



## MANAGEMENT OF IMPARTIALITY

### 1. Policy Statement

- ❖ SANAS-R47-02 defines Impartiality as the actual and perceived presence of objectivity
- ❖ AVA is 100% committed to the performance of impartial, objective verifications. We undertake not to carry out any verification in the event a threat to impartiality is identified as a risk.
- ❖ AVA will not provide any consulting services or engage in any other service that may impact the confidentiality, objectivity, or impartiality of its activities.
- ❖ If a member of the verification team, or their immediate family member, has a direct financial interest, or a material indirect financial interest, in the measured entity, this creates a self-interest threat and the actions to be taken would be one of the following:
  - Dispose of the direct financial interest prior to the individual being selected for the verification.
  - Dispose of the indirect financial interest in total or dispose of an amount of the interest to ensure that the remaining interest is no longer material prior to the individual selected for the verification; or
  - Advise the individual that they will not be selected for this verification
- ❖ All AVA employees must declare any situation which may potentially be considered a conflict including any relationships over and above financial.

### 2. Procedure

#### 2.1 Public Statement

AVA has a publicly available statement on its policy with regards to Impartiality. The Managing director is responsible for ensuring that the policy statement contained in one of this document is publicly available on the



website ([www.assuranceva.com](http://www.assuranceva.com)). The statement is reviewed in the last annual management review meeting by the committee every year.

### **3. Principles for inspiring confidence include:**

AVA accepts that;

(a) **Impartiality** is the actual and perceived presence of objectivity. Objectivity means that conflicts of interest do not exist or are resolved so as not to adversely influence the activities of AVA. Synonyms that are useful in conveying the element of impartiality are: objectivity, independence, and freedom from conflicts of interest, freedom from bias, and lack of prejudice, neutrality, fairness, open-mindedness, even-handedness, detachment and balance.

Being impartial, and being perceived to be impartial, is necessary for AVA to be able to deliver a credible verification service that provides confidence to the public and all other entities in the country. It is recognized that the main source of revenue for AVA is that of our Client paying for our services and that this is a potential threat to impartiality. In order to obtain and maintain confidence, AVA will at all times demonstrate that our decisions are based on objective evidence and that our decisions have not been improperly influenced by other interests or by other parties.

**Threats to impartiality** include:

- Self-interest threats – threats that arise from a person or enterprise acting in their own interest, for example financial self-interest;
- Self-review threats – threats that arise from a person or enterprise reviewing the work done by themselves, for example evaluating the B-BBEE compliance of a Client for whom AVA may have provided



consultancy or a staff member or director reviewing his own work in an appeal or complaint procedure;

- Familiarity (or trust) threats – threats that arise from a person or body being too familiar with or trusting towards another person instead of seeking and evaluating objective evidence on which to base the verification conclusion or decision;
- Intimidation threats – threats that arise from a person or enterprise having a perception or experience of being coerced openly or secretly, such as a threat to be replaced or reported to a supervisor if he does not do what the person who is coercing him/her wants.

AVA has filed a Public Statement on Impartiality on its Website at [www.assuranceva.co.za](http://www.assuranceva.co.za) and also displays a copy at its offices; Public Statement on Impartiality.

(b) **Competence** is the demonstrated ability to apply knowledge and skills effectively. The competence of the personnel supported by the infrastructure of AVA is necessary for it to deliver a verification service that provides confidence and that will allow it to obtain and retain continued accreditation as a Verification Agency.

(c) **Responsibility** is where it is clear who is responsible for what and each person takes up his/her responsibility in an acceptable manner. Our Client, and not AVA, is responsible for conforming to the requirements for B-BBEE Verification and providing the evidence required to motivate its B-BBEE score. AVA on the other hand is responsible for carrying out a factual, thorough evaluation of the evidence relating to a Client's B-BBEE status and, based on the result, for granting a B-BBEE score.

(d) **Openness** is free access to or disclosure of information. AVA provides public access to, or disclosure of, appropriate and timely information about the evaluation and verification process and about the verification status of any of its Clients. AVA will provide public access to, or disclosure of, appropriate and timely information



about the evaluation and verification process and about the verification status of any of its Clients in order to gain confidence in the integrity and credibility of the B-BBEE Verification Process. AVA will provide appropriate access to or disclosure of specific interested parties' non-confidential and non-proprietary information about the results of specific evaluations (e.g. evaluations in response to complaints) in order to gain, maintain and retain such confidence. To enable us to do this function we inform our clients to allow us to comply with this duty.

