as financial auditors do in the auditing of your financial information.

For example, submission of financials with a profit declaration will be audited to prove that this declaration is correct or incorrect.

B-BBEE verification agencies audit your B-BBEE performance and contributions, proving that the claim you have made regarding your contributions is correct or incorrect.

Who can issue certificates?

Verification agencies must be accredited by the South African National Accreditation System (SANAS).

Our SANAS accreditation, allows us to issue a complete assurance certificate, based on the rigorous verification procedures undertaken.

*“Our senior technical team can assist in defining specific strategies and helping you to implement these in your business in order to increase your scoring, keeping in mind return on investment.”*



FOR A CLEAR PERSPECTIVE,  
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**BDO**