

IMPARTIALITY POLICY

Ikamva Verification Services Impartiality Policy	Doc Ref No: IKA-01-IPO
Title: Impartiality Policy	Revision No: 01
Copy No: 01	Page: 1 of 5
Compiler: T. Forsyth	Date Compiled: 07/01/2019
Approver: L. Qwabe	Effective date: 07/01/2019

Contents

- 1. **Introduction** 3
- 2. **Purpose**..... 3
- 3. **Procedure** 3
- 4. **Definitions** 5

1. Introduction

Ikamva Verification Services (IVS) adopts a policy that ensures impartiality in all of the company's activities and relationships. This policy compels IVS' directors and staff to undertake their company associated responsibilities with diligence, accuracy and professionalism; and that they comply with the highest standards of honesty, integrity, and fairness. Any person representing the agency in any capacity must avoid ethical, legal, financial, or any other actual or apparent conflicts of interest and ensure that their personal activities and interests do not conflict with their obligations to the company, its stakeholders or its welfare in general. IVS is furthermore committed to identifying, managing and resolving any threats to impartiality that may arise from its activities.

2. Purpose

The purpose of this document is to outline the policy and procedure for managing impartiality by IVS. This document is intended to be used by;

- all personnel of IVS,
- clients and business partners of IVS
- employees and management of clients or business partners

3. Procedure

IVS is fully committed to the performance of impartial, objective verifications to inspire confidence in our business and the industry. We undertake not to carry out any verification in the event a threat to impartiality is identified as a risk. IVS will not provide any consulting services or engage in any other service that may impact the confidentiality, objectivity or impartiality of its activities.

IVS will be impartial, and all its staff and associates will act in such a way that they will be observed to be impartial. IVS recognizes that the source of revenue for IVS is the client paying for its service and that this is a potential threat to impartiality. In order to obtain and maintain confidence, IVS will always demonstrate that its decisions are based on objective evidence and that its decisions are not improperly influenced by other interests or by other parties.

IVS will demonstrate commitment to impartiality in its BEE Verification activities especially through its top management structures. IVS will have a publicly available statement regarding the importance of impartiality when managing conflict of interest and that ensures objectivity when carrying out its activities.

IVS will ensure that activities of related bodies do not affect the confidentiality, objectivity and impartiality of its activities. IVS will avoid any situation that would create a conflict of interests arising from the activity of any other body. All IVS personnel, either internal or external, or committees, which could influence the verification activities, will act impartially and will not allow commercial, financial or other pressures to compromise impartiality.

IVS will require personnel, internal and external, to declare any situation known to them that may present them or IVS with a conflict of interest. IVS will use this information as input to identifying threats to impartiality raised by the activities of such personnel or by the organisations that employ them and will not use such personnel, internal or external, unless they can demonstrate that there is no conflict of interests.

IVS recognizes the following potential threats to impartiality and will continuously design and implement procedures to manage the risk involved:

- **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 them. For example, evaluating the B-BBEE compliance of a Client for whom Ikamva Verification Services 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.

Any threat to impartiality (e.g. intimidation threats, familiarity (or trust) threats, self-review threats, self-interest threats), that arises after the verification team has made an original declaration of impartiality as per **IKA-01-PSI** and after having been appointed to the verification team, must immediately be reported to the Verification Manager of IVS.

The verification team member involved will stop all work on the measured entity file immediately and leave the premises of the measured entity where applicable, until the Verification Manager has resolved the threat by either:

- Addressing the matter with the measured entity and having subsequently removed the individual or circumstances that have created the threat to impartiality.
- Replaced the verification team member.
- Cancelled the verification engagement as per IVS standard terms and conditions.

The independent approval of all verification shall be done by the Technical Signatory. The Technical Signatory, as the person making the final verification decision, must be independent from the verification that is performed and may therefore not be an analyst on the same verification in which it acts as Technical Signatory or *vice versa*.

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 IVS staff must declare any situation which may potentially be considered a conflict including any relationships over and above financial.

IVS 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.

At the start of each verification engagement (i.e. at the point where the verification agreement has been received), all personnel involved in the verification are required to complete and sign an impartiality declaration, stating that the personnel involved in the verification of the measured entity are impartial in all material respects and that all personnel involved in the verification have not performed any other professional services for the Measured Entity.

All shareholders of IVS are required to declare on an annual basis any further interests that they might have acquired.

Verification work performed on clients of Related bodies will be given high priority during internal audit to ensure policies and procedures were not compromised by any member of IVS.

4. Definitions

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 Ikamva Verification Services.

Measured Entity: the company being assessed for BEE status by a verification agency.

Related bodies: means a party that is linked to the Verification Agency by common ownership or directors, contractual arrangement, common elements in the name, informal understanding or the means such that the related party has a vested interest in the outcome of an assessment or has a potential ability to influence the outcome of an assessment.

Committees: means audit committee, appeals committee and complaints committee.

IKA-01-PSI: relates to the Public Statement on Impartiality document