



EAST AFRICAN COMMUNITY

IN THE EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

**The Official Report of the Proceedings of the East African
Legislative Assembly**

89TH SITTING - THIRD ASSEMBLY: FIFTH MEETING - THIRD SESSION

Wednesday, 18 March 2015

*(The East African Legislative Assembly met at 2:30 p.m. in the
Chamber of Deputies, Burundi National Assembly in Bujumbura,
Burundi.)*

PRAYER

(The Speaker, Mr Daniel Fred Kidega, in the Chair.)

(The Assembly was called to order)

COMMUNICATION FROM THE CHAIR

The Speaker: Honourable Members...when the President of the Republic of Burundi was here yesterday afternoon in these chambers. *(Applause)* The President was very gracious and grateful for the cordial and warm welcome you extended to him. *(Applause)*

The Chairperson of the Summit of the EAC Heads of State and President of the United Republic of Tanzania, His Excellency Jakaya Mrisho Kikwete will be addressing us tomorrow. *(Applause)* He will be giving the State of the Community Address in these chambers at 10.00 a.m. My plea to you is that we keep time. All Members should be gathered and seated by 9.30.a.m. I thank you so much, and I look forward to a successful hosting of the Chairperson of the Summit of the EAC Heads of State and President of the United Republic of Tanzania. Thank you so much. *(Applause)*

PAPERS

The Chairperson of the Committee on Legal, Rules and Privileges (Mr Peter Mathuki) (Kenya): Thank you Rt Hon. Speaker. I lay on Table the report of the Committee on Legal, Rules and Privileges on Rules of Procedure of Committees of the Assembly and Code of Conduct for Members of the Assembly. Mr Speaker, Sir, I beg to lay.

The Speaker: Thank you so much, Hon. Peter Mathuki, Chair of Legal, Rules and Privileges. May the Clerk's Office make sure the report is distributed to Members for perusal?

THE REPORT OF THE ACCOUNTS COMMITTEE ON THE AUDITED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2013

(Debate interrupted on Wednesday, 28 January 2015 Resumed)

The Speaker: Honourable Members, you will remember very well that during our Meeting in Arusha, the Chairperson, Council of Ministers requested this Assembly to defer the debate on this matter to this Meeting. You granted the prayer of the Minister and this debate was deferred. At the point of postponement of this debate, the Chairperson of the Committee had eloquently presented the report and debate was supposed to have started at that point. We are, therefore, resuming at that point. I, therefore, declare debate open.

Hon. Members, I presume that you have carried copies of the report with you and you have refreshed your minds with the presentation of the Chair on Accounts so that we can proceed with the debate.

Mr Abubakar Ogle (Kenya): I am standing on a Point of Procedure, Mr Speaker. To the best of my recollection, the report was given and it was a bit contentious at that point. Member may not really have a recollection of what was contained in that report. So, I think it would be preferable, in the circumstances that we possibly have a refreshment of our memories from the Chair, Council so that we are able to properly contribute to the debate that is on the Order Paper.

In any case, we did not have any idea of what the Order Paper would look like. Some of us did not envisage that the Report on the Audited Accounts was going to be on the Order Paper. So, I request the Chair, Council to possibly refresh our memories, Mr Speaker, about what happened and then maybe give their response. That is what we agreed upon at that time. Thank you.

The Speaker: Thank you so much, Hon. Ogle. Yes, Hon. Member, I hope you are still rising on the same procedural point.

Mr Abubakar Zein (Kenya): Yes, Sir. Rt Hon. Speaker, if my memory serves me correct, it was a request by the Chair, Council of Ministers to defer debate. And in the presentation of the Chair, Council of Ministers, for deferment of debate, some of the reasons given were that we needed to give the Council of Ministers opportunity to interact with some of the serious issues that were raised in the report and that the undertaking that was made was that if we allowed for such a deferment, they would have certain actions that they would have made and taken decisions, which would be communicated to this House, which would in turn form the debate.

But if the understanding is that the Council of Ministers did not go and do what they promised, and we are then required to vigorously continue with the same vein of discussions that we had started, then I will request that the Council of Ministers make that claim to us so that we can then continue with the same vein that we had undertaken at that time. Thank you, Sir.

The Speaker: Thank you so much, Hon. Ogle and Hon. Zein. You have a joinery on the procedural matter.

Hon. Members, you know very well that according to your Rules of Procedure, the Chair, Council of Ministers responds to the issues you have raised in your debate. When we were in Arusha, the Speaker tried so much to restrain Members from going into the content of the report but rather to restrict themselves to the motion then.

I guided that when we report here, in this particular Meeting, we will have the debate by Members and the Chair, Council of Ministers would thereafter take the floor to respond to the issues that you, Members would have raised as the Committee on Accounts Report. And the Chair, Council of Ministers will go deeper to highlight the issues upon which they requested for this deferment. So, I will still like to guide that Members take on the floor for the debate.

Maybe I will kindly request the Chair, Committee on Accounts, Hon. Jeremie to refresh Members in just one minute on his point of conclusion before he sat down.

Mr Joseph Kiangoi Ombasa (Kenya): Thank you, Rt Hon. Speaker. If we were to proceed to debate the motion that was then stopped at Arusha, we shall be dealing with the issues, which we were raising at that time, which actually caused the Council to ask for postponement. So, without the benefit of what the Council has done, we will still be repeating ourselves on the same issues, which, may have now been clarified. I believe that a mechanism would have been found, maybe, where Members are informed of what, maybe, is the present position.

The Speaker: Thank you, Hon. Kiangoi for your clarification. I am going to find it extremely difficult because that would mean the Council may have to come to the floor twice because Council requested that the debate be deferred because even if Members debated the report then, they would not have been in position to effectively respond and also answer the issues raised by the Committee.

Procedurally, when the Chair of a Committee presents a report, Members debate the report and after the debate and the issues therein raised, the Chair, Council of Ministers rises to respond to the issues raised during the debate and also the recommendations of the Committee. And at the end of the process, the Chairperson of the Committee in turn responds before a question to adopt the report is put. So, that is how I think we should proceed, and that is how our rules require us to proceed. I saw Hon. Yves rising.

Mr Yves Nsabimana (Burundi): Thank you, Rt Hon. Speaker. I want to say this, I have said it in Arusha that we are dealing with a financial situation - accounts of the Community. The report we have had from the Accounts Committee has come from the Audit Commission and the Audit Commission cannot change anything, which is not written. The response must be written.

You remember, Rt Hon. Speaker that that day we gave a chance to the Council of Ministers to write answers to some questions where they were not agreeing with the Accounts Committee because when we met them, they didn't give us a written response. So, we requested that through our Clerk, the Council of Ministers give their written reaction to the report. Now, I have been waiting for that written report from the Council of Ministers so as to debate. That is why I beg your indulgence, Rt Hon. Speaker, for the Council of Ministers to come with a written response to the report. That is what we want. If we don't have that written response, we can't change any of our recommendations. So, I urge this House to request for a written response from the Council of Ministers.

