



EAST AFRICAN COMMUNITY

EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

Official Report of the Proceedings of the East African Legislative Assembly

18TH SITTING- FIFTH MEETING – FIRST SESSION – FOURTH ASSEMBLY

Thursday, 31 May 2018

The East African Legislative Assembly met at 2:30 p.m. at the Mini Chamber, County Hall, Parliament of Kenya, Nairobi, Kenya

PRAYERS

*(The Speaker, Mr. Martin .K. Ngoga, in the Chair)
The Assembly was called to order.*

COMMUNICATION FROM THE CHAIR

NATIONAL PRAYER BREAKFAST

The Speaker: Good afternoon honourable colleagues. I will make one communication. I will do the rest at the end. First, I want to inform you that in the morning, some colleagues and I, whom I had requested to accompany me, attended the National Prayer Breakfast. This was a very good and touching experience.

From where I sat, I asked myself, why could we not have this situation happening across our region and continent? It was emotionally moving to see the entire

leadership of this country across the political divide coming together, humbling themselves and saying to each other; I am sorry for wronging you. Most touching was the fact that, a few months ago, we were reading every day in the media how the diplomatic corps were trying to bring the political leaders together. However, we are now told that the diplomatic corps are struggling to get the updates of what Kenyan leaders are doing.

That tells us that whatever external intervention we may have, if we do not take up leadership and own our own processes, we may not make serious progress. Therefore, there are quite a number of

serious lessons to learn from this country and we wish the citizens well.

Kenya is not the most troubled. However, Kenya is showing the leadership. - (Applause)

We can only play our part to ensure that whatever is happening here in Kenya happens across the region and continent.

One more announcement. Honourable Members, when we finish, I will request that we stay around for a few minutes to meet someone who is coming from Arusha who will talk to us. This person carries the message that we all want to hear. I will make the rest of the announcements at the end. - (Laughter)

BILLS

First Readings

THE EAST AFRICAN COMMUNITY SUPPLEMENTARY APPROPRIATION BILL, 2018

The Speaker: Proceed, Chair, Council of Ministers.

The Minister for EAC Affairs, Burundi (Ms Isabelle Ndahayo) (*Ex Officio Member*): Mr. Speaker, Sir, I wish to move:-

“THAT, The East African Community Supplementary Appropriation Bill, 2018 be read for the First Time”.

I beg to move.

The Speaker: Thank you.

(*Dr Anthony Kafumbe, Ms Sophia Nsavyimana seconded*)

The Bill is referred to the Committee on General Purpose.

(*Bill was read – read for the First Time and referred to the Committee on General Purpose*)

THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT (AMENDMENT) NO. 2 BILL, 2018

The Speaker: Proceed, Chairperson, Council of Ministers.

The Minister for EAC Affairs, Burundi (Ms Isabelle Ndahayo) (*Ex Officio Member*): Mr. Speaker Sir, I wish to move a Motion:-

“THAT, The East African Community Customs Management Amendment) No. 2 Bill, 2018 be read for the First Time”.

I beg to move.

The Speaker: Thank you.

(*Dr Susan Kolimba and Mr Mathias Kasamba seconded*)

The Bill is referred to the Committee on Communication, Trade and Investments.

(*The Bill was read for the First Time – and referred to the Committee on Communications, Trade and Investments*)

MOTION

THE EAC AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2016

“THAT, The EAC Audited Financial Statements for the Financial Year ended 30th June, 2016 be adopted.”

(*The Chairperson, Committee on Accounts*)

(Dr Jumanne Ngwaru Maghembe)

*(Resumption of business interrupted on
30.5.2018)*

The Speaker: Honourable Members, you may recall that when we adjourned yesterday, the Chairperson of the Committee on Accounts had just finished reading his report. We were to embark on debate.

Debate is open.

(Question proposed)

I request you, honourable Members not to spend more than seven minutes each so that we can have enough time for all the Members who wish to debate the Motion. Let us have Dr Anne Itto Leonard and then, hon Josephine Lemoyan.

Dr Anne Itto Leonard (South Sudan): Mr. Speaker Sir, I thank you for giving me the opportunity to give my contribution to the debate.

Honourable Members of the House, I do not know how you felt when the report was read yesterday. I certainly felt terrible. I could not believe that this report was about the organs, institutions and projects of the Community that we really have hope and faith in. These are the institutions and projects, which will form the building blocks of the East Africa that is supposed to achieve our objectives, which are development and integration.

I found it unacceptable that these institutional problems are not new. They have been reported for over two or three years and nothing, much has been done to address the problems effectively and efficiently.

If I can refer to yesterday's report of the Committee on Accounts, the Audit Commission assessed the status of implementation of recommendations for

two years, 2013/2014. However, the implementation was only 41 per cent while in 2014/2015 it was only at 57 per cent. Based on this report, this is like a cancer eating away our institutions because problems are not being effectively addressed.

The problems we are talking about are very serious. They are about absorption of funds. As you can see, there are years when we only utilised half of the budgets that had been appropriated. This is because at some point, there was no adequate staffing. We all know there are no enough staff but nothing much has been done about it. Therefore, our institutions and the projects achieve very little and we are all right with that.

There are issues related to asset management that are costing us money. There are issues related to expenditure that reflect a waste of our resources. Look at the waste of resources and the fact that we are all waiting for Abela because we could not support our stay here. That is something that we should consider very seriously because it can be addressed too.

Procurement is at the centre of issues. There are some stages where contracts were awarded without competition. Others were awarded without observing the rules and regulations. These are very serious matters relating to staff members that we know. Yesterday, we listened to the people who were responsible for this. I doubt if this House cannot hold these people accountable because they are responsible for wastage of our resources, weakening our institutions and spoiling the names of our institutions. They are preventing us from arriving at our goals.

Honourable Speaker, I believe that this House has an oversight responsibility. We cannot just sit back and watch what we saw from the report yesterday; at least, where it is clear that there are individuals who have

conducted themselves inappropriately because this is affecting the Community. We have to take action.

I beg to stop here.

Ms Josephine Sebastian Lemoyan (Tanzania): Mr. Speaker Sir, Members of Parliament, Council of Ministers, the college of media houses, *a salaam aleikum. Ramadhan Kareem*; for those who are fasting.

Let me take this opportunity to join my colleagues in giving contributions to the report that was read to us yesterday. To start with, I take this opportunity to thank the Kenyan Chapter for all the preparations for this Plenary. I thank the Parliament of Kenya for accommodating us. I also thank all honourable Members who sent their condolences to us in Tanzania following the passing away of a Member of Parliament from the United Republic of Tanzania who has been laid to rest today. Thank you very much.

Let me also congratulate the Council of Ministers for submitting the audited report. I also congratulate my colleague, our Chairperson, Committee on Accounts for the work done very well. *Hongera sana*, the whole Committee for the job you have done very well in the short span of time. This job was tedious. You had to go through many documents. Today, we are discussing some of your recommendations.

I would like to make a few observations. Mine will be generic observations as well as a bit of specific observations. I congratulate the Committee for the methodology they have used and thoroughness. However, I would like to call their attention to the fact that in the end, their report will need some completeness. That editorial work will be done so that we have a proper report in the end.

My observations are not very far from those of my colleague who has just sat down, Dr Itto, concerning what we went through yesterday. It is saddening to see that an organisation or institution like the EAC with its organs and different projects also goes through the difficulties of managing projects, finances and the trust of the people of East Africa.

On page 10, I observed that 41 per cent of audit recommendations made in the 2013/2014 report and 57 per cent of audit recommendations made in the Financial Year 2014/2015 report were not implemented. I am asking myself, why? Before I start pointing fingers, I would like to reflect a little bit on the work that I do back home, in more or less a similar situation. Sometimes, lack of implementation does not come because it is intended. Perhaps there is lack of capacity or maybe we have systemic challenges.

I would like to add to the recommendations that the Committee made. Perhaps we might need to have systems audit in order to pinpoint where the challenges of implementing the recommendations that have been made by the auditors are.

On the question of issuance of the Certificate of Implementation of the previous audit, in order to reinforce it, it would be better to look very systematically into what the bottlenecks are. Where are the impediments for the implementation of recommendations that have been made? Perhaps the problem is time, capacity or many other issues.

On staffing, the second point in my contribution, I have been looking at the question of this organisation trying to fill the gaps in vacancies using short-term staff. Yes, I hear that there is no policy on short-term employment in EAC or EALA. Short term staffing has been going on for a long time; perhaps because there is what we call

institutional review, which the Committee says, has taken nine years to happen.

Again, this requires a systemic audit to know why for such a long time, we have not been able to finalise this institutional review. On staffing, I have a particular plea. That, yes, indeed, with lack of policy, there have been people employed on short-term basis for a long time. They have been there. What will we do with them if they are still serving as short term employees? Since we do not have policy guidelines, we are also having a challenge of understanding the categorisation of these short-term staff.

I would like to add to the recommendations made by the Committee. We have to do a thorough analysis of the existing short-term staff and see whether we can do performance evaluation on them and determine whether the staff have grown over time to gain skills and competencies that would elevate them to either permanent positions or positions that would be created after the institutional review and subsequent studies.

In conclusion, I am saddened by the overall performance as it was presented yesterday. It has put us in a very tight situation. The entire world is watching. We need to have an accountability framework and action has to be taken in order for us to clean our houses.

The Speaker: Let us continue. We will have hon. Mnyaa, Dr Woda and then hon. Makame.

Mr Habib Mohamed Mnyaa (Tanzania): Thank you, Rt. hon. Speaker, Sir, for giving me this opportunity to also contribute on the audited accounts and the report of the Committee on Accounts.

First, let me start by asking a question. Maybe the Chairperson of the Committee on Accounts will respond to this thereafter. There was an Audit Commission and then

the report was scrutinised and analysed by the Committee on Accounts. The Audit Commission, definitely, had some recommendations. The Committee on Accounts have also come with recommendations. I want to know the difference: Were the recommendations of the Audit Commission different from the recommendations of the Committee on Accounts, which were read here yesterday? If there were any differences, I would like to have some elaborations. That is the first thing I would like to know.

The second thing is regarding procurement. We have observed from the Committee on Accounts that 80 per cent of the queries are coming from the procurement. The first speaker here, Dr. Anne talked about procurement. The second speaker, hon. Josephine, also repeated about procurement and I am the third to talk about procurement. What pains us here is that our countries are struggling with the statutory contributions to run the EAC and yet there is misuse of these funds on procurement while the laws and regulations of procurement are clearly stipulated. Why are they not followed? It is not a question of only one year. It is a question, which has been repeated over all the years. No step forward has been taken.

Mr. Speaker, Sir, please allow your Parliament this year to take the necessary steps or recommendations, which have been put forward by the Committee on Accounts. They should be taken seriously. I concur with the recommendations, which have been made. Something should be done this year. We should not allow this to continue yet our countries are poor. They are striving to contribute funds for this Community to run.

In the Financial Year 2013/2014, out of the recommendations, which were put forward by the Audit Commission, 41 per cent were not implemented. In the Financial Year 2014/2015, 57 per cent of the

recommendations were not implemented. According to the observations of the Committee on Accounts, this continuous negligence of not implementing the recommendations of the Audit Commission is increasing. Previously, it was 41 per cent, then 57 per cent and maybe this year if we let this situation to continue maybe we will have 70 per cent not being implemented. This is not acceptable.

Honourable Speaker, it is evident that there is internal weakness of executing all these. Will you please pass a Motion or do something at the end so that the Fourth EALA stipulates punitive measures in order to ensure that this situation is not repeated.

Mr Speaker, there is another issue which has been mentioned here. It is everywhere in the report. This is about low absorption of the budget. It is surprising that apart from the fact that we are lacking enough money to run our projects, certain projects, let us say, those allocated US\$200,000 by the end of the year have only expended about 40 per cent or US\$80,000 of their budget. The reason, which has been explained here, is that this is due to insufficient work force, that is, shortage of enough staff. However, it is also surprising that there is a lot of temporary employment to cover the shortage. How can we have temporary employment of the same staff for 11 years? This is very funny. It only happens in EAC. It is not anywhere in this world. We have temporary employment, same people, for 11 years. This is funny. This is another issue, which we have to rectify immediately.

Finally, the Committee on Accounts has done a great and wonderful job. - *(Applause)*

We have to take them seriously and concur with their recommendations. Something has to be done in order not to repeat the same mistake next year.

I thank you.

The Speaker: Dr Woda.

Dr Woda Jeremiah Odok (South Sudan): Thank you very much Rt. Hon. Speaker. I also thank the Kenyan Chapter for their hospitality. They received us very well. I would also like to congratulate the Committee on Accounts for the work well done.

An hour ago, we were meeting with the Third East African Peoples' Agriculture Budget Summit. These farmers have many concerns. They are looking up to us, as EALA, to help them solve many of the problems they are encountering. I was reflecting – we sat there and promised them that we will do this and that and - I am certain in my heart that we have an institution. They requested that we carry out some research for pesticides, seeds and epidemics affecting animals in East Africa. We have an institute in Bujumbura, the Science and Technology Institute in Kigali and the Lake Victoria Basin Commission (LVBC), which can do us well if they are well funded and staffed with the right staff.

However, we know that they do not have the money. That is why they have run out of staff. They cannot out their mandate. I looked through the budget and compared how some of the offices procure expensive furniture yet some of our basic needs are not met.

Honourable Speaker, I beg that instead of us bringing consultants, paying them a lot of money and procuring these offices, let us prioritise our budget so that we meet the expectations of East Africans who are looking up to us.

I thank you.

Dr Abdullah Hasnuu Makame (Tanzania): Thank you very much, Mr. Speaker for giving me this opportunity to

add my voice to the report on the audited accounts of the EAC for the year ended 30th June, 2016, which has been tabled before this august House.

