

Background checks are worth their weight in gold in the mining sector

South Africa [possesses](#) ore reserves amounting to a value of more than US\$2.5 trillion, with 16 commodities ranked in the top ten internationally. In such an important and high-value sector of the economy, it's easy to see why the mining industry is a frequent target for malfeasance of all kinds – from deceptive suppliers to tender fraud.

And in such a heavily regulated industry, onboarding fraudulent suppliers or tender applicants can mean the end of a company. "Vetting all suppliers and third parties is crucial. This includes the obvious checks such as BEE status and account verification, but also harder-to-come-by information such as checking whether there are any sanctions against a company," says Sameer Kumandan, Managing Director of [SearchWorks](#), an innovative data aggregation platform that allows users to conduct live, accurate searches on individuals and companies and in-depth KYC checks online.

Even seemingly innocuous dishonest job applications can be dangerous, he adds. "Potential employees submit dishonest job applications in all industries, but in an industry like mining, there are serious consequences if staff members are placed in positions for which they are not qualified, such as truck drivers without the right PDP licence. Unqualified employees can be a hazard to themselves and those around them."

In-depth background checks have now become non-negotiable for good reason. Kumandan says these are the most important checks that need to be conducted before onboarding a supplier, partner, or employee:

- **Qualification checks:** It's important to ensure employees have the right qualifications that are recognised by the relevant institution.
- **Credit checks:** This gives you more information about a company, how big it is, and their portfolio. Credit checks can also be done on employees.
- **BEE ID photo verifications:** Race, and BEE status, can't be verified with an ID number alone.
- **CIPC vetting:** Check potential suppliers' profiles including their directors, business structure, and more.
- **Asset deeds:** Suppliers' assets and value must be verified when applying for credit.
- **Vat verification:** Verify suppliers' VAT data for invoicing purposes.
- **Sanctions vetting:** Make sure any company you deal with has no sanctions against them.

- **Account verification:** Check all supplied banking details to ensure they are correct and that the account exists.
- **Default listings:** Look into companies' financial records.
- **Driver's licence/PDP verification:** Ensure employees have the necessary licences.
- **Tax clearance certificate verification:** Check tax information when onboarding a new client.

In-depth checks can prove to be quite the admin headache. That's where a KYC and onboarding specialist can help. Searchworks, for example, helps the mining industry with the onboarding of new employees and suppliers, and the verification of suppliers, particularly if there have been changes to a supplier's portfolio.

Searchworks' API can also integrate into your own systems. "This simplifies such checks even further and reduces costs. Specific search types can be integrated into your system for quick searches and live results. And batch searches, such as when doing audits on clients, will become more cost-effective," says Kumandan.

"Whether you decide to work with a specialist or do these checks yourself, there is no doubt that thorough background checks are essential. Trust, after all, should be earned."