The Speaker: Just before Hon. Dora takes the floor, Hon. Members, the Members of this House who are not members of the Committee on Accounts, may not agree with your recommendations as a committee; and may want to change some of the recommendations; amend them or even add more recommendations unto those you have recommended to the House. It is through this debate that Members will agree with you as a Committee or disagree with some of your recommendations or add some recommendations and then at an appropriate time, when the debate has ensued, Council will come up and give their response, which includes the promises they made before this House when they asked for deferment of the debate.

Ms Dora Byamukama (Uganda): Thank you very much, Mr Speaker, Sir. I would like to plead that we go along with the ruling, which was made earlier so that the Chairperson of the Accounts Committee refreshes our memory and then from there, we shall be able to see whether we would like to add or differ and I think it would be more conclusive because it has been a while since we looked at this report.

So, I would like to plead that it would do no harm for us to hear from the Committee once again. I think this would make it more consistent and more coherent even to the people who may be in attendance because we are speaking to ourselves, alright, but we would also like the East African Community to understand us better considering that this was also carried in the media and that we have come here to also share what we do as an Assembly. So, I would like to propose, kindly, that we let the Chairperson of the Committee on Accounts, refresh our memory and then from there, maybe, if need be, we can debate and find a way of concluding this in a neater manner. I would like to plead with Members accordingly. *(Applause)*

The Speaker: Thank you so much, Hon. Dora. I think that gives us a clear way forward. I am going to give two persons, if they have a divergent view, but that is it.

Ms Valerie Nyirahabineza (Rwanda): Thank you very much, Rt Hon. Speaker. I fully support the idea put forward by yourself and emphasised by Hon. Dora. But mine is just a request; the relationship between EALA Members and the Council of Ministers is so cordial that last time, you allowed to defer this debate as requested by the Chair, Council and we unanimously supported that idea. Now, my question is, is the Council now ready? In which case we can go through the report and then either adopt it or propose some amendments; disagree or agree with the recommendations put forward by the Committee.

But kindly allow the Council to tell us whether they are ready now. Even if nothing written has been submitted to us, it is very important for us to know whether between Arusha and here, they have worked on their undertaking. I thank you, Rt Hon. Speaker.

Ms Mumbi Ng'aru (Kenya): Thank you, Rt Hon. Speaker. On the onset, let me say, congratulations to the Burundi Chapter for hosting us very well. The presentation by the President yesterday and we are at home. *(Applause)*

Rt Hon. Speaker, consistence is something that is very important. It is so important that when we were discussing this Committee Report in Arusha, like Hon. Valerie has said, you allowed the Chair, Council to bring the motion to postpone debate to the Bujumbura Sitting.

I remember the Chair, Council standing up and saying that there were things that they needed to have done before we come to Bujumbura. From your seat-

Mr Speaker: Proceed, Hon. Mumbi.

Ms Ng'aru: I want your ears, Rt Hon. Speaker, and you cannot share your ears.

Mr Speaker: Proceed, Hon. Mumbi; I am following you.

Ms Ng'aru: From your seat, when some of the Members tried to discuss the report, in Arusha, you reminded them consistently that we were not discussing the report; we were discussing the motion.

The Speaker: Absolutely.

Ms Ng'aru: When others even tried to pick some contentious issues on the report, you consistently reminded each one of us about

the motion by the Chair, Council. It is in order then, to allow the commitment that was made by the Chair, Council that time. He promised us that he would tell us what they have done; what they have found out and then from there you could probably open the debate for us to appreciate that he has kept his word or make amendments. So, I still beg you to go back to your own ruling and remain consistent to it. Thank you.

Dr James Ndahiro (Rwanda): Thank you, Rt Hon. Speaker. I think most of us are now at a loss because people are speaking in parables. (*Laughter*) We really want the Accounts Committee to refresh our minds where they are; the issues and then the Council can come in. (*Applause*) Otherwise, once they start speaking Chinese, we shall just get - we cannot be useful, Hon. Speaker. I think let us allow the Chair, Accounts Committee to refresh our minds and then we can pick up the debate and then the Chair, Council knows what he did; probably he has prepared something for us. But this is our right, Hon. Speaker first of all to follow the debate and then come up with specific inputs. Thank you.

The Speaker: Hon. Members, thank you so much. It is clear the motion was to defer the debate; debate was deferred. Now, we are opening the debate and I am inviting the Chair, Accounts Committee to refresh the Members and then debate will ensue.
(Applause)

The Chairperson of the Committee on Accounts (Mr Jeremie Ngendakumana) (Burundi): Thank you, Rt Hon. Speaker. I think we are now on a good point because we are going to take the business to the stage that it was last time. Last time, we were about to begin the debate and then we agreed that it be deferred to the next Sitting in Bujumbura. Now, I think it is better for me, as you allowed me to do, to just refresh the Members so that they can debate the report and then the Council of Ministers will get an opportunity to respond to all our queries and recommendations.

The report on the financial statement for the financial year ended 30th June, 2013. We have raised some issues and some queries and therefore, came up with recommendations. Some of the queries, which were raised were about overspending. We have been talking about imprest not refunded; we have been talking about salary deductions; misuse of funds; air tickets which were rather expensive; we have been talking about lack of an internal audit unit and so on.

So, as the Members have the report, we can then debate on all those issues so that at the end of it all, the Chair, Council of Ministers can respond to all those queries as he has requested for more time to prepare the responses. I thank you. *(Applause)*

The Speaker: Thank you so much, Chair of the Accounts Committee. Hon. Members, while you debate, when eventually the Chair, Council of Ministers rises to make his presentation, which entails the promises he made to the House, you will still be at liberty to raise clarifications to the issues you will be raising before the report is eventually adopted. So, debate is open.

Mr Abubakar Ogle (Kenya): Thank you, Rt Hon. Speaker. I still seem to have a bit of a problem with how I should proceed because if you remember in Arusha, immediately after the Chair of the Accounts Committee presented the report, I stood on a Point of Procedure and my statement, if I can recollect properly, was that the way the report was presented or as it were then, it looked like the various institutions and organs of the Community had conspired to defraud each other.

It was like the left had did not know what the right hand was doing. There was massive corruption; lack of internal audit; imprest were not being audited; you know it appeared like the roof was falling on us.

It was then, Mr Speaker, that you ruled, and rightly so, that we needed to allow - in fact the report, which was submitted to the House, then, made further reference to the fact that the management of the Secretariat did not do this; did not do that and they did not do all these things. They could not even try to explain how a ticket that was issued for London ended up in Bujumbura. It was those kind of small things and a collection of so many other things.