Before I comment, I thank the Kenyan Chapter for the hospitality so far extended to the delegation from East African Partner States and our staff from EALA Headquarters in Arusha. We are still enjoying the hospitality. We hope to continue doing that. Today, we saw a very memorable and momentous moment in the Republic of Kenya. We are very glad to have witnessed the “hugging” between the Rt. hon. Raila Odinga and His Excellency President Uhuru Kenyatta, which was very much in order. - (*Applause*)

For that reason, we commend the Republic of Kenya for coming up with solutions to their own challenges. That should be emulated around the region.

Mr. Speaker, Sir, I commend the Committee on Accounts. I am fortunate to be sitting next to my brother here, the Chairperson, Dr. Ngwaru Maghembe. The work was done well despite the limited timeframe. Up to early hours of yesterday morning, the report was still being processed. The Committee did what it should have done. It did justice to the task it was given. We commend the Committee for the job well done. *Hongera sana.* - (*Applause*)

I echo what has been stated on the Floor. For the honourable members of the Council, we need to have action taken on the recommendations made by the Audit Commission and the Committee on Accounts. There are several areas, which have been highlighted. They need to be focused on. We need to have timeframes for implementation of some of the recommendations, which have been given.

I now shed my observation on some of the institutions of the Community. I have

looked at the report and I will focus on a few. I will look at the East African Science and Technology Commission and the Kiswahili Commission. Most of the others have a similar problem of inadequate staffing, low absorption rate of the budget and lack of segregation of duties especially when it comes to accounting activities.

Having had training in accountancy during my early years, I know that in order for an accounting process to take place effectively and to avoid collusion, we have to segregate duties. However, in this case, you have the same person initiating, authorising, and writing a cheque. That is a problem in some of our institutions. We need to look into that matter so that we come up with a solution, which will be meaningful to help our institutions and save the Community funds.

The other thing, which we noted, is lack of strategic plans in these institutions. When they were pursued, they gave reasons why they do not have strategic plans. Mainly this came out as an issue related to delay in disbursements. However, having an institution paying officers with Community funds and yet it has no strategic plan means that they are implementing a mandate which is not strategically defined and which is not linked to the Community's strategic objectives. We need to make sure that our institutions have strategic plans and operate within the framework defined in their strategic plans.

Another thing is the issue of board member composition. Looking at the East African Science and Technology Commission, the protocol observed requires that a board should be composed. The board membership should be seven members from each Partner State. Now, we have a board of 42 members. Is that a public meeting or a board meeting?

Mr. Speaker, it is high time that this Assembly resolved to look into that

protocol and reduced the board members to the appropriate levels, which are manageable so that board meetings are convened. Having a board meeting of 42 members, all of them flying first class – are we thinking about the Community resources?

I would not like to spend much time on the Floor. I would like to give time to my colleagues to add more comments on this report. I thank you once again for the opportunity.

Mr Mathias Kasamba (Uganda): Rt. hon. Speaker, honourable Members of Parliament, Council of Ministers, Chairperson of the Council, allow me to take this opportunity to thank the Audit Commission and the entire membership for producing this glaring report, which shows very high degree of abuse of our office.

I thank you, Rt. hon. Speaker, for having accorded us – and I thank particularly, the Chairperson, for having taken us through this report which shows the trend we have been living in. My heart is bleeding. When I joined EALA, I came with a lot of vigour and it is still there. The people of East Africa have suffered a lot. They need to see the benefits of integration. However, if year in year out, we will continue to superintend individuals and institutions which are fleecing the meagre resources generated from the Partner States – the Partner States collect taxes from the very people – I have been facing farmers here in this very chambers and they were crying. We collect all taxes, Partner States remit them and we sit comfortably wherever we are in the region – those of us who are superintending. Procurement is done on a basis of, *To Whom It May Concern*, you can fleece anything, there are no procedures or processes and delayed implementation as my colleagues have highlighted. It is real pain.

Just recently, the Prime Minister of the UK delayed for five minutes and found when the House was in progress and yet a question had been posed to him. When he stood to apologise, he requested to resign. Time has come, if you are a true East African, regardless of where you come from and you know that you are a human being, upright and sober and you superintend such institutions of abuse and wasteful expenditures that is very painful.

Allow me to highlight page 87 of the report. Through the induction course, where we toured East Africa, we visited some of the projects. It has come to my mind that if we put up infrastructure, regardless of the human relationship within those infrastructures, integration is done. We saw the one stop border posts (OSBP). The structures are well designed, expensively made but the human beings in those infrastructures are a major hindrance on the facilitation of the integration process.

I just want to mention something regarding the Lake Victoria Water Supply and Sanitation Programme (LVWATSAN) project. I am seeking a clarification because I know that several of these projects, which are being implemented, are on loans; leave alone the taxes we collect from Partner States. Most of them are on loans. I seek a clarification, because on 3.21, it is mentioned that the African Development Bank (AfDB), principally agreed to finance the programme by a grant amounting to US\$72.92 million, approximately US\$107.86 million. Is this money a grant or a loan? Does AfDB provide grants to the tune of one hundred million dollars or are these loans? Are they not loans we have undertaken within the implementation processes? I seek that clarification because we need to know. Regarding several areas like the Lake Victoria Environmental Management Phase (LVEMP), when I was in Parliament of Uganda; several loans came before our Parliament. We committed those loans but

implemented at regional level. I am seeking a clarification. There are several loans, which you have undertaken on behalf of the Partner States but implemented and coordinated by the various institutions of the EAC.

When you proceed to page 89, when a project field visit was done, this is painful, the team happened to have visited Mayuge and Buwama. Just for your attention, colleagues, a facility producing 4,000 metric cubic metres – supplying 4,000 cubic metres of water and the capacity was for only 500 cubic metres. Trucks were procured and have been idle for over 12 months. Therefore, it is business as usual. We designed, implemented and it is now up to you. There is a contradiction on how these projects are integrated into the national and local governments and the communities.

A case in point was when we visited Nyamira and found a lot of water being pumped. We asked where is the community, which is benefiting from this water? It was such an embarrassing situation, having invested almost US\$125 million in such projects but the community was not aware. We looked for the water supply systems in the communities nearby and even outside the designed project area where the water was being pumped for eventual transmission to the community and outside the gate of the designed infrastructure. However, there was not a single tap. Is this the integration we are talking about? Are we ready to go on like this? - *(Applause)*

Rt. hon. Speaker, time has come for us, as Parliament, to take stock and request our brothers and sisters who are executing through the Council of Ministers why there is this leakage. We must fix the leakage, institutional weakness, delay and procurement loopholes to make sure that value for money and timely implementation is adhered. Let it not be business as usual.

Let it be a new dispensation to make sure that we have a new way of running the institutions and organs of the EAC so that we have the trust.

I am aware that majority of the funds in the implementation of these projects are donor funds. It is so painful. Even donors solicit and mobilise these resources from their taxpayers. It is time for us, if there is no way we can limit this leakage, to tell the donors to stop donating. Maybe when they stop we shall sober up. However, as long as we continue to get donor money, grants, loans, to mobilise local taxes and spend as we wish without recourse, then we will not have the integration we envisaged; where we wanted to see a people-centred approach where we improve livelihoods, infrastructure and every Partner State is happy with the other. The people of East Africa ought to enjoy the benefits of free movement, free services, free movement of capital and the like.

In conclusion, we are all responsible. As EALA, we must play our rightful role, the oversight function. We request the Council of Ministers and all those responsible to create space for the oversight function and to make sure that we conduct periodical check-ups, regular field visits and make sure that all those who are implementing projects are checked. We have committees in EALA, which oversee some of these. However, because we rarely get time to reach out on periodical basis, we only come here to firefight for 12 or 15 days and we go back to our capitals. What stops us when we go back to the capitals, together with the Council of Ministers and relevant committees responsible for East Africa to visit the projects and make sure that we oversee the implementation?

Lastly, where you do not inspect, do not expect. We are equally responsible to make sure that we inspect to make results realised in the integration process.

I rest my case.

The Speaker: Let us have hon. Gideon, Amb. Fatuma and hon. Pamela.

Mr. Gideon Gatpan Thoar (South Sudan): Mr. Speaker, Sir, I thank you. I would like to contribute to this debate on this important report. It is an eye opener to the Community at large. It is an eye opener to the Fourth EALA. This is another experience that we will add to the Northern and Central corridor tour report that we did in February and adopted in Dodoma.

I will highlight a few issues. I believe that the House knows that an audit report is an important tool in a community or organizational setting, which is always looked into keenly. It is very important because when you implement the recommendations from the audit report, then you regain the confidence of the funders, the people who give you resources. You also build confidence among the staff of the organisation and the systems. In addition, you build trust and empower the system. The leadership gains momentum because it has already corrected issues and it will move forward.

Where you have a system that the recommendations of the audit report are not being implemented, the system itself is living in disarray because the system will be fearful of what comes next. Therefore, nobody has confidence to move forward.

I emphasise that this report has indicated properly that we are compromising the fundamental principle of good governance, which is in Article 6 of the Treaty. Everything that happened fraudulently in terms of procurement and recruitment system, wastage of resources, and lack of internal controls in the system – all these constitute poor governance. It is no longer good governance. We are here to emulate a model of good governance in the EAC. Where do we get it if we have all these bad

practices? We are failing. This is not the EAC we were expecting. There must be a system of deterrence from what we have learnt. We cannot continue like this. It is good to put a full stop somewhere. Those who have committed this kind of actions need to be responsible for their actions so that next time no one will do it again.

If you have internal failure, lack of internal control system, then that constitutes system failure. We have learnt about what happened from 2015. What about what has happened from 2016 onwards? Are we really safe as a Community? We need to be frank to ourselves and call a nail a nail.

In conclusion, hon. Speaker, this House has a very important oversight role to ensure that the resources of the Community are utilised to the betterment of the Community and for the common good of the people of East Africa. Any action that has compromised how these resources reach our people for them to benefit needs to be pursued properly so that it comes to an end.

I rest my case. Thank you very much.

Amb Fatuma Ndangiza (Rwanda): Mr. Speaker, Sir, thank you very much for giving me the Floor. Let me also add my voice in thanking the Committee on Accounts under its able leadership of Dr Maghembe for a very bold report. This is what we expected of you. This is the way to go. There is nothing to hide. Everything is clear. We have a serious challenge in terms of accountability in the way resources at the secretariat and the various organs and institutions of the Community are being managed.

Yesterday, when I was listening to the Chairperson of the Committee on Accounts and as I read the report, I realised that we are in a serious mess. I do not know how we should address this. I would request the Council of Ministers to tell us what they are doing. One of your roles is to ensure that the

resources of the Community are very well managed. There are rules and regulations.

When I looked at the implementation of the audit recommendations as already alluded to, in 2013/2014 there was only 41 per cent implementation. In 2014/2015, the implementation status is at 57 per cent. There is persistence weakness in internal control systems of the Community.

We still have serious challenge with regard to procurement. If you turn to page 37 on the delivery and the status of supply and the installation of the security equipment worth US\$582,485.93, the supplier was awarded a contract and he was paid 80 per cent of the amount before delivering. This is happening in our Community. How do we call this? Why do we accept this? We were concerned about the money at the Kiswahili Commission in the previous meeting. Nothing has been done and yet over US\$30,000 was lost. The evidence is there but nothing has been done.

Although I thank the Committee on Accounts for the good work, I was not comfortable with some of the recommendations. You are talking about forensic audit in everything. Why should you have forensic audit when you have all the evidence? - *(Applause)*

An example is AAR medical insurance where a tender was awarded without fulfilling the requirements. Regarding the US\$500,000, none of these medical insurances were up to that, yet AAR was awarded this contract and up to now, we are still struggling and grappling with all its challenges. Why should you go for a forensic audit? We should see the word "investigation and prosecution." That is the way to go because we cannot address issues of serious abuse of funding, misuse and mismanagement by using very good words. It does not help. We should see the word "prosecution" come in. I do not know who

does it but the Council should tell us how to address some of these issues.

The issue of procurement comes in from time to time. There is lack of contract management system and seriousness in accountability of Community fund. We have not seen anywhere in the report where there has been disciplinary measures taken despite the fact that we have rules and regulations. No staff up to today, who is a culprit, has been questioned. There have not been any serious measures taken in regard to ensuring that disciplinary measures are taken for any form of accountability.

There are also issues of internal audit. I request the Council, that when you have people stealing the money of our Community, nobody should protect them in the name of "this is our person." – *(Applause)*

This cannot be our thief. Nobody should protect them.

If we are a pro-people organisation, we should put the interest of our people first, not the interest of a few staff; thieves. We cannot protect the interest of the thieves. At the end of the day, we are all complicit. So, let us face this issue of accountability. I do not have much to say because everything is very clear. We are in a serious mess. We are not proud of this report.

I hope that the Secretary General will tell us which measures are in place to ensure that next time we have a better report. This is the 2016 report. Are we sure internal systems have been addressed and that all these issues that we have seen have been addressed? Is there a plan to implement previous recommendations so that next time we do not face this? This is just like a sick person going to hospital and being diagnosed to know their situation. We know the status now. So, what are the measures to address these issues? We should not come back here to be told the

same things. We expect to be informed about implementation and action.

Thank you very much Mr. Speaker. -
(Applause)

Ms Pamela Simon Maasay (Tanzania):
Mr. Speaker, Sir, I thank you for giving me this opportunity to contribute to this report. First, it is said that EAC is ISO Certified. It is certified under a quality management system of 9001 of 2015 which is the current version. When we talk about ISO Certified, almost 95 per cent of what was observed from the presentation, which was conducted yesterday, all those observations indicate that there is no implementation of the ISO 9001. We say that the EAC is an ISO Certified Community. By saying this, I would like to point out some of the few observations and recommendations, which were presented yesterday. For example, compliance with staff rules and procedures which have been indicated in several pages. There is low compliance.