(e) **Confidentiality** means that in order to gain access to the privileged information that is needed for AVA to assess the B-BBEE status of a client adequately according to the requirements for B-BBEE Verification; AVA will keep any proprietary information about a Client confidential. However, AVA may by agreement disclose a Client's actual verification result, without compromising the confidentiality of the information supporting the verification outcome.

*IVA has filed a Public Statement on Confidentiality on its Website at [www.inkombava.co.za](http://www.inkombava.co.za) and also displays a copy at its offices. Public Statement on Confidentiality [AVA Form13 ]*

(f) **Resolution of Complaints** means that Parties, who rely on the outcome of their verification status as assessed by AVA, will expect to have their complaints investigated. If these complaints are found to be valid, they need to have confidence that the complaints shall be appropriately addressed and that a reasonable effort shall be made to resolve the complaints. An appropriate balance between the principles of openness and confidentiality, including resolution of complaints, is necessary in order to demonstrate the integrity and credibility of the Verification System. AVA will at all times maintain a practice of utmost confidentiality as contracted with its clients while at the same time investigating all reasonable complaints.

AVA requires all Verification personnel to sign the Standard Statement to confirm compliance with the above standards. Standard Statement [AVA Form 13]



3.1. Potential threats to impartiality are defined in the below table:

Potential threats	Description	Mitigating Actions
Self-interest threats	A VA having a financial interest in the ME.	Impartiality and prior association checks
Self-review threats	Report and signoff is performed by same person	Roles and responsibilities clearly defined – an independent TS must review and have final decision on verification
Familiarity threats	The VA rating the ME has a direct relationship with the shareholder of the ME	Related bodies analysis
Intimidation threats	Threats that there may be intimidation during verification	Employees are trained to avoid this and must report any intimidation within 24 hours to the Managing Director.

#### 4. BEE Consulting

2.3 AVA does not perform any BEE Consulting services. Activities are limited as per the scope in AVA-P 02 3.1 and in line with SANAS R47-02 5.4. The Verification Agreement details the services that are provided and states that



AVA does not provide BEE consulting services or any other services that may impact confidentiality, objectivity or impartiality.

2.4 Employees are given training during Induction on what duties may be carried out in line with their roles and as employees of AVA , P 02 3.1 above and SANAS R47-02 5.4 and specifically what would constitute consulting services. Employees are monitored during onsite assessments ( refer to AVA HR00) to ensure that an understanding of the above translates to practice, and that therefore at no times will employees create a conflict of interest by engaging with the Measured Entity in what could be described as a consulting role.

2.5 AVA will not state or imply that BEE Verification will be simpler, faster or less expensive if a specified BEE Verification Agency or Consultancy is used. Procedures to prevent this are as follows:

- ❖ All marketing material is reviewed by the Managing Director prior to publication and authorised in writing by email.
- ❖ Employees are given specific instructions during training on this point
- ❖ No referral agreements are permitted between other verification agencies or consultancies
- ❖ In the event AVA is unable to perform the verification requested for any reason, the requesting measured entity is directed to the SANAS website in order to find another organisation. Clients requesting consulting are also directed to the SANAS website

2.6 No staff, including those in management, is allocated to verification if they have provided BEE consulting to that measured entity within the last 2 years. This is ensured by the managing director during the team selection process by reviewing the employee file (Impartiality Agreement) and as well as asking for prior association disclosure.



2.7 Agreements: At the commencement of employment, each employee, including those in management positions, are required to sign an Impartiality Agreement. Employees are advised that should their interests change in anyway, that the Managing Director must be informed in writing within 7 days of the change and the Impartiality Agreement updated. On receipt of the form, Staff business interests are then recorded by the Managing Director on the Employee details tab of the Skills Management Tool.

2.8 It is ensured that all members selected for a committee are impartial and that a balance of interests exists (refer AVA-P 06).

2.9 Prior Association: At the start of each verification engagement i.e. at the point where the verification agreement has been received, the administrator will send out an email to all AVA verification employees, including management, with the measured entity's name in the subject, requesting disclosure of any prior association. All employees are required to respond YES/NO with details if yes by return email within 24 hours. Should an employee state yes, this is recorded on the Employee details tab of the Skills Management Tool.

2.10 Measured Entities are advised of AVA's commitment to impartiality in the Verification Agreement.

2.11 Any measured entity that has requested verification and that has been rejected on the basis of any conflict or potential conflict of interest will have the conflict noted on client management register

### **3. Document References**



SANAS R47-02 13.6