It was only fair, as I felt then, that the report was almost half baked; it was not complete. And the only way we could properly go ahead and debate this report was if we had the management response to this thing. Short of that, I think what we have as a report before this House, in my opinion, Mr Speaker

with a lot of respect, is incomplete. That is the mildest word I can get. Otherwise I could go to the extreme and say, it is like a concocted - you know it is - it doesn't really seem to pass the test of what a real report should be.

My position, Mr Speaker, with a lot of respect is that we need to get a response of the management and the Secretariat upon the various issues that are involved here so as to appear in our minds that we are debating a complete report. The way it is now, is just one sided without the intervention of the Secretariat and the so called East African Community management on what they felt about the contents of this report. Thank you, Mr Speaker.

The Speaker: Before Hon. Peter Mathuki takes the floor, Hon. Ogle, the Accounts Committee scrutinises the report of the Audit Commission, which is presented to this House by Council of Ministers.

The report of the Committee can, therefore, never be a concoction. It is a scrutiny of the report that was referred to them. That is very important for our records.

Secondly, we will definitely allow debate. If there are no issues coming up at this point, it would mean that Members are in agreement with the contents of the recommendations of the Accounts Committee. I will, therefore, invite the Chair, Council of Ministers to respond. But Hon. Peter Mathuki is taking the floor.

Mr Peter Mathuki (Kenya): Thank you very much, Mr Speaker. I wanted to plead with my colleagues that let us not seem to be playing in the hands of our own ignorance.

Rt Hon. Speaker, we are very much aware that this report was ably tabled by the Chair of this Committee. And indeed we ought to have debated this report but of course the Chair, Council requested that we defer it to Bujumbura. Unless we want to admit that, actually we, didn't get time to read this report. If that is the case, it could be a different matter.

We cannot start telling the Council of Ministers - pre-empting-asking them whether they are ready or not. Supposing they stand up and say they are not ready, for whatever reason, it would mean we keep on deferring this report, which report, to me, is very important. It is something that raised a lot of issues, which were of great public importance.

Rt Hon. Speaker, if you will recall what came out in the media in most of the Partner States; they were asking what is happening at the East African Community. Therefore, I think we are duty bound as Members; as an Assembly to do what we are supposed to do; and what we are supposed to do is make our observations, of course safe towards what the Committee has recommended but we have a right to stand up and stay and debate this report as it is.

I would like to thank the Chair of the Accounts Committee for the remarks. But let me go straight to my submissions, Rt Hon. Speaker.

The Speaker: Proceed.

Mr Mathuki: Rt Hon. Speaker, you remember in Arusha, I stood and you restricted me to the motion that was raised by the Chair, Council of Ministers. But the issues that I had at that particular time are still in my mind. I am going straight to the report.

The issues that were very close to me; looking at three issues; issues of contracts; short term contracts which the report clearly says, in line with the Staff Regulation 22 (2) which provides clearly that all those temporary staff employment can only be done up to a maximum of three months but it is not the case in the Community.

That is why I keep on saying that when you keep employees because they are working for the Community - the moment they are working for the Community it doesn't matter at what level they are; they are employees of the Community. And it is again very clear that you cannot keep them for more than three months on contract. But it is happening.

To me that is very serious. What we are saying is that we are actually casualising employment in the Community. This Community is made of Partner States and all the Partner States have labour

laws. The labour laws are very clear on how we are supposed to treat employees. In fact in all of them it is very clear that you cannot keep temporary staff for more than three months. So, if as a Community we are going against this; breaking the law that is being practiced in Partner States, I think we shall be setting the wrong example, Rt Hon. Speaker. We shall be setting the wrong precedence and I think it is high time the Council of Ministers led by example.

We should ensure that employees who are deployed by the Community, at any level, must be done in line with the Staff Rules and Regulations. If it is more than three months, then there must be a justification to that effect. Why do you want to keep employees for more than three months without confirming them? If they are going for more than three months it means they are required; their services are required by the Community. So, why can't we then provide for resources at the Community to make sure that we regularise the employment of those employees?

No wonder, you will find in some situations the productivity levels of some of these fellows is very low. It is because they are not motivated. They don't know their future; they cannot even plan and that is why they are kept guessing on what would happen next.

I think it is very important and high time the Council of Ministers ensured that we have an employment policy at the

Community. An employment policy that explains for how long they are supposed to stay.

How do they come in in the first place? When you are talking of regular staff, how do they come in? What is the procedure of bringing them on board? And if they are allowed to come on board, then they must be respected; their rights must be respected. To me this is very important. When you keep an employee for more than three or five years - some of them are very important to us and they are kept for four to five years as casual employees. What are we doing, Rt Hon. Speaker?

I think we must up our game as a Community and admit that these are some of the issues and putting in place a policy that will govern welfare and standards of employing our own staff because this is very important.

How do you explain somebody who is doing an important assignment; handling cash, for example, being a casual? They don't know about tomorrow and yet they are handling finances of the Community. What are we saying, Rt Hon. Speaker? To me this is very sensitive and I think it is high time we stood up and accepted that indeed there is a problem.

These are some of the things exposing us. If anyone read this report, leave alone our donors, who are said to be contributing more than 70 percent, even our own Partner States - in this particular case because donors contribute- they will not be

willing to contribute a single penny to the Community because the report was like there is no proper management of finances.

Then what is the role of those people who are charged with the responsibility of managing functions like the human resources and of course the finance functions of the Community? To me this is very touching; it is very important and it is high time that the Council of Ministers sat down and directed the Secretariat to develop policy on employment; a policy on finances so that these things don't come out again.

Secondly, which was also important was the issue of what is happening on page 19; procurement irregularities when you are talking of air tickets. Mr Speaker, we are told in the report that names of the people to whom air tickets were issued differed from those on the authorisation forms. So, it means I give the names of the people that I want but then I buy tickets for other people whom I feel I will be comfortable with on my journey. Is that the essence? Is it what we are supposed to do?

If I hand in a list of staff members supposed to join me on a particular assignment and then I go and bring my family members to go with, what is it that we are doing? Would the donors be confident again to finance the Community? Those are some of the obvious things that we need to put in place. The Council of Ministers needs to take some of those things very seriously.

Thirdly, on the issue of training; I am looking at page 32 where the training expenditure of the East African Community Judges or Justices, something like that, and we are told that these people are taken for training on a course called "*Training in Advanced Management*." It is not even a certificate course but a short course for three days in Swaziland. You mean we don't have those services in this region?

We have ESAMI in Arusha. If someone wants to learn about advanced management skills, why do you want to be taken to Swaziland for three days, honestly? Those are some of the very obvious things and I think when we talk of policy, those are some of the things we must address. What is the training policy? Does the Community Secretariat have a policy on training? If it is in place, then it becomes very easy to check on some of these things.