There is the issue of employing staff. This is about contracts and review contracts. There is also the issue of planning and infrastructure across the Community. Another one is adherence to procurement regulations. It is indicated that it was poor. That is mentioned all over this report.

There is an issue of segregation of duties. The ISO certification indicates how the organisation should divide the duties and responsibilities to its workers.

There is also low implementation of the previous findings. This is so because the management does not conduct review. This is also a requirement under ISO.

We also saw the issue of poor documentation. There is poor documentation. For example, there were missing documents. During audit, some documents were not accessible. This is a requirement of ISO too.

The last example is poor services and goods, which were provided to this Community. If you go through the ISO, you will see the way it directs any organisation to implement the issue of having good services. Whatever is implemented has to be done in a proper way.

Mr. Speaker, Sir, I recommend that the Members of the Council, Members of this House and the Secretariat to come up with a corrective action. We can start with this document. We should go back because now we have the findings and conduct corrective action and make sure that it is implemented according to ISO 9001. We are all aware that we are employees of the EAC. It was mentioned that all of us should comply with this ISO. We can start with this report and make sure that we follow up whatever is indicated or recommended in this report. We should set the date of completion and make sure that all these people who are supposed to be responsible for whatever case are taken into account.

Mr. Speaker, Sir, we are here to make sure that we promote good leadership and governance. ISO 9001 requires any organisation to implement good leadership and governance.

With due respect, I commend this House again to make sure we start from this point because in the documents which I went through, it is indicated that ISO 9001 is implemented by the Secretariat. It is not integrated to other organs. Most of the staff under the Secretariat are not aware about this quality management system, which we are implementing.

In the corridors, copies of the policy are on the wall showing that the EAC is implementing ISO. However, this is nowhere.

Mr. Speaker, Sir, I beg to submit.

The Speaker: We will have hon. Jematia, hon. Jean Claude and hon. Fatuma Ibrahim.

Ms Florence Jematiah Sergon (Kenya): Mr. Speaker, Sir, I thank you for giving me this opportunity this afternoon. I would like to take my precious time to welcome all Members from other Partner States to Kenya. Feel at home. I believe that most of you are enjoying their stay. You have been around for a while. If you have not enjoyed, you are welcome. We will still take good care of you. - *(Laughter)*

Rt hon. Speaker, I also thank Kenyans who accompanied us today to celebrate or give thanks to God in our National Prayer day. Those who watched and those who were there realised that forgiveness is not a weakness. We give thanks to God for where we are today as the country of Kenya.

Concerning this Committee work, I thank the Committee on Accounts for giving us an in-depth research and candid report on how the Community, through the EAC, has been misusing our resources. They do not care what the people of East Africa feel. They have been given the opportunity to make good use of the resources in many ways. I am so saddened because of the way some institutions like our Secretariat is managing our resources. The Committee on Accounts has elaborated this.

Let me look into specific areas. For example, procurement. All Members know that procurement is core in the modern world. Everything is dependent on how goods and services are procured for the betterment of the people who are using the goods and services within the institution or any other given society. I talk about procurement because the procurement committee in the Secretariat has committed atrocities that I do not think we can sit here and negotiate on how to deal with them. These people should be in jails because of what they have done to us as the people of East Africa. - *(Applause)*

Mr. Speaker, Sir, I am surprised because when the Chairman of the Committee on Accounts was presenting this report, Members of the Council and the Secretariat were just looking at it as if it was business as usual. Some of us were so scared. Every sentence sounded like a movie.

The Speaker: But we have not heard their side. Maybe it is too early to pass a verdict.

Ms Sergon: Mr. Speaker, Sir, it is true but this is my opinion. We have several issues, in my opinion, on the award of insurance tender to AAR, supply of laptops and supply of furniture in the Kiswahili Commission. This looks like choreographed events of officers; sitting knowing very well, that no one can go beyond their desk and look into what they are doing. That is why the anomalies were crosscutting. It was as if people sat down, agreed and decided that certain monies would be used on issues that they can decide on their own.

Hon. Speaker, for God's sake, how do you even pay when there are no deliverables? How do you pay when the services are so poor? How do you pay for services, that for instance, your Members or whomever you are paying for are complaining about yet no action is taken? It means someone is sitting somewhere and he or she does not care about the consequences that come with it. This is a laissez faire type of leadership where people sit and say, whatever happens, it is not about us. It is as if someone else will come to answer or take responsibility. We have given them the opportunity to serve and for once, through the report as hon. Ndingiza Fatuma has said, we should be hearing some critical words like prosecution. We should allow that to take place for once. - *(Applause)*

My country, Kenya, is going through a rigorous fight against corruption. At least you witnessed this when you arrived in

Kenya. Some few people were being thrown to jail. It is because the society is pushing the leadership to do it. It is not the leadership deciding so much about it. It is the outcry from the people. They have said that enough is enough. This should go back and down to EAC. Of course, EALA is part of it.

Rt. hon. Speaker, I feel bad because the Committee went ahead and mentioned names. I have an interest in some few names here. For instance, an officer who was supposed to forward matters of concern in corruption to the court has refused to do it. Whether it is true or not, the thing is; the same officer was rewarded and given back her job in the same Community.

Honourable Members, we have to sit down and seek the truth on whether we are supposed to be overseeing people doing whatever they want. All the recommendations are forwarded to the Council. As members of the executive organ of the Community, our Council should take this up as a matter of urgency and seriousness. We cannot be overseeing misuse of resources, day in day out. I am challenging the Chairperson of the Council – we call him the youngest man in the House – not to allow this issue to go beyond what we are describing today. The Committee on Accounts has given us a very voluminous report in less than 12 days. What if they sat for one month? We would be probably dealing with books of what has transpired in the EAC Secretariat. It is high time we stopped it and made it a thing of the past. At least, we should try even if we are not able to stop it fully. - (*Applause*)

Ms Fatuma Ibrahim Ali (Kenya): Hon. Speaker, I thank you for allowing me to contribute to this debate. First, I congratulate the Committee on Accounts, chaired by our brother who ably represented us. I also recognise the work of the Audit Commission of the EAC, represented by all six Partner States.

I join my colleagues in registering my displeasure and sadness with the audited report of 2016. This report surprises many. It has surprised me. I asked myself; are we auditing an institution or individual property? I have arrived at that because in my household, which has seven individuals, when I give Kshs10,000 for groceries, I look at what has been bought and what has been brought, the quantity and the quality of the products bought. This is at a household level. What is shocking is that EAC with various institutions is not adhering or complying with any regulations particularly the tendering process, completion of projects and submission of reports.

My view – I confirm to this House that I am a senior person and I have been a member of the Accounts and Budget Committee of the Kenya National Assembly. I was in charge of the Procurement Committee in the Kenya National Commission on Human Rights – when I look at this report, there is an element that is running around in the institution, which is lack of accountability. This is caused by lack of total enforcement of the regulations, rules and any other laws that require to be complied.

There is a culture of looting in this institution. I say, “looting” because it is a haphazard or disorganized way of collecting resources. From 2012 up to 2016, the brilliant Audit Commission of the EAC representing all the countries has presented its advice, observation and recommendations. I can say that 100 per cent of the recommendations have not been implemented. This institution is in a total mess. Although it is our mandate to discuss the audit report, we need to devise very radical actions as the legislative arm of the EAC.

I am sorry to say this when the Chair of the Council of Ministers is here. I tried to ask myself and I was positive and objective

about how things should look like. It is possible that money can be lost. There are corrupt people in any society or institution. There are people who can easily manipulate the institution. There are people who feel that they have a godfather, that they are untouchable and can do anything. What shocks me is the role of the Council of Ministers. I am sorry that I am not undermining anybody. In any audit, the ball rests with an enforcement arm of this institution.

Honourable Speaker, I am still wondering. If we continue like this, we will become part of the cartels unless we are very careful. I support the proposal that the Principal Accountant has messed up this institution. Under the Treaty, the Secretary General is the Accounting Officer of the EAC; unless we have other law that says that he is not the one. If the Secretary General is unable to enforce and implement the Audit Commission's report, he must have communicated this to the Council of Ministers.

There are very basic things in this report. For example, payment of contractors for what they have delivered. Concerning the security equipment, for example, 80 per cent of the cost was paid despite items not being delivered. As an experienced person, I do not understand how you pay 80 per cent of payment to contractors who have not delivered. Honestly, there is total culture of impunity in this Community and its organs. There are people who are failing us. The sad part of it is that for four or five years nobody has been prosecuted or sacked. People are retiring with imposts and advances.

Hon. Speaker, I looked at the figure; whether this is about misappropriation or not following procurement procedures, I estimated that over US\$2 billion could not be accounted for. I looked at the figures in the report. I have not made a calculation of all of them. It might even be US\$4 billion; whether wrongly paid, creditors money,

advances and imposts not surrendered or money that was not supposed to be paid to certain contractors without delivery of services, I think we are clocking nearly over US\$2 billion. This money can pay the EALA, national and regional programmes for a number of years. It is not little manner. That is just a rough estimate.

I would like to return to the issue of the Council of Ministers. I have high regard for the Council. We are not running a mock audit discussion. We are discussing real concerns. We are not here learning how to debate. If the audit reports of 2012, 2013, 2014 and 2015 were not implemented, how sure are we that these reports will be implemented? If they will not be implemented, enforced and actions are not taken, do we need to debate the 2018/2019 audit report? We are in a mess.

The Council of Ministers needs to help us protect taxpayers' money. We should not nurture the culture of impunity. Other thing that I find very strange is that even paying creditors is a problem. These poor creditors have invested their money and put their capital in business. They are not paid. These are basic things. Some of them might be genuine. If these people have been allowed appropriately or legally, to provide goods and services, they are entitled to be paid.

We are discussing institutions and individuals that have no regard for what we are saying. I observe that this is a ceremonial address of the audited report of 2016. We need to take drastic measures. We need to have arrests and prosecution of individuals. I am clear, there are people I would prosecute if given that opportunity. If I left the Fourth EALA at this time and became a Council Member, I am very clear on where I would start. - *(Applause)*

The Speaker: Thank you, hon. Fatuma Ibrahim. Let us have hon. Claude Barimuyabo and then hon. Rwigema.

Mr Jean Claude Barimuyabo (Rwanda):

Mr. Speaker, I thank you for giving me the Floor. These issues are obvious. The Community is facing challenges due to misuse and mismanagement of funds. The management is not only misusing money from Partner States. It is also mismanaging and misusing money from donors. I have tried - (*interruption*)

The Speaker: Who is raising a point of procedure? Hon. Francoise.

Ms Francoise Uwumukiza (Rwanda):

Hon. Speaker, hon. Jean Claude was supposed to declare that he is a Member of the Committee on Accounts before he starts contributing to this report.

The Speaker: Well, we normally do but even when we do not, unless there is an issue of conflict, any Member is free to rise, on a case-by-case basis; it is not a fatal omission.

Mr Barimuyabo: Thank you, Mr. Speaker. I was saying that this Community is not only misusing money from Partner States but it is also mismanaging money from donors. We have already started to experience some effects whereby some donors have started to withdraw their support.

Mr. Speaker, Sir, I will not go to the report in detail but I would like to come to some specific issues. For instance, companies that were involved in irregular and fraudulent procurement are still in the Community giving us bad service.

I could cite Mbasha Holdings and Mika Electronics. In this report, there are some issues you cannot find in this summarised one but as a member of the Committee on Accounts, we have also seen some issues that you could find if you read the whole report of the auditors. They are not elaborated in this report of the Committee on Accounts.

There is a place we found a flash disk costing US\$3,000 but because it had supporting documents, it is not mentioned here as an issue. The Community is very rich but the money is not used well. Some of the individuals and the companies I cited are not held accountable. I do not know if the procedures are weak or the laws are not in place, which is a task of EALA. I do not know also if it is a problem of the Council of Ministers, which is supposed to hold culpable individuals and companies responsible or accountable.

Among the recommendations we made, first starting from the previous recommendations of the previous financial year, 41 per cent of the recommendations of auditors were fully implemented. We are now still recommending to the Council to put the management to task while they have already failed.

I was wondering whether the EALA has powers to go directly and report to the Summit because you might find that the Summit is not aware of some of these issues. If they can produce a summarised report on these issues and report it to the Summit, maybe they can act, if some of the Members of the Council are not reacting properly, they can put them to task because they are the ones who nominate them.

In conclusion, there is one general recommendation where we recommended to the Council that the management must report quarterly to EALA and to the audit commission on the implementation of this recommendation. By doing so, we shall be able to monitor from time to time the challenges they face and how they are implementing the recommendations. We shall come to the level of also, as the legislature, of passing laws to address those issues.

I request that if possible, some of the names of the staff that are still working in the

Community and were involved in this fraudulent procurement and other issues be laid here on the Floor of his House so that media also capture them.-(*Applause*)

The contract of AAR will end this month and I do not know if it is among the companies that have provided bidding documents or not. It must be blacklisted because it is evident that we are receiving bad services. We are receiving the bad services from it only because it got the contract in a fraudulent way. I cannot say much about it because it is very clear.

I hereby conclude and submit.

The Speaker: Thank you, hon. Claude. Let us have hon. Rwigema and then hon. Mary Mugenyi will follow.

Mr Piere Celestin Rwigema (Rwanda): Thank you, Rt. hon. Speaker for giving me the Floor. It is an opportunity for me to thank the Kenya Chapter for the warm welcome and hospitality we have until now. On the report, I am a member of the Committee on Accounts. It is an opportunity for me to thank all my colleagues, members of the Accounts Committee, especially the Chair, Dr Maghembe. Scrutinizing the numbers in this report shows that we are not in the same world. It hurts and we have to be flexible, patient and human. Thank you, Dr Maghembe.

