



RHODES UNIVERSITY

Grahamstown • 6140 • South Africa

Department of Ichthyology
and Fisheries Science
Rhodes University

21 August 2020

Mr Tony Beamish
Senior Journalist
Carte Blanche

Dear Mr Beamish

Vanderkloof Dam Fishery – Carte Blanche letter dated 29 Jun 2020, received 20 Aug 2020

Thank you for the opportunity that you have given to us to respond to the content of your letter dated 29 June 2020, and received 20 August 2020. I have pasted the content of your letter below, and will respond to each question after quoting it. I have also taken this opportunity to make you more fully aware of the mandate of our Rural Fisheries Unit is this project, and I have no doubt that this will help you better understand this role:

“We are informed that the RRFPP received R40 million in state funding to implement the Vanderkloof Dam project.”

“We have also been informed that the project leaders Qurban Rouhani and Warwick Sauer charged the project R100,000-00 in consultations fees per meeting.”

“That the project accounts have not been audited?”

There is no truth in any of these statements; the allegations are entirely unfounded. The project accounts were included in a departmental audit that took place in 2018, carried

out by the University's independent audit firm. There is not a single financial figure, provided by your informant and mentioned in your letter, which carries any credibility whatsoever. The total investment in the program since its inception in 2015 is nowhere near the figure quoted above and the only remuneration received by staff for attending meetings is in line with normal Rhodes University subsistence and travel rates (we can make this policy available on request).

In addition, I am told that the two staff members (i.e. Mr Rouhani and Prof. Sauer) who have had these financial allegations tabled against them have, in their personal capacity, invited Carte Blanche access to their private bank accounts for a full audit, and that they have requested that such an audit be carried out ahead of the airing of any allegations against them.

As a matter of procedure and contractual obligation, we cannot disclose funding details unless we have been authorized to do so by our funders. May we suggest that you approach the Northern Cape Department of Agriculture, Land reform and Rural Development for this information? We believe this would be the most appropriate way forward here.

“1. How many tons of fish have been caught since the commencement of the project and how many tons have been sold?”

The project adheres to an *Experimental Fisheries Management Plan* that was negotiated by all role players ahead of its implementation. This plan allows for 60 tons to be caught per year – the research project has operated well below that level of catch, with some 6.5 tons caught to date. Of this catch, approximately 1/3 was sold, slightly more than 1/3 has been given free of charge (including start-up packs for fishers and food parcels during the COVID-19 lockdown); of the rest, some was used for bait, some returned alive and some discarded as a result of electricity issues with freezers.

“2. Who is keeping the records of the sales?”

“3. Fish has been sold to the communities by the project over the last two years.”

“4. What has happened to the money derived from the sale of the fish and what financial controls are in place over this money?”

The project has an office with staff in Vanderkloof. They keep the records related to fish catches and fish sales.

At point of sale a receipt is completed by the fisheries officer for each fish sale. These are summarised into the project cash book by the project administrator and analysed by species, weight, price per kilo, and geographic region of fish sale.

All cash received from fish sales is reconciled to the receipts by the project administrator and stored in a locked container at the project offices. Once sufficient funds have accumulated they are banked into the Rhodes University bank account, using a banking code of the Rural Fisheries Unit's project fish sales general ledger subaccount. The university's Finance Division allocates the deposit using the banking reference to the project research accounts. After banking the project record of all funds banked are reconciled to the Rhodes University project fish sales general ledger account.

The money from the fish sales is ring fenced and it does not mix with the project funding. The understanding is that at a later stage the funder will determine what to do with these funds.

“We are informed that part of the state funding audit is an internal audit undertaken by the Rhodes University's Finance Department. Warwick Sauer has however alleged that an outside auditing firm is also involved. If so, can you please provide details of this firm?”

All finances of this project, and indeed all other externally funded projects at the university, are administered by the central Finance Department (which is independent of our Department). All Rhodes University accounts are subject to a combined assurance audit framework, and this applies to all finances managed by Rhodes University, including those of this project. This combined assurance framework, comprises both external and internal audit functions. The term “internal audit” is used in the technical auditing sense. It is not internal to the Finance Division of the institution, but is an independent auditing resource driven by the Council Audit Committee, and has the function of drilling down in areas of specific interest, such as departments or divisions where there is financial complexity or concern about financial controls, or any other specific area needing detailed attention in the view of the Council Audit Committee. This is as opposed to the umbrella “external” auditor, whose responsibility is to undertake the overall institutional statutory audit. Overall, it is a strong audit framework. The current External Auditor is PricewaterhouseCoopers, and

the Internal Auditor has recently been switched to Ernst & Young. The audit companies are reviewed periodically (every 5 years), and the company or audit partner changed as part of the assurance model.

Specific research project accounts are subject to full audit, if: (a) internal processes identify a concern that warrants an audit (in which case they might also be subject to a forensic audit); or (b) the funding agent for the research project requests an external audit as part of the contract.

This project's accounts were subject to an audit carried out by the University's auditors at a departmental level in 2018, and this project's finances were scrutinised as part of that audit. The project is not subject to an annual audit because it has not fallen into any of the categories that might require a project-specific audit. The project's accounts have, however, always formed part of the pool of accounts from which transactions are randomly selected during the university's annual audit (i.e. normal audit procedure).

We have no objection whatsoever in having this project's accounts audited for the period post-2018.

“Our informant alleges that the project is slowly causing the extinction of the globally endangered Large Mouthed Yellow fish which is caught using gillnets, which nets are illegal.”

Gill nets for experimental purposes are not illegal. We have attached the permit concerned that demonstrates this.

The *Experimental Fisheries Management Plan*, using a precautionary approach, and with very clear restrictions on catches of large mouth yellowfish, was compiled with the help of National Government Scientists, Provincial Government Scientists, and a Scientist appointed by the recreational fishery. We suggest that any scientific information, which contradicts the approach in the *Experimental Fisheries Management Plan*, is forwarded by your informant to the Advisory Committee where it can receive immediate attention.

In conclusion, I would like to take this opportunity to point out that the approach of the Advisory Committee of this project (with representation of all stakeholders), which is in line with the Ecosystems Approach to Fisheries (EAF) and which is used by the Food and Agricultural Organization of the United Nations (FAO), is to gather non-subjective research fishery data under real-life conditions, including real fish and real people, in a real environment, highlighting real environmental considerations, and to present these data to the Northern Cape Government so that it can make an informed management

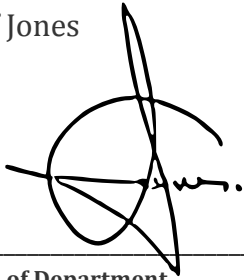
decision:

- The recommendation might be that a small scale fishery is feasible;
- It might be that a fishery is feasible under certain conditions only;
- The recommendation might be that it is not feasible.

No fully informed decisions can be made if the project does not collect these data to inform the decision. This is the role of our Rural Fisheries Unit in this project.

Yours faithfully

Cliff Jones

A handwritten signature in black ink, consisting of a large, stylized 'C' and 'J' intertwined, with a horizontal line extending to the right and ending in a small dot.

**Head of Department
Department of Ichthyology and
Fisheries Science
Rhodes University
South Africa**