I don't want to believe that - of course - by bringing this debate to Bujumbura was meant to take time to make sure that we don't remember some of these issues. And, therefore, the media will not cover them. It is our responsibility us Members of this Assembly to interrogate these reports, make our recommendations and request the Council of Ministers, and where possible, direct that they do what is supposed to be done. That is our responsibility as Members as Members of this Assembly. We have to do oversight as Members of this Assembly and I think that is what we are supposed to do. I thank you very much, Mr Speaker.

(Applause)

The Speaker: Thank you, Hon. Peter Mathuki.

Ms Susan Nakawuki (Uganda): Thank you so much, Rt Hon. Speaker. I want to appreciate the fact that we have once again been availed with the opportunity to discuss this audit report. I am among those who had rejected time being given to Council to look through this report because I felt Arusha was the appropriate venue for us to debate the report.

None the less it happened. I expected a lot; I thought Council was going to give us a report of what actually they were able to find out. But since it has not happened, I will just go ahead and discuss the report.

I would like to first of all second the report of the Committee. It is a job well done but I still have some few issues to talk about, which probably did not come out very well in this audit report.

One of them, Rt Hon. Speaker, is the issue of inadequate staffing. Mr Speaker, this issue has become a song around EAC because it has been talked about over and over again though it has been constantly ignored. As we talk right now, there is lack of adequate staffing in the EAC and it is making it impossible for the institutions of EAC to achieve their mandate.

As you are aware, Rt Hon. Speaker, we have institutions like CASSOA, which lack technical personnel. And to my surprise, when I looked at the management letter, which we don't have

here, when you look at the management response in that letter, on page 1 in that big book, the management responded that "CASSOA has three highly qualified staff and technical staff in the aviation industry, namely; the Executive Director, the Technical Coordinator and the Manager Airworthiness and, therefore, CASSOA management is adequately equipped to carry out the agency's mandate."

Mr Speaker, Sir, no wonder when Mr Kashambo turned up to meet with the Committee on Accounts, regarding the issues of CASSOA, and this management response was drawn to his attention, just the next day, he tendered in his resignation letter. And as we talk, we no longer have an Executive Director of CASSOA. Other than just having an Executive Director, a person so competent to that level. Now we are still comfortable with just three technical staff in such a big institution with such relevance and such a big mandate. We are confident that we have top management.

Mr Speaker, Sir, right now as we are looking for a replacement for Mr Kashambo, even the pay is not competitive. CASSOA has had to advertise for positions but when people come and see the pay, they don't come back. So, how are we going to be able to recruit competent staff when we lack a competitive pay?

Secondly, the Lake Victoria Basin Commission is also facing the same challenge because they require experts with particular

qualifications but they don't have them to date. And we are still seated comfortably running the EAC.

The Council of Ministers in its 26th Extra Ordinary Meeting directed the Secretariat to engage a consultant on the improvement of recruitment processes. I am wondering what is happening, whether actually the Secretariat has been able to hire this consultant and what has been agreed upon as of now?

Finally, regarding this issue, Rt Hon. Speaker, right now we are having issues. It is unfortunate that today it is the Speaker's Secretary who is in charge of air travels. Since when did the Speaker's Secretary become a Travel Officer? And the way EAC operates, there is a lot of travel going on but we have still not found it very important to hire a Travel Officer who is skilled in this but just relying on your Secretary. So, I understand even you, yourself when you need her at times, she is busy trying to maybe change tickets or acquire tickets for Members, which becomes very hard.

My other issue, Mr Speaker, is about the unreliable and uncoordinated funding mechanism for some of the EAC institutions. This has also been a consistent issue, which has also been ignored all this long. As you are all aware, some of the institutions of EAC do not receive the budgeted for funds from the Partner States. For example, that is why we found that because of this lack of funding, institutions like Lake Victoria Fisheries Organisation had to borrow from Staff Gratuity so that

they can meet operation costs and salaries; CASSOA has had to borrow from General Reserves to meet their constant demands.

Much as our Partner States are still struggling for funds themselves, I think EAC should be given the priority it deserves; it should be on the scale of preference. That is why Hon. Speaker, I would like the Council of Ministers to expedite the alternative sources of funding. There had been a proposal of 1 percent levy on all imports but that also died a natural death. There have been one consultation over another; meeting over another meeting and that alone has never been agreed upon.

CASSOA had come up with an alternative funding mechanism, initially, they just wanted one dollar on every air ticket issued but it was not agreeable to Council. They even reduced it from one dollar to five cents per air ticket; the passengers would not even feel it, but still it was declined. And now we are still saying there is no funding for EAC institutions. Rt Hon. Speaker, I think that is an issue, which should be given the urgency it deserves.

Another issue which has been constantly ignored is that of the African Development Bank. We have some issues with it because according to Article 134 (1) of the Treaty for the Establishment of the East African Community, all institutions of EAC are supposed to be audited by the Audit Commission but we have this one institution, which has been given preferential treatment. We now question the status of ownership because we are no longer

sure of who owns this bank and we are also questioning the relationship of this bank to the East African Community. Since all institutions of the EAC are audited by the Audit Commission, where does this one fall, which is not audited?

We are also wondering how its profits are appropriated. Do we get a portion as the EAC or it goes to those many invisible shareholders? Or I can also buy shares if it is not for the EAC? We also want to know which controls they are using and who they report to.

Rt Hon. Speaker, referring to page 5 of the management letter, regarding the management response, the management responded to that audit query by saying that African Development Bank's audit is conducted in accordance with its charter. As a lawyer, I continued asking myself, the charter of the African Development Bank - *(Interruption)* -

Mr Mathuki: Thank you very much, Mr Speaker and thank you very much, Hon. Nakawuki for giving way. But is it in order, Rt Hon. Speaker for the Hon. Member to imply that the Secretary of the Speaker is not supposed to do jobs that they are assigned to do by the Commission or by the Speaker's Office because when the Hon. Member says the Secretary of the Speaker has been busy distributing tickets, for example? I thought the assignments they are given either come from the Office of the Clerk, Commission or your office, Rt Hon. Speaker?

When the Hon. Member comes to this floor to imply that the Speaker's Secretary has been doing things that they are not supposed to do, who told her that she is not supposed to do that? Can she withdraw that statement?

The Speaker: Thank you so much, Hon. Peter Mathuki. I think the Hon. Member was referring to the understaffing of the Parliament and saying the Personal Secretary to the Speaker is doing a job that could be done by another gazetted officer to give her space to do something like that. But it is not true that any officer of the Assembly cannot be assigned any duty.

The Office of the Speaker and the Commission can assign any other person to do any other duty depending on the availability of human resource. And that is taken. So, for that purpose the record is put right. Hon. Nakawuki, proceed - *(Interjection)*.