The review of this audit report is not only hard but it takes time. It is the reason why if it is to be correctly done, the budget should be increased so that we get enough days to do it, perhaps 18 days. This will enable us to scrutinize it in the right way and go into details.

This report is in fact, the same as the previous one. There are only one or two differences. I have seen the report where it was possible to use money from a budgeted line to non-budgeted line. It is not an error

or erroneous writing. I am an economist. This is mismanagement. It is a kind of fraud, which can be punished.

Rt. hon. Speaker, I will not go to the full details but I will address two key elements of wrongdoing in this report. One is non-compliance with rules and regulations. This is very important. When there is no compliance with the rules and regulations, you can have a very bad process in procurement, staffing or asset management.

The second one is non-implementation of the previous recommendation of this august Assembly. If you do not implement previous recommendations, how can we expect to get the implementation of the current recommendations? It is very hard. If we do not follow the rules and regulations, we cannot implement the previous recommendations and we should not expect to be on the good line of good management.

Some action must be taken. I am supportive of what my colleague, hon. Mnyaa had said, that we have to take action. That calls for implementation. I propose that we always get the Secretary General who is the Accounting Officer of the Community to provide a matrix indicating the roadmap and steps taken for implementation. We have then to follow and control. Without that, we cannot follow. We interacted with the Council of Ministers, and the Secretary General, I was very glad to hear from the mouth of the Chair of the Council the commitment, the strongest one for change. I hope that the declaration and commitment he made in front of the Committee, is the same he will make in front of this august House.

I hope that this exercise will not be, as one of my colleague said, a ceremonial exercise.

Rt hon Speaker, I support the report.

Ms. Mary Mugenyi (Uganda): Rt. Hon. Speaker, thank you for the opportunity.

Like all my colleagues, I start by thanking the Kenyan Chapter for very good hospitality so far. We are definitely being accommodated very well, the standards that befit an MP. Therefore, I am grateful. I am sure many of my colleagues would agree with that.

I thank hon. Maghembe. You did a good job with your Committee in its entirety. You have been able to do thorough work in a very short period. The volume and size of this document shows that you did a good job. The fact that within two weeks, you extracted all these information definitely makes us proud. I have a feeling and encouragement that the Fourth Parliament is able and willing to do its work. - *(Applause)*

I congratulate you, Mr. Speaker, for leading a team of professional and committed individuals from East Africa. Thank you, honourable colleagues.

Bearing in mind much of what has been said and what was presented yesterday, I do not think that we even want to go through the details relating to what is right and what is wrong. The question is; what is it that has been done right? Honestly, normally in an audit report, at least, you highlight what has been done right particularly as far as finances are concerned. What is it that has not been flouted? I do not want to go back because of what was shown yesterday and what we have read.

I feel that, without further investigation, this is clear fraud. Was it done by omission or commission? If it was by omission, then the EAC has employed a bunch of people in the name of professionals who are not working as professionals. Why should that be the case? Why should we have people in offices that do not know even the bare minimum of following rules of procurement anywhere? I do not know of any public institution that is not guided by rules of procurement. How do you decide or

determine what you do? How do you determine whom you give a contract to and whom you do not? How do you hold that person accountable if there are no rules that are being followed?

Mr. Speaker, I call on my colleagues, as East Africans, because we are here not representing ourselves but because our Parliaments put trust in us, to speak for the region and to represent our people. You have to ask yourself a question, if we do not see action being taken, shall we be fair to the poor people of the East African region and our governments with their small budgets, trying and struggling to remit this money? I believe that most of our governments have not paid in full, not because they do not want to pay but because they do not have enough resources given the small economies and given the so many competing responsibilities that they have.

Therefore, we are not only speaking for our people but we are also speaking for ourselves. I am a taxpayer. I know that the Uganda Revenue Authority does to me as an individual. June is coming and I am supposed to pay so much money. Part of that money comes here. This money is being embezzled. What I am saying applies to so many of my colleagues here. Who does not pay taxes in their countries? We all do. I believe that because the audit reports have come out and Parliaments have been sitting, the Second one sat and now we are the Fourth; they have been making recommendations but no action has been taken. This has created a feeling of impunity. It is business as usual.

Therefore, if we do not take action – I even suspect that the audit reports that will follow this one are likely to be worse than this. Why would that be true? It is because no action is taken. I am sitting here comfortably, enjoying a huge salary compared to the people at home in our countries and I have an opportunity to steal with impunity. Why would I not steal

again? From what was reported yesterday and what I can read, this is clear theft.

I, therefore, request my colleagues that we stand tall to be counted and speak for our people. We are the voices of East Africans. I have heard the business of saying, we must protect our own. This “own” is not stealing for you. He or she is stealing the money and resources of East Africans. Who is “own”? If you are mine, why are you stealing from my people? Luckily, I believe though I have not found out which nationality so and so belongs to in the report and beyond, because I believe there are others that are not in the report that are culpable. I believe they come from a cross section of nationalities. It cannot be one country or member state or the other. It must be across the board. These people do not become fraudulent for you to benefit. How do you benefit from this fraud? How have you so far benefitted? How do we benefit from this fraud?

I want to be counted as having said, unless action is taken, I will go to my Parliament and inform them rather than campaign for allocation of resources to be passed. I will tell them not to pass resource allocation for the EAC unless action is taken on this graft. Secondly, and through my Council Member, I would like you to take our voices to our member states. I have even heard people say that remittance should increase from US\$8 million to more funds. How? This is a lot of money. If this money was used properly through proper procedures and properly accounted for, it is more than enough. Please, colleagues, let no one be convinced that we need to ask our governments to increase remittances. Let us first see how properly the US\$8 million is used. Let us ask our governments to pay the amount they are supposed to pay but more with this kind of graft? No sir! *(Applause)*

I do not think that I can say more but I am very hurt as a person who represents poor people and as a taxpayer. I request, my

executive, the Council Members to support us and action to be taken against graft. We must see action.

I thank you.

The Speaker: Thank you very much hon. Mary Mugenyi. Let us have hon. Gabriel and then hon. Muhia.

Mr Gabriel Alaak Garang (South Sudan): Rt. hon. Speaker, thank you for the opportunity. I am a member of this Committee. I have contributed to the recommendations cited by our able Chairman, Dr Maghembe. Thank you, Dr. Maghembe for your wonderful presentation. - *(Applause)*

Rt. hon. Speaker, I will help my Chairman in responding to one of the questions and then I will make a general observation and recommendation. My response is to hon. Mohammed Mnyaa. He asked what methodology we used to make these recommendations and whether we used the recommendations of the Audit Commission or whatever method we used. The method we used to arrive at these recommendations was that we were given the audit report and then we invited the Audit Commission, which is composed of members from five Partner States. We also invited the Secretariat. The Secretary General, the Deputy Secretary General, the Procurement Department, Finance and Human Resource and Administration were there. We also invited heads of the various projects in the Partner States. We also invited the East Africa Court of Justice (EACJ) personnel. We invited all the people that matter.

From the report of the Audit Commission, we also picked their recommendations. We asked the management whether anything has changed from that time. From the scrutiny, we made these recommendations. Therefore, we went about it that way. They are not mostly the recommendations that

are contained in the audit report. There is a view of the way we looked at it. That is the way we went about it in response of what hon. Mnyaa requested.

Secondly, which is my second observation. The EAC is composed of certain institutions and organs starting with the Summit, the Council, the Coordination Committee, the Sectoral Committee, the EACJ, EALA, the Secretariat and the Projects. What was contained in the audit report was the utilisation of resources by the Secretariat and the Projects, which was good because our interest is to see how the resources of the organisation are used. That is why we have made those recommendations. Therefore, in this august House, I will be urging honourable Members to pass these recommendations with amendments. If you see that there is an amendment that can be made; whether you want to make one of the recommendations to be strong or less strong, that is fine. I urge this honourable House to do that, but there is no monitoring and evaluation department in the organisation. There are shortcomings at all levels of the institutions. For instance, you find that we do not reach the level of the Summit, because that is the highest organ of the organisation. The low remittance of funds, for example, rests with the Summit. I do not think even the Council has much authority.

Therefore, if the Summit says we should pay our obligation, that has to be paid but then where do we get this shortcoming reported? I think that there should be a department that should be monitoring and evaluating the whole structure of the EAC. At the level of the Council, this honourable Assembly has made many recommendations to it. We push them to the Council. There are shortcomings at the level of the Council.

We also need a department to monitor and evaluate the Council because we were being told that at times there are members

of the Council who are against some of the staff being disciplined. We also need the Council to be evaluated.

The Coordination Committee is composed of Permanent Secretaries of the Partner States. We are told that some do not come for meetings. We are told that even some Attorney Generals do not come and that is why some of the laws are not enacted. Now, we need them also to be evaluated.

On the Sectoral Committee, we have various sectors represented from the Partner States. We need them also to be evaluated whether they attend meetings and do their work well. We also want the EACJ to be evaluated. The EALA should also be evaluated. Are we doing good work or not? We need a department to monitor and evaluate us also.

The Secretariat is evaluated through the audit that is done. This is why we are concentrating on it. This is fine because money is evil and can be misused. We want full utilisation of these resources for the welfare of the Community. I accept that it is good. The Audit Commission will continue doing its work.

On the Projects, the Audit Commission will continue to do its work, also in our deliberations in the Committee, we were helped by the visits we made to some of the various projects. We had some knowledge of what was going on. That also helped us. We need an impact assessment or evaluation of these projects.

My recommendation to this august House is that we need to establish a monitoring and evaluation department within the EAC. I am not sure where we can place it and whether it can be in the Secretariat or somewhere else. However, this is my strong recommendation because we need to evaluate and assess ourselves. This is not a question of the money that has come that will kill the organisation. What about the

money that has not come? We also need to evaluate the Summit so that there is a report; that, the Summit is not doing its work, for example. We are not above them but if this is put in a report in the books, then it will not have been said by hon. Gabriel Alaak. I think they would listen. So, hon. Members I beg that you make your recommendations and pass the scrutiny that we have made with the recommendations I have just made.

Ms Wanjiku Muhia (Kenya): Thank you, hon. Speaker. I declare my status that I am a member of the Committee on Accounts. I do not know if it was by omission or by choice by the Chair and our Clerk to leave out signatures of the most active Members of that Committee because I realise that my signature is missing. Those of hon. Rose Akol, hon. Christopher, hon. Namara, and hon. Kennedy are missing too. However, I confirm that even when our signatures are missing, we are in support of this report in totality. (*Applause*) - We are also in support of the amendments that may be given by Members.

Hon. Speaker, whenever I looked at this report and even when I at the sitting of the Committee on Accounts, I become a bit emotional. I really felt bad. I feel like I can be sick.

First, I congratulate our Chair because he handled this transaction very well. Chair, we applaud you. I also congratulate our clerks who also did very well. I also applaud the Audit Commission and our team from the Secretariat because they participated very well. However, on the onset, when you look at the issues from page one to the last one, they repeat themselves. You can close your eyes and know what will come next. These are simple issues yet we have professional, qualified staff who are working for the EAC.

There are issues like asset management and employment. In fact, EAC could be doing illegal acts by employing staff on temporary basis for almost 10 years. It is not allowed. When you have staff always on short contracts, they do not also give the best service. We could be experiencing, as a Community, very poor service delivery from our staff for lack of commitment and trust that they will be working tomorrow.

Hon. Speaker, we looked at this report and found companies repeatedly winning tenders. They are issued tenders by three members out of seven. When we walk around in Tanzania, we see very beautiful furniture. However, when it comes to the EAC, furniture is supplied solely by Mbasha Holdings. Are they the only carpenters? These serious questions made us emotional. The services offered by AAR are substandard. We were asking; does the Community have quality assurance so that service providers can be evaluated to an extent that the services provided are measured to see if they meet the value of money paid?

I once worked in a company, which gave me only US\$500 as my medical cover for my children, my husband and me. However, I never got bothered because I used my card and when my money got finished, I went to my pocket. I will say here authoritatively without fear of contradiction that the AAR cover is on paper. It is not a real cover. When we were having meetings of the Committee on Accounts, a certain honourable Member and I went to Nairobi Hospital. When I checked my balance – surely, I have never been admitted because had I been, hon. Kim would bear witness because he likes joking with me and he would have come to see me in the hospital – I was expecting it to be still US\$200,000. However, to my surprise it was US\$13,000. So, where is the US\$70,000? This is cover on paper, for a company that is awarded tender and trusted. I checked my balance on outpatient, which

is given, in Kenya shillings, it is easier for me, and it is Kshs250, 000. However, it was at Kshs170,000. Therefore, this is cover on paper. Does the management work as committed management to see what is happening in the EAC. Is it lack of capacity or is it by design? Surely, when it comes to looting, theft, this could be caused by anything including lack of capacity. To my knowledge, it is only very competent officers who can do this kind of looting.

Rt. hon. Speaker, without repeating, the Fourth EALA should be the agent of change. We must see where we have come from and say, this must be the last time when the EAC money is stolen in broad daylight. - *(Applause)*

This sitting is being held here at a very interesting time when my country is also experiencing similar activities. We, therefore, ask the EAC or EALA to set an example even to our Partner States. We cannot afford to have corruption yet we want to grow the Community.

Statistics show that the EAC is the fastest growing economic bloc. When I realised this, I kept on wondering; what if the money was not stolen? Would we not bypass the EU? We would be ahead of America. - *(Applause)*

I am sure if this money was not stolen and funds were well appropriated then we would be very far. The poor of the poor we keep talking about would be smiling in all our East African countries.

Hon. Speaker, as I conclude, I ask the Council to support EALA by implementing our recommendations. We really thank your desk and that of the Clerk for giving us the tour of the Northern and Central corridors. Most of the issues that were brought to the Audit Commission did not appear new. When they brought the issue of the Kiswahili Commission, I remembered it. Surely, people are just refusing because

when you look at the bank statement of the Kiswahili Commission, you will notice that there is no institution that can work like that, not even my house. One of the Kiswahili Commission bank statement shows that on Monday, they withdraw US\$2,000; Wednesday afternoon, US\$4,000 and Thursday, US\$1,000. There are small debits from in their account. Surely? This is an institution, which does not plan, and they know that at the end of the month they need salaries. How does this happen and no one is seeing? Some people must be turning a blind eye to such accounts.

I appreciate the Audit Commission because it is a very small team, which was able to see all these with limited finances and constraint of time. This tells us that there is more than we did not see in this book. I would like to tell the officers who were involved that first; it is very unfortunate that officers have been involved and they are still in office.

Hon. Speaker, that situation was very annoying in one of our meetings of the Committee on Accounts because these officers were smiling all the time. When the Chair asked; what about this? They smiled as if stealing is Gospel that should take people to heaven.

The issue of an internal auditor is definitely by design because we do not have one and we do not evaluate what happens. Therefore, we can only expect this without an internal auditor. However, we are informed that the internal audit desk will be in place soon. Therefore, we expect and hope that things will change.

As I conclude, we should be hopeful because we have interacted with the Council of Ministers, the management and things could have gone haywire for lack of rules and laws. However, I am sure that the Secretariat has seen there was no Wanjiku in EALA, there was no Fatuma in EALA

and there was no Jean Claude in EALA. Secretariat, these Members will only be your friends if you do the right thing because we are sent here by our Partner States to do what is right. What is right is to oversight so that this Community can continue to live tomorrow and for many generations.

I learnt some Kiswahili words; “*Shamba la bibi*” – and my Tanzanian friend explained to me that this means a grandmother’s house where every child from the neighbours can come and pick *uji, unga*, bread and the grandmother would not question. Really? Is EAC “*Shamba la bibi*?” we must be serious.

I want to see these people investigated, prosecuted, jailed and after jail, I would like to see them repent because if they do not repent – Christians believe that there is heaven and hell – they will have a direct ticket to hell. They will go to hell because they stole money from the poor. When they go to hell, it will not be the end. Some people like Wanjiku, and I believe I will go to heaven, I may tell God to add more fuel to the fire that will consume these people so that when we resurrect for the second world, these people do not come to the EAC. It is that serious. They must stop and this must be a lesson. We have to conclude this kind of theft and looting.

Hon. Speaker, I will not conclude without saying that I am very hopeful after we engaged the team. Members, let us support the EAC. Secretariat, Council, give us the work of making laws and legal framework that you feel has created this loophole. We are ready to work with you to make the EAC that we would like to see.

Thank you very much hon. Speaker. -
(Applause)

The Speaker: Let us have Dr Oburu and then hon. Mbidde. Time is not on our side. We have to conclude this subject. We may

not find a slot for it on Monday. Therefore, we have to conclude today.

Dr Oburu Oginga (Kenya): Thank you, Mr. Speaker, Sir. I start by thanking you for making it possible for this team to do a very good job. I also thank our Committee on Accounts for doing a very good job within a short time. They were pressed with time but they still managed to produce a voluminous report with very concrete recommendations on various issues, which were before them.

This report can be summarised in just a few sentences because it contains things like non-compliance with procedures, suspected fraudulent expenditures, employment and internal audit. They are deliberately understaffed so that there is no proper accountability of funds.

I have some experience in this matter. If the head is serious about heads rolling, heads can roll but if the head is not serious about heads rolling, then the heads will not roll. I am from the lake region and I know that fish starts rotting from the top. It does not start rotting from the bottom. I am not indicting any particular individual but I am just indicating that some of these things need action to be taken; not just recommendations which are passed on to the Council and then kept in the shelves and all that work which is done by this honourable House is rendered useless.

Mr. Speaker, Sir, some officers are hiding under the veil of diplomatic immunity. That veil can be removed. It can be unveiled. There are ways of doing that so that we deal with this creature of misuse of funds once and for all. In fact, it is just corruption.

I do not want to speak much more on these issues because the people who spoke prior to me have dealt with some of them very effectively. What I do not like with these recommendations is that they are only recommending to the Council to carry out

further investigations. Investigations for what? You investigate then maybe mete out some punishment. You are saying some punishment, why do you not just say prosecution with a view to jailing them? Why do you recommend that they should be punished?

Punishment may just be a warning letter, admonishment or telling the staff not to repeat it but when you see the body language of telling the staff not to repeat, they know the body language tells them that it is not so important because those are just politicians who like to speak. They are employed to speak and they can speak whatever they like. They are here today and within a matter of less than five years, they will be gone while the staff are there permanently.

There is an issue of temporary staff. There is no policy or established procedure. Sometimes you find some people who are temporarily employed for five or ten years. There are renewals. There must be a clear policy as to what happens when you employ somebody temporarily. There must also be a procedure on how the temporary staff is engaged. You must not just take temporary staff among your relatives. Maybe a cousin or a close relative is suffering, he has no job, has a wife and some children and then you engage them for employment and then they are there forever. There must be clear policies on how to engage temporary staff. There must be some element of competitiveness in the engagement of the temporary staff.

Mr. Speaker, Sir, the Community was not started yesterday. Why has it taken very long for the EAC to establish procedures and policies of engaging these staff? The Council should consider this. I do not know what is happening. Why is the Council not taking action to ensure that all these things are put to order to seal the loopholes of mismanagement of the Secretariat and the Community at large?

I hope that the recommendation to establish an internal audit will be strengthened and taken seriously. The internal audit function is very important. Either it is deliberate that this is not strengthened or there must be some laxity. However, I know from experience here that it took us a very long time to allow the audit department to be strengthened but the internal audit was abolished because it was a bother to the administration. It sometimes held some payments because it suspected that the payments did not comply with the regulations. When that requirement was removed, the internal auditors we simply allowed to make their comments and allowed payments but did not withhold. However, that was still a bother to the management. They ensured that it disappeared.

These auditors are normally like a fly, which is disturbing you when you want to do something, which you think you can cover. We must, as an oversight arm of the Community, ensure that this department is strengthened and the Council should be on our side in this bid to make sure that the internal audit is funded.

There are funds, which are given by donors. These donors can only come in flowing with funds because the Community has shortage of funds. If you do proper auditing of the funds, they will give. If one particular donor gives you funds, all the other donors will look at how you have used the funds, which you were given before they can come in to deal with you. Therefore, when little donor funds that we have been given are not properly managed, that speaks volumes. I do not know whether we are serving our own interests or the interests of the people, we represent in this Community.

It is important for us, as we talk about alternative ways of getting funds, to know that the alternative ways may not only come from taxation but also from development

partners. In order to encourage the partners to support us, we must ensure that the funds that they give are properly managed.

In conclusion, I would like to mention something about where I come from; the lake region. There is the Lake Victoria Basin Commission. When we were there, we observed that subordinate staff are lacking. The locals there should be considered. Our country has a problem of unemployment and not only that, why is the headquarters not built? We need such facilities. In our report, we must emphasise that funds should be made available. If it is not directly from the Community, let there be intensity in soliciting funds to put up the headquarters of the Commission in Kisumu because our region somehow for political reason has not been favoured in terms of allocation of resources.

The Speaker: Dr Oburu, please try to conclude.

Dr Oginga: I do not know whether the Community is also being influenced but we hope that is not the case.

I end my speech there by urging our Secretariat, whom we oversight, not to think that we are speaking evil but take these things as a comment to help them in their daily management of their affairs. They should take it in good faith. We hope that the Council will also listen to us, take what we are saying in good faith and try as much as possible to implement some of the recommendations, which have been made in this report. *(Applause)*

The Speaker: Thank you very much. Hon. Mbidde, proceed, help us save time.

Mr Fred Mukasa-Mbidde (Uganda): Yes, Rt. hon. Speaker, I will be extremely brief. Let me cut much of what I was preparing to do. Let me also thank the Committee. This is an event where my proposal would be that the House usually needs to dissolve

itself into a substantive Committee on Budget to scrutinise reports of this nature. You have seen that much of the contribution has been given by Members of the Committee and that non-members have been extremely dismal in terms of submission and yet this is a very important report. However, let me also advice. I would like to ask the Committee what they based this report on as the law to come up with their recommendations.

I have seen recommendations urging the Council; recommendations that are throwing everything to the Council. Kindly, hon. Members, look at Article 134 of the Treaty. That Article creates provisions for the performance of the Audit Commission functions. That Article, clearly stipulates the roles of this Commission;

1. To audit the accounts
2. Include even a certificate of audit
3. Submit the same to the Council; and within a period of six months, the Council submits to the assembly for necessary action.

Therefore, you do not have the business of urging the Council again to do your work. The roles available to the assembly are now stipulated not under Article 48 but under sub article 3 of Article 49 of the Treaty for the establishment of the EAC. That is performance of specialised roles given to you under the Treaty. Why do we not sue? Why are we urging the same people who have given us a report? After looking at it, we are again reading the same report and handing it back to them, to do what? - *(Applause)* this is our role.

What is being cited here is extremely ignominious? We have looked at what has been done by the Commission. The reports are the same ranging from periods of 10 years. That means that the same will be repeated for those that will come as Members of the Assembly. Why? Because all Committees have kept on urging the same people.

Hon. Speaker, I will begin to look a story that my father once told me. He found a man climbing a mango tree, which had nothing and asked him; what are you looking for on a mango tree of this nature? He said, I am looking for oranges. He told him that he could not find oranges on a mango tree. The man answered; right, that is why I am coming down. Now, I do not want the assembly to look like the story that my late father told me.

Rt. hon. Speaker, I request this Assembly to send this report to the Committee on Legal, Rules and Privileges for specialised action. *(Applause)*

There is no business that the Council will do that is new. They will not shock themselves with new action. We do not need to back to them again. We are also putting the Council in a position of disharmony. What will they do? What precedence will they look at? Which members of the Council did what in circumstances of this nature?

Finally, Rt. hon. Speaker, because the question of time has arisen, look at the recommendations on pages 19, 20 and 24 of the report that call for forensic audit. By who?

The Speaker: Before you proceed, is that an amendment?

Mr Mukasa-Mbidde: Yes, it is an amendment Rt. hon. Speaker, which I was intending to move later. In the report, the recommendations are given in such a way that you can only see them if you follow the report in seriatim. I thought the recommendations had to again be specialised in such a way that a full record can even – I seek the indulgence of the Committee Chair to include the recommendation that this report be given to the Committee on Legal, Rules and Privileges for specialised scrutiny and substantive action to be taken.

I beg to move.

The Speaker: Let us have hon. Aden Noor and hon. Francoise, then I will continue.

Mr Adan Mohamed Nooru (Kenya): Thank you, hon. Speaker for giving me this opportunity to contribute to this report on audited accounts. I join my colleagues in thanking the Committee on Accounts for giving us a good report. This is a report of the year 2016. If you look at this volume, the time given to the auditors to audit this, the time given to the Public Accounts to scrutinise this report and come up with a concrete report like this one, there seems to be a designed kind of stuff in these institutions so that they do not do a good job. Despite that, within the short period given the Committee on Accounts has written a very good report. However, in future, we need to look at the time frame for this oversight Committee that is supposed to scrutinise thoroughly because audited reports are postmortems. What we are discussing now are issues of 2014, 2015, 2016.

Hon. Speaker, there is an intention to starve this institution so that we do not look at this report in detail. However, in future we need them to be given ample time so that they look at this report properly.

Rt. hon. Speaker, for the short time I looked at this report, I realized that half of it talks about the Secretariat. That means that you can see where the mismanagement comes from because the Secretariat is the head of other organs and the highest organ of this Community. The rest are just institutions under this organ. If the heads of the institutions which were supposed to be supervising become culpable then the rest will have no business to do prudent management of finances.

The Procurement and Financial Rules and Regulations are made to guide public

procurement. By the way, this institution is run like a private entity. I do not know where this comes from because these are public funds. I have never seen an organization where rules are just ignored and the people who ignore them walk freely without being taken to account for breaking the rules. Why do we make rules and laws if they cannot be followed? It makes no sense.

Majority of these contracts are single sourced. Why do you single source in the first place if you do not want to follow the rules? This is just to avoid competition and value for money. At a certain stage, just one single person will sit down and do the entire process of procurement, he prepares the document, writes the minutes of the Committee and the money is just free again.

Mr. Speaker, time has come when we must call a spade a spade and crack the whip. I would like to tell those who are concerned that it is no longer business as usual. If this is what has been done for the past 15 years, then it must come to an end this financial year. By 30 June 2018, there will be single sourcing, no more breakage of rules and regulations and then you just walk freely.

In this report, it is indicated that just one single institution or service provider was awarded a tender through single sourcing. If Members may look at page 18, paragraph 2 under preliminary evaluation on the criteria of audit financial statement for the past three years; 2013, 2014, 2015, auditors noted that AAR in their bid document did not submit the financial audited statement for the year 2015. Why were they given this kind of job if they did not justify and satisfy that they are financially sound and can deliver this service? People avoided these very important rules. Insurance deals with financial issues and if these people were not even financially sound, how could they provide service adequately?

Secondly, all the procurement done under single sourcing is not of emergency nature. All of them come under quotations. I thought when these institutions prepare their budgets; they have a work plan, which they are supposed to follow periodically. If it is 12 months budget as usual, then they are supposed to plan from July to June the following year. This aspect of raising quotations after quotations is where money is being stolen.

In some cases, if you look at page 32 of the report, there are some services, which were contracted, and the contractor did not do the job. The contractor was then given a quotation again to raise some more quotations to do the same job. On this page, it is indicated that the CCTV installation was contracted to a company called AVTECH System Limited at an amount of US\$582,485 in 2013/2014. At the same time, they were allowed to raise another quotation to fix a CCTV at a cost of US\$13,490. This is not even theft, it is robbery! It is more than theft because when you want to steal you hide. This is just daylight robbery. How do you just, as I said, run these institutions like your kiosks without any regard for any law, rules and regulations of procurement?