Ms Byamukama: With due respect to my Learned Sister, Mr Speaker, Sir, I listened to her carefully but I kept on thinking about this particular issue on the statement that she made that the Executive Director of CASSOA resigned a day after meeting the Accounts Committee.

Mr Speaker, Sir, I think we need to be very clear when we make some of these statements and, therefore, it may impute that after meeting the Accounts Committee, the CASSOA Executive Director was running away, which is not true. *(Applause)* Is it, therefore, in order for us to continue and leave this statement

on record when we know for a fact that CASSOA has been one of the best organised institutions and it has had no audit query in the recent past?

Like she actually said, which also contradicts the statement, they have also proposed alternative funding mechanisms which no other organ has done. So, is it in order for this House to continue with this particular statement on record?

In fact, the Executive Director of CASSOA got an international job with ICAO, which actually positions EAC better because now he even knows how EAC operates. So, I would like to say that is it in order for this to remain on record taking into account those facts?

The Speaker: Thank you so much, Hon. Dora Byamukama. Hon. Susan Nakawuki, kindly put your debate in perspective to make it clear for the purposes of our journals. The Executive Director of CASSOA did not resign because of meeting the Accounts Committee. Otherwise if you can't then you withdraw the statement.

Mr Bageine: Thank you very much, Mr Speaker. I am just seeking clarification from the Hon. Member on the floor, who has kept on referring to the African Development Bank. I thought we were dealing with the East African Development Bank and not the African Development Bank because I have no control over the other. I thank you.

The Speaker: Thank you. I think Hon. Nakawuki can also put that clear whether she is referring to the African Development Bank or the East African Development Bank. Hon. Susan, please the floor is yours, as you conclude.

Ms Nakawuki: Thank you, Rt Hon. Speaker. I keep on telling myself that I don't want to talk for the sake of talking; I only talk when I have something to say. Now these guys have derailed me because I had already gone to another issue. But -
(*Interjections*) - yes that is me. I talk.

The Speaker: Hon. Susan, just continue and respond to the two issues.

Ms Nakawuki: Mr Speaker, if my colleagues were caring to listen to what I was saying, my statement was not that he resigned because he was running away from the audit report. That is not my point. My point is probably he felt frustrated or otherwise that he immediately - the moment he came to the Committee of Accounts, the next day he tendered in his resignation. He quit the job.

And for me with that, I am referring to the issues of the constraints they have been facing that are not being addressed by the Secretariat - (*Interruption*) -

The Secretary General of the EAC (Dr Richard Sezibera) (Ex-Officio): Thank you, Rt Hon. Speaker. I wish to inform this House that since the name of an officer of the EAC is on the

floor of the House, it is important that the record reflects the truth of what happened.

Mr Barry Kashambo, the Executive Director of CASSOA resigned from service of the Community. His resignation had absolutely nothing to do with his meeting the Audit Commission. *(Applause)* His resignation had everything to do with an offer of a high ranking position from ICAO who wanted to appoint him as Director for the Eastern Region that takes care of 24 countries including our Partner States. *(Applause)*

Mr Kashambo grappled with this matter - I know it because I had a discussion with him in detail. Mr Kashambo took time to discuss with me, as Secretary General and with the Board of CASSOA a detailed exit plan including making provisions for an acting Executive Director.

So, let the record clearly reflect, Rt Hon. Speaker that Mr Kashambo's resignation from the Community was not due to frustration or any meeting with the Audit Commission. I thank you, Sir. *(Applause)*

The Speaker: Thank you so much. Hon. Susan, please, tend towards concluding.

Ms Nakawuki: Thank you, Secretary General. But I will still say that every time Mr Kashambo met with the Committee he talked about the non-competitive pay for this organ of EAC. And I am sure if the pay was comparable with the one he is getting with

ICAO, he would probably have stayed a lot longer. I reemphasise that this pay should be looked into so that EAC also has competitive rates.

For the bank, thank you for the correction. I was referring to the East African Development Bank, which is an institution of EAC. And I was wondering which of the two, either the Charter or the Treaty, which one is superior over the other?

My other issue, Rt Hon. Speaker is about the overriding expenditure cut off at the close of the financial year for activities which were not taken in the financial year under review. This happened in contravention of the financial rules and regulations, which require appropriations to only be available to meet obligations incurred during the financial year to which they relate. That is reflected on page 5 of 95 in that management letter, which is the big book.

Rt Hon. Speaker, on that page it is reflected that out of the advance expenditure of US \$ 384, 834, US\$ 196, 000 - which is almost \$ 200,000 - was spent on 30th June, 2013 which was a Sunday. And even the auditors were wondering why this money had to be remitted on a Sunday where it is known that everyone is at home enjoying their weekend or going to church but which was also the last day of that financial year. Why couldn't they wait to do the activity in the following financial year?

The Speaker: Thank you. Can you tend towards summarising because of our new rules which require us to proceed for five minutes?

Ms Nakawuki: Okay, thank you, Rt Hon. Speaker. Also to mention, all the above funds, which, were reflected in expenditure of financial year 2012/13 had no existing obligations hence it caused a misstatement in the financial rules.

Finally, about the anomalies in accountabilities for imprest advances; when you look at page 10 of the Committee Report and page 6 of 0f 95 of the management letter, you find that, with all the meetings, which were conducted, there were no invitations for the meetings. But the meetings were still carried on.

There were no formal communications or nominations were visible and yet the same persons kept on attending all the meetings.

There were no minutes or resolutions that were reached at during those meetings; there were no signed attendance lists and there were so many unutilised tickets paid for by the Secretariat.

Now, all this went on with the Secretariat watching and it has been cautioned. I kindly request the Secretariat to look into this because when you look at page 71 -

The Speaker: Hon. Susan, in the interest of time, please summarise so that we can give other Members chance.

Ms Nakawuki: Yes, I am summarising. When you look at the response, which was given on page 71, the Secretariat did not manage to give a satisfactory answer and neither did they commit themselves. I thank you.

The Speaker: Thank you, Hon. Susan. I now take Hon. Dora and then I will come over.

Ms Dora Byamukama (Uganda): Mr Speaker, Sir, thank you very much. Now that I am substantively contributing to the report, I would also like to add my voice to those who have thanked the Republic of Burundi, and in particular the National Assembly for hosting us here in this very beautiful city of Bujumbura.

(Applause)

I also want to thank the Burundi Chapter for its exemplary conduct, as always, for making us feel welcome and ensuring that our stay is comfortable. Indeed for some of us, Burundi is our second home. *(Applause)*

I would like to make some three broad statements. I served on the Accounts Committee in my first five years of EALA and I just want to say three things, Mr Speaker; one, when you look at the report, I think there is a strand or a strain or a systematic aspect that keeps on coming out. In some instances where there is policy and there are rules, these rules are not being adhered to or implemented. I think that is a finding that cuts through the report.