Mr. Speaker, owing to time constraints, I do not want to take a lot of time. I do not think that the Council has any investigative arm to investigate further, what the auditors have done. We are doing it wrongly. We must look for ways and means and recommend to the relevant authorities to arrest those who are culpable by the audit and committee reports. This is a process. Auditors audit, the committee scrutinizes and then they recommend finally for action and not for further investigations again. Investigate what?

On page 40, the organs failed to avail documents to the auditors. How do auditors audit when they have no relevant documents to do those audits? When an

institution that is supposed to be audited refuses to give the documents to auditors to scrutinise and look at them, the work of the auditors becomes difficult. In all these things, there must be some people who are culpable. They must be arrested, taken to court of law, charged and then sentenced if found guilty so that it becomes an example to us.

Thank you very much, Mr. Speaker, for giving me this chance.

The Speaker: Thank you very much, hon. Noor. You will put your proposed amendments in writing and send them to the Chair of the Committee.

Proceed, hon. Fancy.

Ms Fancy Haji Nkuhi (Tanzania): Thank you, Rt. hon. Speaker. First, I would like to declare that I am a member of the Committee on Accounts, which made this report. When reading the report, I found out one of the biggest weaknesses that the Secretariat has is the failure to implement the audit findings and recommendations.

In 2013/2014 the failure or non-implementation of audit findings and recommendations was at 41 per cent while in 2014/2015, it increased up to 57 per cent. If you look at all other failures and inadequacies such as failure to follow proper procedure in procurement, inadequate management of donor funds or late approval of bank reconciliation statement and so on. All of them arise from failure to implement the audit finding and recommendations. This is where the cancer of all the failure is. Therefore, I urge and request the Secretariat to put more emphasis on implementing the audit findings and recommendations.

Hon. Speaker, I do not want to go to the core of the report because the same issue repeats itself. Most of my colleagues who

have spoken have talked about it but there is one thing that keeps on hurting me and I cannot keep quiet; the Nyamira Project. I was one of the Members of Northern Corridor tour who visited the project. We saw with our own eyes that things were not right. We all know that water is at the core of sustainable development. It is critical for socio-economic development. Women who are the backbone of our economy are the victims when the community lacks water.

I believe that the Nyamira project was designed to reduce the problem of lack of water in our Community. Unfortunately, I think it is in the wrong hands. The consultant who was given the job to supply water is not doing his job very well. He took us to the public toilets where he claims that the water was being supplied. We went there but the people said that they had never seen water and that they normally buy water. We found buckets of water in the public toilets.

When we insisted on being shown where the water was being supplied, they took us to a hospital whose name I cannot remember. Even the patients said they have never seen water. The nurses who were on duty said they have never seen that water. We tried to find the Chief Executive Officer of the hospital but he was nowhere to be found. At the end of the day, we were assisted by the pharmacist of the hospital who tried to twist things up and down but the picture was seen; that, Nyamira project is not doing what it was intended to.

Rt. hon. Speaker, I suspect that the Lake Victoria Basin Commission has already handed this project to the Kenyan Government. However, but the Kenyan Government and the EAC Secretariat should look closely into the Nyamira project because if it is successful, our people, especially women, in our community will not face water problems. The problem will reduce at a great rate.

Thank you, hon. Speaker for allowing me to add my voice.

The Speaker: Thank you, hon. Fancy.

Ms Francoise Uwumukiza (Rwanda): Thank you Mr. Speaker, for allowing me to speak in front of this august Assembly. I have been following and read the report. It is big. I thank the Committee on Accounts for the good work and the seriousness they have exhibited in a short period. Despite the short period, they did a good job. They have asked us to increase the period in future but this aspect will come later in the upcoming plenaries.

I wish I could see something done by the EAC as far as management of funds is concerned, if there is any, as stated by hon. Mary Mugenyi. A report which is disappointing without anything encouraging is likely to make the EAC to collapse as the case was in 1977. We will be discouraged to continue as lawmakers because our role is to legislate, oversight and represent the Community. Therefore, our role is in danger owing to the mismanagement and misuse of money.

It is good to have this report but we should also focus on our task. I urge the Council of Ministers, even if they have nothing much to do, since the Audit Commission has done its role, to do closer political supervision of the EAC Secretariat. This closer political supervision is needed. There is need for better accountability, transparency and value for money as stated by our colleagues who spoke before us.

On page 144, 9.1.3 of this report, I would like to highlight one of the consequences of the mismanagement of money – lack of annual performance appraisal of staff. I observed that there is a bad initiative. This is due to the wrong requirement process. If they are not recruited well in a good and fair manner and are not qualified and fit, that could also result to this. Corruption will

increase in the EAC in general in the institution and its activities. There is no follow up because the recruitment was not good.

I would urge us to establish a system of annual performance appraisal or annual performance contract for each staff engaged by the EAC. This should go hand in hand with proper recruitment. The consequence of that is that there is lack of quality services in the EAC because someone else who was proper and fit for the job was denied the opportunity. Therefore, we need all these to be done to get rid of some of the corruption cases as said by my colleague, hon. Jematia.

I submit.

The Speaker: Thank you. Let us have hon. Victor, hon. Jean Marie and then we shall revert to the Council. Let me know. How many wanted to speak to this because I will not keep speculating. Therefore, finally, it will be hon. Susan, hon. CTC then I will go to the Council. That is the order.

Mr. Victor Burikukiye (Burundi): Thank you, Mr. Speaker, for giving me this opportunity to add my voice to what my colleagues who spoke before me said.

As a member of the Committee on Accounts, I take this opportunity to support the report. I thank and congratulate my colleagues for the great job done in a very short time, especially, our Chair, for his high quality of leadership.

As many of my colleagues have said, the report shows serious mess in the management of funds and other assets of our Community. The facts are there. It is an alarming situation. As we can all see, the findings of the report by the Audit Commission are a kind of repetition. There is nothing new. The same thing has been repeated for more than three financial years. The question now is, should we continue to

just watch such atrocities? Time has come for this august assembly and the entire leadership of the Community to stop these calamities once and for all and take appropriate measures to rescue the wealth of the Community.

To be specific, I would like to ask the Council of Ministers to consider this report appropriately and implement it as soon as possible; both the recommendations made by the Committee on Accounts and the Audit Commission.

I thank you, Mr. Speaker.

The Speaker: Thank you very much, hon. Victor. Proceed, hon. Jean Marie.

Mr Jean Marie Muhirwa (Burundi): Thank you, Mr. Speaker, for giving me the Floor. I rise to contribute and submit my opinion on this report of the Committee on Accounts. We are dealing with serious issues happening within our Community. First, permit me to thank and congratulate the Chairman of the Committee on Accounts for the good expose he presented yesterday. This report gives the real image of what is happening within our Community.

I would like us to remind ourselves that the money we are using comes from the poor people of our Community. The money is from taxpayers who are our citizens and whom we are representing here. That is why we have a common language of preaching the promotion of good governance in our Community. It has been said that mismanagement and misuse of money in organs, institutions, projects and programmes is not today's story. It has been a reality for many years. Time has come for us to deal effectively with this issue so that we may stop these calamities once and for all.

How do we do it then? We have to remember the role of the Members of this

House. We are here to represent our citizens. We are here to make legislation for a better future of our Community. We are here to do oversight activities so that progress and development becomes a reality in our Community. I am not here to pronounce people guilty. Never! It is not my role. I am here to let the report go to whomever it may concern, so that better solutions are taken.

Mr. Speaker, Sir, it has been said that the stories of mismanagement are not today's. They have been recurring for many years. We cannot always remain quiet. We have to take concrete action against that. The EALA has been giving recommendations for years and years but there is no change. Let me share with you an experience.

I was in the Third EALA. The story was like the current situation. We have been claiming that the recommendations of the previous reports have never been followed up. Therefore, this is historical mismanagement and misuse of money within organs, institutions and projects of the Community. We have to put an end to it.

Let us now come to the concrete solutions. What can we do? We have organs. The Treaty has a provision where competent organs can deal with these issues. First, I ask the Council of Ministers to develop mechanisms and strategies to make sure that all recommendations are fully implemented.

Secondly, we ask the boss of the EAC Secretariat to make a commitment that he will present to the Council of Ministers and EALA an action plan of implementation of recommendations. He should be presenting the report regularly on how those different recommendations are being implemented.

Article 14 of the Treaty, deals with the functions of the Council. Let me read Article 14(3) (g):-

“Make staff rules and regulations and financial rules and regulations of the Community;”

We are dealing with people who are acting beyond the rules and regulations. So, how can we refer the present Committee to the Legal, Rules and Privileges Committee whereas there is Council? I propose that we refer the present report to the Council of Ministers.

The Speaker: That cannot be an amendment because that is what the report is proposing.

Mr Muhirwa: Okay. I propose that we refer the present report to the Council of Ministers so that concrete actions are taken.

Two, we will not deal only with the present report because we want to save the Community from evil deeds. It has been revealed that this story is not of present times only. It has been there for years. Let us collect all the reports and present them to the Council of Ministers so that concrete action is taken so that we may discourage such habits of misuse of money and mismanagement in our Community.

I beg to submit.

The Speaker: Thank you very much. Let us have hon. Susan. I believe you will be brief.

Ms Mugenyi: On a point of order, Mr. Speaker, Sir. I am sorry but this Chamber is too hot.

The Speaker: It is too hot. I have felt it. Actually, I feel it more than you because of this attire.

Ms Mugenyi: Is there anything that can be done?

The Speaker: I hope our hosts who are managing the situation here will look into that. Thank you.

Proceed, hon. Susan.

Ms. Susan Nakawuki Nsambu (Uganda): Thank you very much Rt. hon. Speaker. First, allow me to add my voice to what the Members who have debated and supported the report of the Committee on Accounts. I declare that I am a member of the Committee on Accounts. I have had a chance to serve in this Committee for quite some time, since 2012.

Allow me to thank all my colleagues in this Committee for their tireless efforts. Trust me, it was very hot in the Committee and I could regularly see the Chairperson sweating, not knowing even how to proceed because it was too hot. It was because all members were equally concerned about the issues, which were being raised in the audit report.

I begin with a comment that we got from the Audit Commission. I know they do not have a chance to put across their issues on the Floor of the House but they had an issue of time constraint. They have to audit all organs, institutions and projects of the Community but the time they are given to do this is too little. They literally have 30 days within which to perform this big task. This is not enough. As we budget, going forward, we need to avail more resources to the Audit Commission for them to exhaust this mandate that is given to them under the Treaty. Otherwise, they are not able to audit all the projects and programmes of the Community.

Rt. hon. Speaker, even as the Committee on Accounts, we have had a serious challenge when it comes to the time that we have. In fact, as the Chair was presenting, he kept saying, oh, we had removed this one but we did not get enough time to re-edit the document so that we present a fine

document. We were even supposed to condense the report further to about 50 pages but we had no time to do this. This should be considered. The Committee on Accounts should be given extra time to perform this noble function exhaustively for the Assembly. (*Applause*)

All the issues that have been raised in the audit report are recurrent. They have been raised over and over again. In fact, I remember when we were scrutinizing this report. One Member came to me and asked me, what were you doing in the Third Assembly if all these issues are still here? However, I will tell you that this is an improved state of the Community. It is a very improved state. We build on the foundation that was set right by the First, Second, Third and now Fourth Assembly. Even the Fifth Assembly will build on what has been done by the Fourth Assembly. We cannot underestimate that.

We had people who had audit background who helped us to identify the smallest details that we had overlooked. People have done this but the issue is; what is the problem. Why are these issues persistent? The only thing I see that you have improved upon is that we no longer have blank receipts. There was a time when people were accounting for imprest with blank receipts, maybe for the Secretariat to fill in for themselves. We no longer have that. Therefore, it is an improvement but we need to do more than that so that the hearts of our taxpayers are at rest.

Rt hon. Speaker, I also have a request. Right now, we are considering the audit report of 2015/2016. We have been handling a serious post mortem. When we wanted to summon the staff who have breached the rules and regulations, we were told that those once have since left. They are no longer in service.

Therefore, unless we hire the Federal Bureau of Investigators (FBI) or another

serious institution to go and look for them, others may have even gone abroad. It is hard. I request that the audit report of 2016/2017 be brought as quickly as possible so that it is considered by the Committee on Accounts. Right now, we have financial constraints but money should be looked for so that the Committee does this work quickly. By the time we resume, the report should be ready for the Assembly to consider.

Further to that, let me briefly talk about six issues. All these require solutions to be provided by the Council. Just a few days ago, the Committee on Accounts interacted with the Council of Ministers on the different recommendations made by the Audit Commission and by the Committee on Accounts. Of course, they gave us some explanations on where an action has already been taken but still that was not very satisfactory.

As you have seen, many members of staff have flouted the rules and regulations. However, the question by all of us was; what has been done? If members of staff are breaching the rules and regulations and everyone is seeing it, what has been done? As far as I am concerned, the explanation we got from the Council shows that the Council has not done what they are supposed to do. I appreciate the fact that the Council is made up of politicians. Therefore, they will always play some politics even when they are taking decisions. We need to be saved of this when it comes to implementing resolutions of the Assembly.

Rt. hon. Speaker, I have not seen an institution, apart from EAC, where the CEO has no powers to penalize wrong doers. Where the CEO cannot reprimand and everything has to go to the Council; and, where Council has their people. They say, "this is our person." It is my humble request that the Council cedes some powers to the Secretary General as the Accounting

Officer. If you see people signing contracts, which they are not supposed to sign, you should be able to punish them. If you see a person sitting in the procurement committee and yet he is not supposed to sit there, you write to him a letter and he says he cannot leave; you should be able, at least, to demote that person and replace him with another person. However, this is not happening. People sign contracts to a magnitude of US\$500,000. I am saying this with a lot of pain but who will act? We can only wait for the Council, which is supposed to sit once or twice a year, to convene after which they disagree because one member of the Council of Ministers is protecting that person and the issue dies a natural death. This should stop.