Secondly, in some other instances, you will find that there is nonexistence of policy, like for example, to dispose of old vehicles, and I see on page 24 nonexistence of a building policy and *-(inaudible)-*

They are not very specific because the committee is urging that the action should not be done again. The committee is also proposing, for example on page 16, that this vice should be put to an end.

In some instances like on page 13, they are proposing that there should be recovery of funds but again like I said before, what is the whole point of having this kind of exercise of auditing? I believe that the auditing exercise is primarily to improve the management of the East African Community or any organisations but I also know that if in the course of the auditing there are findings which may point to criminality then further investigations can be recommended in terms of a forensic audit or maybe more punitive action but this aspect is missing completely from the report and unless we take strict measures then we are likely to have a similar report coming up again and again.

If somebody for example does not adhere to procurement, what is the resultant effect? If there is over expenditure, what is the effect? So I would like to urge us to look into recommendations

that will deter and that can punish, recommendations that are constructive so that when we get another audit report from the Audit Commission, it will read differently.

Having said this, I would like to conclude by asking one single question because the way this report reads, if it lands in any entity's hands especially those who support us in form of our partners, it actually may be worrying. It may not depict the EAC as a model in terms of regional integration as well as in management of resources.

So my humble question is and this is why we actually wanted the Council of Ministers to come up with a response, was there an exit meeting between the Audit Commission and the management so that some of these issues which were raised were addressed and if there was an exit meeting, I think it would have been best for us to be able to have an idea and maybe another report altogether which explicitly talks about management response attached to what we have.

This is because I feel uncomfortable, as a person who believes in natural justice, that we are having almost one side of the story and it does not read very well and at the same time we do not have facts to inform what could have been said by the management in order to address some of these issues raised. This is because I want to believe in good faith that there must be

some form of mechanisms or action that has been taken, considering that this report is not on a very recent audit and therefore maybe what we may be saying here may be negated by the fact that this has been overtaken by events.

Mr Speaker and honourable members, this is why maybe at some given point, we should insist on the kind of documents we should receive as a House in respect to audited accounts because like my colleague keeps on saying, I think we need the Audit Commission report. I know it is very bulky but we need that information. We need management response and we also need some kind of exit meeting whereby there is an agreement on action so that it addresses these salient issues and then finally, we would be in a better position to debate and make recommendations that are more constructive rather than recommendations where we urge for example entities to adhere to regulations because non adherence automatically should attract some kind of penalty.

Mr Speaker and honourable members, with that I am slightly constrained from saying I support the report because I sincerely would like to hear more before I can commit. I thank you.

Mr Celestin Kabahizi (Rwanda): Thank you, Mr Speaker. Let me extend my gratitude to the people of Burundi mainly the Burundi chapter for the way they have received us and continue to cater for us.

In this report, I also need to inform this House that I am a member of the Committee on Accounts. We have seen that the total budget revenue for the Financial Year 2012/2013 was about \$ 140 million and the Community has only been able to raise from Partner States 52 per cent.

I know and we have received some comments on that, that some remittances delay but on the side of partners, they were only able to raise 42 per cent so I need to hear from the Council of Ministers the reason why these percentages have gone down and on which side we can improve for the near future to increase the participation or commitment from partners. Thank you.

Ms Isabelle Ndahayo (Burundi): Thank you, Mr Speaker. I stand to support the report. First of all, I would like to congratulate and thank the Committee on Accounts for the work well done.

I think this report is like a compilation of all those documents raised by hon. Dora. You can find in this report the management response and also the observations from the Audit report. All of them are compiled in this report. I want to say that this report has given us an idea of how funds paid by EAC citizens and other partners are used.

Unfortunately in this report, you find a lot of misuse of funds and mismanagement cases. I can name some of the cases in this report like on page 36 of the report, you will find a case where there are two staff who were paid for training in Dubai in Microsoft office.

Apart from that, this training was not planned for. This kind of training can be found within EAC region so to avoid travelling and other associated costs, I think we could organise this training in the region and also give opportunity to a big number of EAC staff instead of taking only two members of staff to Dubai for a training which can be assessed within the region.

This situation has reminded me that last year when we were debating the Accounts report, we recommended to the EAC Council to improve the management of human resources by putting in place a human resource management strategy or EAC personnel. When we have this, it can help institutions and organs when they are planning their annual work plans where all possible and necessary training or their staff according to the needs assessment and established skill gaps can be taken into consideration.

When this human resource management strategy can be put in place, even the issue of quota system can be controlled so that in recruiting, management will take care of the representatively

of all Partner States in the EAC staff and maintaining the equilibrium.

Another big observation from this report is that there is a lot of spending of unbudgeted activities or items and most of the cases are not justified. That is why some of the money must be recovered by officers responsible for this misuse of funds as it has been recommended by the committee. This is the case and I can give an example where they bought two mobile phones for unnecessary reasons without being planned for.

Therefore, I support the recommendation of the committee on developing a policy on acquisition of assets of the Community but not only the acquisition of assets but they should also develop a policy on management of these assets. It should not be limited to the acquisition but also to the management because if you look at this phones, where are they now? Are they still assets of EAC or they have been taken by other people? In the report it is not clear where these iPhones are now.

Another case of misuse of funds is in case of holding meetings out of Arusha. Why do we have to hold meetings outside Arusha without any reason? We have enough conference facilities in Arusha that if we had used them in holding these meetings, per diem and other standard expenses- We cannot tolerate this but I

salute the decision taken by EAC of stopping all these meetings in motion.

I would like to recommend that this decision should be extended and not be limited to Moshi only. There should be authorisation of holding these meetings, which take place outside Arusha and not only in Moshi.

Another issue I want to raise is about the climate change project. Here we always request to increase the budget for climate change sector but unfortunately I have found in their report that this sector spends only 44 per cent of the allocated budget to this sector. The reason, which was given is because of understaffing of the project staff. I think this sector should be given priority to be able to deal with the impact of climate change which is a reality in the region.

You have understood what happened last week in Kahama in the Republic of Tanzania. Even currently here in Burundi, this time we are supposed to have rain. It was supposed to be a heavy rain period here in Burundi but you can see how hot it is. This is all the effect of climate change which can also result into two bad situations so we need to give priority to this sector.

However, this issue of understaffing does not concern only the climate change sector but the whole EAC in general.

The recommendation I would like to give here is that the period of recruitment should be reduced to allow proper budget performance in this sector and also in EAC because we will have enough staff to realise the planned activities. The issue of recruitment should also be given priority to fill all staff positions which have several disadvantages for the Community. I beg to support the report, thank you.

Dr Odette Nyiramilimo (Rwanda): Thank you, Mr Speaker. I first of all want to thank the government of Burundi and the members of EALA from Burundi chapter for the good reception that we have received since our arrival in this beautiful country.

Mr Speaker, I have some questions on this report because after having received the report and gone through it, I was wondering if the Committee on Accounts has had the opportunity to also go to the books of either the Secretariat or the institutions audited to compare with the results of the Audit Commission.

If we look at some projects like on page 40, the HIV/AIDS project, they talk of poor performance which is of 47 per cent but they explain and the Audit Commission has explained that it was due to unavailability of funds on time. So if we are recommending to use the funds adequately and as fast as possible to be accepted by the donors, I think we also need to recommend

that donors give the funds in an agreed time otherwise we cannot talk of poor performance when the funds are not there.

On page 45 where there is poor performance, when we read we find that the utilisation was not 62 per cent that is talked about but they over spent. There is 215 per cent, 306 per cent of the allocated amount. So I do not know whether we can call this poor performance or over spending. I think maybe the committee should be given enough time and means to go and oversee these projects and do the recommendations in an advised way.

If we got to page 42, there is a recommendation about availing the copy of an addendum and I was wondering if it is the copy of an addendum for verification by the Audit Commission or if they really wanted to have the whole project and see if the funds were corresponding to the work given and why the addendum. I think it was not the problem of that copy that should be mentioned in this.

On page 51 about the Lake Victoria Basin Commission, the report talks of many days outside office. In the description, they say that some cadres of staff were outside the office for unreasonably many days when the main job description was not to involve a lot of work being done out of office.

If you go further, you find that it was explained that those people have to go and travel around and I would like to make sure that the committee has read the work description because in the recommendation, if we need to ask people to remain in the offices and still their work is outside the office, it will be a bit difficult.

So Mr Speaker, I want to thank the committee for the work but maybe when we have heard the responses from the Council of Ministers, we will know if we should adopt the report or not because there are still many questions that I have personally not understood. Thank you, Mr Speaker.

Mr. Saole Ole Nkanae (Kenya): Thank you, Mr Speaker. May I also join my colleagues and concur as to what they have said to the government of Burundi and the chapter.

Mr Speaker, I stand as a member of this committee and I am very sad. For the first time because we have done it for two times and this was a third one, non-tariff barriers were introduced in this particular audit. For the first time we were given tickets to go to Arusha and at the last minute we were told to remain home. This report is stale. It is no wonder that nobody wants to contribute to this.

Mr Speaker, I will go just as an overview. There is one thing. People do not go on leave and they are paid what we call paid in lieu of leave. Did these people apply for leave and they were told there is a lot of work to be done? We asked for letters of application for leave and they were not there. This is selectively given to certain individuals and not to everybody and I do not think that everybody went on leave.

Mr Speaker, there is this elephant called institutional review, which is causing a lot of under staffing, which is causing somebody called a consultant to make a cash cow. Something which was supposed to cost about \$ 400,000 has caused \$ 1 million. Has it been brought to an end?

The Daily Subsistence Allowance (DSS). We have discovered in lake Victoria Basin Commission that somebody was not in the office for 272 days which is impossible if you do it practically but he earns the DSS. So that person was not earning salary but subsistence allowance. Is it true?

Mr Speaker, in that audit report, a lot of mischarge and over expenditure because of misunderstanding in the report- I do not know whether the people handling that account or office are qualified to avoid the mischarge and over expenditure. It is everywhere.

Mr Speaker, in our Community, posts are advertised, people are short listed and a consultant is given the work to do the short listing and give those who qualify and those who do not qualify. Surprisingly in our Community, the work of the consultant was irrelevant because those who were disqualified and those who qualified were invited for the interview and they were paid air tickets, boarding allowances and they were from all over East Africa. Who will be surcharged for that? How do you invite somebody who has failed? Why did you first of all make that consultant do that work? So there are two wrongs. You pay a consultant. You pay a disqualified person to come for an interview. Have we missed people in this East Africa who are qualified?

Mr Speaker, as the iron smiths say, you rather hit the rod when it is hot. As I said, this report is stale, the faster we can get rid of it and forget it so that we can get a better one next time. Thank you, Mr Speaker.

The Speaker: Thank you so much, hon. Ogle.

Mr Emmanuel Nengo (Burundi): Thank you, Mr Speaker for giving me an opportunity to contribute to this report. First of all, I would like to welcome all of you members to Bujumbura. Feel at home away from home.

Secondly, I would like to commend the Audit Commission for the good technical work well fulfilled. For us members of the committee, we have appreciated them because they were straight and clear on the findings and recommendations specifically on the issue of management.

Thirdly, what we saw in the report specifically the misuse of funds, for me I found that the big issue is on the supervision by the Council. During our interaction with the Council of Ministers with the Accounts Committee and the Secretariat, the Council said that they do not have enough time to monitor the management in terms of follow up. This statement from the Council of Ministers leads me to call upon the Council of Ministers to allocate enough time to supervise the management and monitor the recommendation of the House. The Council must work very hard to make change in a better way.

For us members, I found that it is also time for the Assembly to increase the oversight activities by visiting the institutions and other interest areas of our Community because for example last time we were in Kisumu to visit LVBC, when we were on the ground, we found there some change but the recommendation we made sometimes in the House need to be followed up by members also.

Supervision and oversight also helps the management to change-
(Inaudible)-

Mr. Joseph Kiangoi Ombasa (Kenya): Thank you, Mr Speaker. Let me acknowledge the welcoming remarks that we have been given by the chapter of Burundi and the warm reception that we have received everywhere from the people of Burundi. We thank you so much.

Mr Speaker, on a general point, let me say that in many cases, audit reports are supposed to help management and those put in position of managing public funds to improve their performance but there is a misconception that it is a matter of course that they come, say whatever they want to say maybe in the national parliament or in the East African Legislative Assembly and nothing will be done because they cannot cut the hand that is feeding the Assembly as they will be injuring themselves.

With that misconception, nobody tries to improve. Year in, year out, audit reports will come and there is no improvement so that it becomes a song for five years where you sing and talk and then finally, there is no improvement and things continue as if nothing has been done. This is a damning report because it raises crucial issues and that is why perhaps you know that at the beginning I was of the view that after the Council asked for time, could there have been some kind of written document which

we would have looked at so that we do not speak with the anger that we had originally or are they going to come now and explain and say this is the position after we have ventilated very angrily on this issue as you have heard some other say?

I want to speak on three issues; wastage of resources time and money in terms of consultants. You will find in this report that people who are sent as consultants from Partner States are people who are just given an opportunity to come and earn a living and not people who are going to give an input that will be valuable to the Community - *(Interruption)*

Ms Byamukama: Mr Speaker, with due respect to my honourable brother and colleague, I would like to say that over time, the Audit Commission and particularly this House has improved on the management of the East African Community. In the second Assembly for example, we insisted that there should be financial management manuals and these are in place. We also insisted that there should be procurement manuals and these are in place.