We should have a Council of Ministers that can act and a CEO who can bite where things are going wrong. That way, we shall hold him accountable. When I look at all these things, I wonder who is answerable. Is it the Council or the Secretary General? When I ask the Secretary General why you are not doing this, he says it is the Council. I really need to hold someone accountable.

The EAC Staff Rules and Regulations 85(2) says that penalties are supposed to be imposed by the Council or the Secretary General as appropriate for errant staff members. However, again, regulation 86 – these regulations were crafted by the Council and the Council decided to give themselves a lot of roles which sometimes they are not able to fulfil – says that the respective appointing authority shall be the authority responsible for disciplinary actions in accordance with regulation 23. That means not all professional staff can be touched by the Secretary General as the CEO. He cannot touch them because it is the Council, which has the role. When the issues come to the Council, this is our person, he is untouchable.

I gave an example in the Committee when we had an accountant who had fake

academic documents. After the audit unearthed it because this accountant is a professional staff, the issue went to the Council. After a long day's argument, one Council member from the Partner State where that accountant comes from said; if this accountant is to go, we must, first, give her entire pension and pay her the remaining part of her contract. This person is jail material for being a fraudster yet the Council said she has to be paid all her benefits. That is the problem.

Why can we not move the powers to reprimand from the political Council of Ministers to maybe the Assembly or the Secretariat? In fact, the Committee put a recommendation where it requires the Secretary General be given some powers to reprimand and also make regular quarterly reports to the Assembly so that we follow up and know if something has been done or not. When we have the audit report, we will crosscheck with the audit queries raised and then the people who have been punished. By doing so, we will find out whether people are doing their jobs or not.

Those people who do wrong should be demoted if you cannot fire them for fear of litigation, demote them or reduce their salaries. However, when somebody does something wrong but the management says, yes, we appreciate this is happening and it will change but it does not change, then the people who do well are not motivated. The salary you get on the first day you report for work is the one you will get after 10 years yet the cost of living is changing every day. Things are getting more expensive. How do you motivate good staff if you cannot give a slight salary increment in 10 years? That is demotivating. We shall hold the Council liable. The Council is lucky; their salaries are increased every now and then. This is not the same case with the staff.

Rt. hon. Speaker, there is always an issue of poor budget performance. As I stand here, if they assessed the budget performance of

this financial year, still it would be bad. The reason is remittances. Remittances are not coming in timely. When we were in Dodoma, we had gone into the fourth quarter of the financial year. However, Partner States remittances were standing at 67 per cent. In addition, even now, if the monies are brought at this time, do we have the capacity to consume over 30 per cent of the budget in the remaining 4 weeks? Can we? We cannot. Council, we request you to take serious action on this.

The different committees had recommended that the budget of the Community comes direct from Partner State Parliaments. Actually, EALA has been requesting to receive its budget directly from our national Parliaments because their remittances are disappointing. The money should come in timely.

On donor funds, there are many donors whose financial years do not begin on 1 July. There are some donors whose financial years begin on 1 January. Therefore, by the time we pass our budget when our financial year is beginning, theirs is coming to an end. Therefore, different project managers are not able to execute their project mandates because money comes in late. The overall solution is for us to finance ourselves without relying on any one. Our Partner States face challenges. They do not remit money because of issues beyond their control. However, if we do not come up with a solution— I would like the Council to give me an answer regarding when we will get alternative funding.

We have spent so much with over three consultants who have paid more than US\$100,000 each. They have come up with reports which have been implemented by the AU and yet the Council has not implemented. They came and told us that the Ministers of Finance refused at the final stage. I am wondering, who is the decision maker? Should we look at the Ministers of Finance or should we look at our Council of

Ministers who are present here? Should we look at the Secretary General? We want to know because we are just in the dark. The Council should explain to the Assembly –
(*interruption*)

The Speaker: Hon. Susan, if you have six points and you are on the second one and yet have only forty something minutes left for two responses and for the Counsel to the Community (CTC), I am worried but continue. Try to be fast. Exhaust your points but faster.

Ms Nakawuki: Thank you, Rt. hon. Speaker. I guess that the Council has taken point and they will give me an answer.

The third issue is on LVEMP II project that is in Kisumu. I thought the Minister from Kenya would be here but I guess the Council of Ministers will pass on the information to him. There is water hyacinth machine that is stationed in Kisumu. It was procured on 12 April 2016 to harvest the waterweed but since that time in 2016, this machine is idle.

The implementing organ is the National Coordination and Implementation unit in Kenya. The reason why the machine is idle is because one of the parts was faulty and they are supposed to requisition a new one. The lake is being eaten up by the waterweed and yet we have a machine that can harvest it although it is not working.

These are almost three years down the line but nothing has been done yet we spent donor money to acquire this machine. We cannot show results. The implementation Committee in Kenya should find the required spare part so that the machine gets to work.

There is also the issue of outstanding VAT claimable. Hon. Speaker, the audit report in the financial year under review, 2015/2016, a total of US\$1.6 million is pending in terms of VAT. We have not been able to

recover US\$1.6 million. Even in the Financial Year 2014/2015, more than US\$900,000 is still stuck.

Under Article 4(1) of the Headquarters Agreement of the EAC, this is a tax-exempt institution. The EAC is tax exempt but when you total up all the money stuck in VAT, it is too much. It is high time we copy best practices. Geneva has the best practices. Every institution has a number and even diplomats have numbers. When you go to anywhere where you are not meant to pay tax, you just give your number and they exempt you. You do not pay at all. Why do we have to first pay and then go through all this process to reclaim. We have some Partner States where Ministers of Finance just say, for these three financial years, we are not refunding VAT. There are even Partner States that have an ultimatum. Beyond a given period, you cannot claim back that VAT. We are losing money, so Counsel should copy Switzerland and then use that model where we do not have to pay at all because we are supposed to be exempted. All Partner States should comply.

The Speaker: That would come along with many other processes like ensuring that people do not procure on behalf of others. I think the Swiss do not do that.

Ms Nakawuki: The Counsel should come up at least with a format. They know how to go about it.

Finally, I will skip one of the issues and go to the final one because of time. On issues of procurement, hon. Speaker, in this entire big document, 85 per cent of the issues are to do with procurement. That is where the cancer is. I am calling upon Counsel to scrutinise – I really appreciate, when we interacted with Counsel. They informed us that at least they have done reforms. The Secretary General also told us about the reforms he has made under the procurement department.

However, there are some key things that we need to look into. The common practice has been that people wait for the contracts to expire and then they rush and say; now we cannot follow the procedures because we are time constrained. Where they are supposed to advertise, for example, for 30 days, they say, we do not have time. Where they had to advertise for 40 days, they advertise for 30 days in the name of time. I wonder why we wait for the last minute to start the procurement process.

Right now, we have the issue of insurance. By 30 June, we will not have insurance. By this time, we should have already procured insurance services. However, the process is still ongoing. I am beginning to imagine what will happen after 30th. Are we going to extend the services of AAR for another three months as we look for a new provider? In fact, the human resource department is failing us. They wait for the last minute. – *(Applause)*

That is a crafty way of doing things because they know since you are rushing you cannot look at the terms critically. I remember when we lost our colleague, hon. Hafsa Mossi. We were told that the life insurance policy had expired. Therefore, they had to do something there haphazardly to ensure that the family would be paid. Why do we take ourselves to this?

Hon. Speaker, allow me to quote one bad example in procurement that I feel members should know about in just one minute. On page 33 under the management letter, there is a procurement item; supply of community magazine, issue No.24 and branded materials. That is by M/S Creative Media. That entire procurement lacked duly filled and approved procurement requisitions. The delivery note and the invoice are dated 10 September 2015 yet the goods received note is dated 11 August 2015. That implies that the goods were received before they were delivered. You

begin to imagine, how can this happen? That means what is being done under the procurement department is not proper.

By the way, these people are the richest because everything is flouted and they always say, management has taken note and we will improve. Please, management, help us. The head of the procurement unit should have been fired as soon as yesterday. We should have him arrested, prosecuted and then, we even claim back our money. He has to refund this money.

All issues have been raised. The man comes to the Committee and he smiles because he knows we will not do anything at the end of the day. Please help us; look at this and help us to implement the recommendations of the Committee.

I thank you and I beg to support the report of the Committee.

The Speaker: Thank you very much, hon. Susan. Proceed, Dr Kafumbe. There is a tricky situation because I exchanged notes with Dr Kafumbe. The report mentions your name but I am giving you the Floor as a Member, not in the exercise of the right of reply because some other people who were mentioned are not here to exercise their right. I notice this. I will not tell you what the content should be. I am just telling you the capacity on which you are on the Floor. You are on the Floor as a Member but it is for you to decide what you will say.

The Counsel to the Community (Dr. Anthony Kafumbe): Thank you very much Rt. Hon. Speaker for this opportunity. Contributing as a Member, I begin by thanking the Chairperson of the Committee for this work and initiative. I am aware that this report makes disturbing reading but I would like to make a small contribution.

Since the report was done, there have been some improvements. In future reports, the

Assembly will notice that some of these concerns have been addressed. Hon. Speaker, I seek the indulgence of the Chairperson. I notice that there is concern about the security system and relationship with AVTECH, and rightly so. The recommendation is good but I have seen that there is mention of a Principal Legal Officer who is faulted for not having prevented 30 per cent payment at the time when he was not even aware that there were problems in that sector and was not even a CTC at that time. The background information on page 38, 39, 40 and 41 does not support what is captured on page 42 in respect of that Principal Legal Officer. Therefore, with your indulgence, I request that if it is acceptable to you, you expunge that paragraph.

Rt. Hon. Speaker, I notice that the report has given many responsibilities to the office of the CTC. I want to benefit from the Members of this Committee on Accounts. In some areas, for example, on page 72, you are saying that the office should immediately have a presence in the procurement. Elsewhere you are recommending that the office should issue a certificate of compliance. I believe we could benefit. This is important in implementing these recommendations. Was it your intention that the certificate of compliance should come after procurement or do you intend, as you have proposed on page 72, that the office should be involved in the procurement right from the early stages?

I thank you.

The Speaker: Thank you, Dr. Kafumbe. I now invite the Chairperson of the Council to reply.

The Second Deputy Prime Minister /Minister for EAC Affairs and Chairperson, Council of Ministers (Dr A.M. Kirunda Kivejinja) (*Ex officio Member*): Thank you very much. I do not

intend to answer all queries but to remind Members that this is a postmortem report. It has nothing to do with the current. This is how it was in 2015/2016. I became the Chairperson in July but the office continues.

As the CTC has said, a lot has been improved, and as hon. Nakawuki has said. From a worse situation, we are now here now. I thank you very much. First, I compliment the Speaker for having started his and your terms by ushering you to go round so that you know exactly the size of the responsibility you are supposed to oversee. – (*Applause*)

Your anger is stimulated by the process of going round. Definitely, I will support you in anything that will allow you to do your oversight role, especially, the Committees dealing with money because money is the blood of any organization, so that you spend more time on this scrutiny. When I led my colleagues before the Committee, I mentioned that notwithstanding the cost of almost shutting the headquarters, the mere fact that you were able to retreat in Nairobi with everything, I think was a blessing in disguise because you sat down and scrutinised each and every line and came up with this report. Therefore, I thank you very much. – *Applause*

I reassure you that every beginning has an end. We cannot be tied to what has happened because the law against perpetuity says the dead cannot rule the living. If this has been the history, it is your historical advantage that you are now set to reverse history. The Council of Ministers is with you to make sure that from now onwards, things will move differently. – (*Applause*)

The areas which you have already mentioned; noncompliance and procurement, are now our focal points. We will bring them to the level you want. You also raised concerns of a big board

membership of an institution. The Council has been requested to make sure that there is rationalisation. We are already concerned about those issues. We are doing something. I urge you not to be carried away by this postmortem. Already, the patient is showing that there is a chance to recover. I do not know what will come out of the audit report of 2016/2017 but I hope it will not be as the picture in here. You will see that something has been done.

We are trying to have a look at the protocol that established these organs, which we find many discrepancies. We will study it and do the necessary amendments.

My younger brother talked about LVBC Headquarters. Contribution to the headquarters has already started. These are some of the things that are obvious. Not only is it on the Kisumu side, the lake almost dead. In fact, the reason why there was misunderstanding between Uganda and her neighbour is that it is only as far as Migingo where fish is available. That is why they decided to put the Commission in Kisumu so that something can be done to make sure that they revive the life on that area to enable fish to move.

Of course, the Council established an audit and rescue Committee to advise on how best to address the audit concerns. Regarding staffing, the Council has requested the *ad hoc* service Committee to look into it. There are various issues; the question of staffing and the irregularities that are there, the amount of money required to have a full organ of the establishment of the EAC to move and the budget to ensure that it is directed towards strengthening the pillars. The budgeting process has had some problems but the pillars, which we need to strengthen, are four, Customs Union, Common Market, Monetary Union and ultimately the Political Confederation. All our efforts should be to strengthen those and make sure

that they are firm. Once they are firm, other things will be done.

The job evaluation and workload analysis is to clarify the human resource methods of how our institution should be managed. I can assure you that in this, we have given money. Today, the supplementary budget has been made because we said we do not need to wait for the next financial year budget. We will start and put in a supplementary budget for you to appropriate so that this can begin even before this time.

I can sufficiently say that there has been some changes albeit slow. However, the Council is committed to implement recommendations of the Audit Commission. The taste of the pudding is in the eating. As you know, we are also receiving this report now. We could not have anticipated and even jumped the gun and said, please, tell us what is happening. However, now that it is here, we will take it and make sure that whatever is brought will be no jokes this time. – *Applause*.

As I said, history has given you a chance to turn the direction of the EAC. We better grasp that situation and record ourselves, that at least, we were able to have a new beginning. With those assurances, I do not think I need to waste more time because we are analysing and debating something that is already done, dead; postmortem. We should focus on what we will do from now. I undertake, on behalf of my colleagues, the Council - (*Interruption*)

(Debate was interrupted)

MOTION

EXTENSION OF SITTING TIME UNDER RULE 30(D)

Dr Abdullah Hasnuu Makame (Tanzania): On a point of Procedure, Mr. Speaker, Sir.

The Speaker: Yes, Dr. Makame.

Dr Makame: Thank you very much, Mr. Speaker. On the importance of the agenda being discussed and now that the House rules require us to terminate our deliberations by 18:30, I beg to move under Rule 30(d) to suspend that Rule 11 and effectively continue shortly with the deliberations after 6.30 p.m. to allow us to execute this important agenda.

(Dr Maghembe seconded)

The Speaker: Thank you, Dr Ngwaru Maghembe. The Motion before the House is that we will need a short extension after 6.30 p.m. so that we can exhaust the agenda on the Table.

(Question proposed)

(Question put and agreed to)

Thank you, Chair. Conclude your point.

(Resumption of Debate)

The Second Deputy Prime Minister /Minister for EAC Affairs and Chairperson, Council of Ministers (Dr A.M. Kirunda Kivejinja) (*Ex officio Member*): Rt. Hon. Speaker, you must have taken into consideration that some people, at 6.35 p.m., will have to break their fast.

In other words, life will not continue as you saw it here in the report. This should be the end. We have a new direction. We know that everything must end somewhere. When everybody is discussing it, if the people concerned are still around, they should know that there is a current system and they should find their way. We do not need to belabour this. We are determined, as a Council. We appeared before this Committee in big force. That was the reassurance that we are together.

Regarding the Secretariat, we only need to know the roles of each organ and how we should use the powers. As the legislature, I want you to spend more time on enacting laws for the better running of our Community. Also, take the question of overseeing the activities of the Community seriously. If you require more time and resources, the Council will be ready to do so. – (*Applause*)

The Speaker: Members, I hope you took note of that point. – (*Applause*)

The Second Deputy Prime Minister /Minister for EAC Affairs and Chairperson, Council of Ministers (Dr A.M. Kirunda Kivejinja) (*Ex officio Member*): If you had not spent the time to go around, we would still be in this ping-pong. However, the mere fact that you grasped the situation and had two weeks here, although it is very costly, I hope in your systems you will find a way of how to overcome those issues and reduce costs on that front so that we crystalize our Headquarters and get officers to sit at their desks. Sometimes I go to the Headquarters and there are some officers whom I have never found on their desks. They are many.

Once we cure these officers from pinworms, which prevent them to sit on their desks, then we shall have an organic movement that will attend to these problems. The Secretariat should not report to Parliament. Do not do the job, which is not yours. Please allow the Council to manage so that they can report to you. I do not want the Secretariat to listen to the legislature because they are not the ones who supervise you every day. The Council must be in charge. Ever since I became the Chairman, every three months, I demand the Headquarters to tell me exactly what they have done in the last three months and what is in their programme. We are improving in our methods. There is a spirit to make sure that we do not lose the

opportunities we missed by not crystalizing the EAC federation. We should not be responsible for it.

With those few words, I do not know if you want to postpone. I have taken a very short time. I am prepared to reassure you that this is a new chapter. We have started it.

I thank you.

The Speaker: Thank you very much Council Chair. Hon. Committee Chair, although we had an extension, time is not on our side. Please help us and finish in time so that we do not have to stay here longer. Give a short reply, please. Remember to pronounce yourself on proposed amendments.

Dr Maghembe: Thank you, Rt. hon. Speaker. Just give me a little bit of time to set this straight.

The Speaker: It can be in generic form or one by one. I do not know how you want to approach it.

Dr. Maghembe: Thank you, hon. Speaker. First, I thank the Members of the House for their very spirited contributions on this issue. Their contribution show how serious they are about making change in moving forward. I will mention a few of the Members' contributions and answer them.

Dr Anne Itto talked about poor implementation of recommendations. We noted the same thing. In our recommendations, we said that we would like quarterly reports from the Council and the Secretariat as to how they are implementing our recommendations.

Dr Josephine Lemoyan said that we needed a systems audit. We were also of the opinion that we were better off having not only audit on the financial accounts but also on performance. The systems audit is a good idea.

Hon. Mnyaa's question was answered by hon. Gabriel Garang Alaak. Dr. Makame pronounced himself very well on the issue segregation of duties but of course, this is an issue of staffing. The hon. Council Chair answered this issue.

Amb. Fatuma said that our recommendations were not bold enough and we should pronounce ourselves with respect to prosecutions. Of course, our intention is that the people who have committed these issues are prosecuted but as the Council Chair said, we do not want to do a job that is not ours. The job of the Council is that they are the hiring authority. However, in situations such as this, with respect to procurement, we recommended, by name in a number of queries, that there was no need, even for investigation and that these people must step down. In Kiswahili, they say, *Sheria ichukue mkondo wake*. The law will take over from there.

Hon. Pamela Maasay talked about non-implementation of the ISO certification regulations. I have here contributions and amendments in writing. We accept them as a Committee.

Hon. Jematia was concerned with procurement flaws. She wanted us to be stricter in our recommendations. Again, here on the Floor, I urge the Council to make sure that the procurement officer steps aside. He cannot be tolerated.

Hon. Fatuma Ibrahim talked about the saddening issue of lack of enforcement of rules and the culture of looting. This is the same issue.

Hon. Rwigema, who is a Member of the Committee, said the Audit Commission required more time to do their work. In our report, we said we require auditors to do their job twice a year; we should have a medium term report and an annual report.

Hon. Mary Mugenyi talked about the fact that this is a clear fraudulent issue especially with procurement. We have pronounced ourselves on this issue.

Hon. Wanjiku has been talking about the issue of blacklisting these companies since we were here in Nairobi in the Committee. She continues to send me notes even now. We have written in the report that AAR and companies such as Mbasha Holdings need to – of course, we cannot pronounce their guilt until there is an investigation but they should step aside while the investigations are going on.

Hon. Fred Mukasa Mbidde wanted us to submit our report to the Legal, Rules and Privileges Committee so that it can continue taking legal action with respect to these individuals who are fleecing our Community. However, I am of the opinion that again, we will be doing a job that is not ours. Let us first see how the Council will deal with our report. When we met Council, the Chair gave me a lot of hope. He was very serious and just by seeing how he was talking to the Secretary General in a firm manner and tone; I think the Council deserves some time in order to see what can be done. They have just received this report. Let us give them the benefit of doubt. – (Applause).

Since we have asked for quarterly reports, if within three months, we still see no progress, then, hon. Mbidde, I will raise that issue.

Dr Kafumbe rose to discuss the issue of – to be blunt – his inclusion in the report. With respect to this, with regard the point where you were a Principal Legal Officer, it is true. Even when I was standing here, I wanted that portion removed. We just did not have time.

However, on the issue that now, you are the CTC and it is now six or seven years past this issue of the cameras, we still have to

argue in the report that you still have not instituted the litigation in order to get us the money back. – (*Applause*).

Therefore, you will indulge us. We just have to be fair and frank.

Hon. Susan Nakawuki wanted us to reprimand the head of the procurement unit. I have already asked the Council to do the same. She also said that the Secretary General should be given more powers to punish errant staff members who do not comply with the EAC rules and regulations. We had agreed in our meeting with the Council that we will keep our issues in-house but with respect to the general staff, that is already within the ambit of the Secretary General. It is up to him to do that.

With respect to professional staff, the Council was reluctant to relinquish that power and as the Treaty stands, the Council is the one to recommend. Until we change the Treaty or find a way to change it, it would be very difficult to give these powers to the Secretary General unless the Council itself does so.

There was a recommendation by hon. Gabriel Alaak Garang in writing for the establishment of a monitoring and evaluation department of the EAC to assist in identifying the shortcomings. I think this is a good idea. We will add this to the recommendations.

Hon. Aden Noor suggested that all recommendations for the forensic audit ---

The Speaker: That resembles hon. Mbidde's. It suffers the same fate.

Dr Maghembe: Hon. Speaker, I have dealt with all the contributions of the Members in a brief version. The Members have been very serious today. Take, for instance, hon. Kasamba's seriousness. If he spoke like that for another hour, the staff members would all resign.

At this juncture, I thank my Committee. We had a very hot session but all the Committee Members respected each other. – Applause.

We had a very good session. I thank the senior Members in the Committee. Hon. Kimbisa is not here but I can see hon. Oda and hon. Rwigema. Without them, we would have jumped across the table. I thank my Committee staff. This man standing here - this Clerk-at-the-Table, Victor, is actually a super hero. He is not exactly a human being. He worked very hard.

Hon. Speaker, your secretary Priscilla did not sleep for 48 hours of the past two days. I thank them. Thank you, I would like to submit.

The Speaker: Thank you, Committee Chair. Thank you, hon. Members. Now, I will put the question.

(Question put and agreed to)

(The Report was adopted)

COMMUNICATION FROM THE CHAIR

Hon. Members, I also thank the Chair of the Committee on Accounts. You are now the Chairperson. You were not yet the Chair when you had not gone through this rigorous exercise. I also thank the Members of the Committee for handling this very important task in a manner that everybody has appreciated. Some people I have spoken to and many others whom I believe were making very genuine comments believe it was handled in a way that most of them were not used to yet they have been through this process for many years. You have been innovative and more inquisitive about issues in a very special way. Thank you very much, Members of the Committee.

I also thank the Council and the secretariat who worked with you. This is a joint exercise or venture.

Honourable Members, it is good to suggest structural improvement but even before we get there, if we can put to proper use the structures we have, they are good enough and sufficient to ensure accountability in this Community. We have the chain of accountability, checks and systems. We have the Audit Commission in which all Partner States participate. We have the Assembly in which all Partner States participate. We have the Council too. When we listen to members of the Summit individually – I heard one of them, this morning, say “a thief is a thief, so do not call him my tribe or from my region.” We should say no to those other names. There is only one name for a thief. He is a thief.

I also heard another member of the Summit say, “It is better to take poison than to take public money illegally.”

Therefore, when we come here we should not lower standards. This Assembly will not accept a raw deal. – (*Applause*)

We cannot go home, raise standards, then come here and lower them. Someone spoke about the possibility to reach out to the Members of the Summit directly. We may not need to do that because we have the Council, which is part of this process. However, if it were to happen, it would as well happen. Everyone must be taken to account for what he stands for. This Community and its leadership stands for accountability. There can never be a situation where the real culprit is not known. No way!

There is no blind alley on matters of accountability. You cannot get somewhere and you are at a loss. You do not know who is responsible. If that happens, it is an excuse. There is always a way to know the real culprit.

Our duty, as an Assembly and Council, is to go for the real culprit. We are determined, collectively and individually, to use all means available in this House and beyond – mark my words – to make sure there is accountability. Where this House fails to ensure accountability, there is a way to supplement that responsibility and make sure that it happens. We are here and we spend taxpayers’ money. We are trusted with a responsibility and we cannot execute it until we are courageous enough to look into each other’s face, tell each other the truth and make sure that we do our job properly.

Please, no one should take this personal. There is nothing personal about this; whether it is in the Committee or the House. There is nothing personal. It is about systems and what we should do. When we are done, we should walk out as individuals and friends, if we want to be friends. Nothing should be taken as personal. You are my friend and you will remain my friend. However, when I am here, I am dealing with issues of accountability. I will go after you if there is a reason for me to do so. If you hate me for that, that is a good situation. I am happy to be here.

I am glad we have started in the manner we have and I believe we will not lower our speed. We will try our best to be very fair. Chair, you can attest to the Assembly that I never spoke to you on how to deal with issues in the Committee. I only made one phone call to you and said, please be fair but also do not try to lower the status of where we should be. Am I wrong?

Dr Maghembe: No.

The Speaker: Yes, so that is the spirit. There should be fairness, but also not covering up issues that we should not be covering. If we do that, we fail together.

Finally, I like the recommendations and the fact that we are giving them to the other organ, which is properly empowered to deal with them. Mostly, I like the fact that there will be a follow up mechanism, the proposed quarterly report and another mechanism that we shall devise at the Commission level to make sure that the Commission ticks the box on how the Council is implementing these resolutions. We will tick the box on what is happening at the level of the Council. We will not wait until we come back next year. We will have to be here after a few weeks or months to make sure that the recommendations are properly handed.

*(The House arose at 6.30 p.m to reconvene
on Monday,
4th June at 2.30 p.m.)*

I will adjourn this House but before I do that, the informal meeting we need to have here with Ms Abela will happen in at least two hours from now. I suggest that we leave this place. There are those who are supposed to go and break their fast. After two hours, we will come back here and have that interaction with her.

I would also like to remind you about the invitations we have for tomorrow. I am told that Meru is approximately four hours' drive. I listened to you, honourable Members, saying you are very happy with the way our colleagues from Kenya have treated us. Therefore, we are put to test to reciprocate that tomorrow. If you were able to endure the hardships of travelling for two weeks through the Northern and Central Corridor, possibly going to Meru tomorrow and sleeping over there to participate in hon. Munya's function will be the right thing to do. We are being advised that departure from your respective hotels should be 4.30 a.m. Group departure from Intercontinental Hotel will be immediately after. Please let us go there and support our colleagues.

ADJOURNMENT

I adjourn the House until Monday, 4th June 2018 at 2.30 p.m. the House is adjourned.