I think what we are grappling with, with all due respect, is a matter of format and language because if an Audit Commission comes up with statements such as misuse of funds, that kind of stamen has criminal intent and therefore eventually when you try to interrogate it because this language is already out in the

public, it becomes difficult for you to be able to justify that what may have been perceived as such is not.

So I think what we are struggling with now is the issue of the format, language and mechanisms for a higher form of accountability but otherwise it is not as if nothing has happened so I would like to inform my brother accordingly. I thank you.

Mr Kiangoi: Thank you my sister Dora. I wish it was information because you have just provided me with information but I was talking about a misconception at management level. That is my view that I hold and I think you will need to convince me further as to why I should depart from that view.

Let me say that you find consultants coming from Partner States and these are people who are not qualified. This is in the report on page 18. That is the position that the Audit Commission did find and that is an issue that needs to be taken seriously.

Fortunately for me standing after hon. Dora has spoken, we have attended meetings with her where people did not want to finish the business of the day. When they are about to finish, they raise another issue and say, I think we have not agreed, the chair is convincing the delegates that we have not agreed on that. That is the kind of wastage that should be looked into.

On the issue of procurement, there should be competitiveness. We should not deal with one supplier over and over again as if we do not have other suppliers who are on the panel. If there are people on the panel then you should actually for quotations. We should develop a policy where you ask for quotations or they tender once in a while as the case may be but you find that in EAC, one supplier just supplies for five years to the extent that the other people who came on the panel do no work at all. It is like you can be on a panel of lawyers, you are happy that you are on the panel of lawyers of East African Airways or Kenya Airways as of now and you do not get work forever. There is no need of giving people hope where they will not even get any benefits.

Projects. I have seen in this report that there are cases of dual billing. The bills of quantities are provided for a particular figure and then the main contractor bills and the sub-contractor bills on the same item and it is paid. Those are areas of concern that we need to address so that we have not a perfect situation but a nearer perfect situation so that when Audit Commissions does its work at the end of each financial year, it is doing it for the better running with the hope that ether will be better running of the EAC as a Community because this Community is for all of us, it is for the benefit of all the people of East Africa. I thank you, Mr Speaker.

The Speaker: Thank you very much, hon. Kiangoi. Honourable members, before hon. Kessy takes the floor, I think it is important to prepare you to know that we will adjourn very early because our guest His Excellency the President of the United Republic of Tanzania and Chairman of Summit will be arriving and I am supposed to be at the airport to receive him. However, we shall continue with the debate tomorrow. We will not gloss over this report. Thank you so much.

Dr. Kessy Nderakindo (Tanzania): Thank you, Mr Speaker. I would like to add my voice to the complements that have already been given to the Government of Burundi and to the chapter of Burundi.

First I would like to declare that I am a member of the Committee on Accounts and I would also like to declare that I am not an accountant. However, I stand because there was a question that was posed to the Accounts Committee by hon. Dr Odette as to whether we looked into other books or other reports and compared.

With that obligation I would say yes. Since we were given time by the Council of Ministers to differ the debate, I had to question myself as to what the Council of Ministers saw in that report. I had to equip myself to be ready to receive whatever was coming from the Council of Ministers and therefore I did some little study.

First, as it was raised by the claps and maybe some sounds in the Assembly when the report was being read by the chairperson of my committee, it seems that the House did not understand how come with such recommendations, the opinion was unqualified. This means it was clean.

Clearly I did stand in Arusha and ask and pointed out that contradiction. To be clearer, I had to go and find the definition of unqualified opinion. Based on the encyclopaedia which is the dictionary of finances, it says that unqualified opinion is the judgement of an independent audit that the financial records and the financial statements are fairly and appropriately presented in accordance with the generally accepted accounting principles.

From what my colleagues have been presenting here about misuse, you clearly heard what hon. Kiangoi, hon. Ole Nkanee and hon. Odette contributed. This clearly shows that the records were not fairly and appropriately presented in that financial report of the EAC.

I was not convinced with that definition so I went further and found another definition which says that an unqualified opinion is given when the financial statements are sound. That means that the financial statements are free of any material misrepresentation. What does that mean?

We can look at the last page of the Auditor's report where we have all the audited generals of this Community sign. The auditors get that unqualified opinion but below it they say, without qualifying the financial statements we have two major concerns. If you go back to the definition in the encyclopaedia, it says that the financial statements are not sound if there are major concerns. So there is a big contradiction and I am not sure how I could state the opinion that was given by the auditors.

To go further, since we were given time, and I would like to let the Council of Ministers know that - *(Interruption)*

Dr Ndahiro: Thank you, hon. Kessy and Mr Speaker. I wanted to give her information on the role of the auditors. Auditors are not supposed to provide misleading information or make statements from the accounts which they cannot back. That is why either you call for a forensic audit or you call for an audit which is just making sure that the numbers you have recorded followed some guidelines and are in accordance with the guidelines that you follow. Either they are as you said generally accepted principles or they are in accordance with the public expenditure.

However, it is not in the audit to make statements like we see in this report that there was misuse of funds. They are just

supposed to state that this expenditure was wrongly recorded and we cannot verify it because you cannot retrieve or get supporting documents and they stop there. Otherwise, interpretation is not their role. Interpretation as done by the Accounts Committee I think. Thank you.

Dr Nderakindo: Thank you, hon. Ndahiro for making my work easier. Going into the interpretation, the Audit Commission said that their opinion was also based on the financial rules and regulations of our Community but they clearly stated and it is written there, it is the financial rules and regulations of 2006 while right now and I am sure they were provided by the financial rules and regulations of 2012. I know that because they did mention it when they were making their arguments.

You can clearly see that there is a lot of the Accounts Committee that went in depth to do our work. I stood to give this information because I was given a question by hon. Dr Odette but we know that a statement or document which was signed by the five Attorney Generals of our Community- How can we refute it? We clearly know that we just came from a period that we were at the centre of the media. We did not want this again saying that there are things that are not normal and that are going on in our Community and in particular this House.

Therefore, we humbled ourselves and accepted the opinion, not exactly with reason but with humility. Thank you, Mr Speaker.

The Speaker: Thank you so much, hon. Kessy. Honourable members, as I told you, we will not gloss over this report but give more time and recognise all the members who have stood up to give submissions. Tomorrow we will begin from there. For now for the reasons I earlier on stated, I would like to adjourn this House to tomorrow 10 a.m. House stands adjourned.

(The House rose at 4:28 p.m. and adjourned until Thursday, 19 March 2015, at 10.00 a.m.)