



## **EAST AFRICAN COMMUNITY**

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### **IN THE EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)**

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

#### **152<sup>nd</sup> Sitting - Third Assembly, Fifth Session – Third Meeting**

**Tuesday, 22 November 2016**

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

### **PRAYER**

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

*(The Assembly was called to order at 2.30 p.m.)*

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#### **COMMUNICATION FROM THE CHAIR**

**The Speaker:** Honourable Members, I welcome you to our Third Meeting of the Fifth Session of the Third Assembly here in this great city of Nairobi in the Republic of Kenya – *(Applause)*. We thank God for the good weather that He has given us, which befits our working environment. However, most importantly, I would like to extend my appreciation, on your behalf, to His Excellency President Uhuru Kenyatta, the Government of Kenya, and the people of Kenya for the great hospitality and welcome that they have extended to us – *(Applause)*.

In a very special way, I would like to extend my appreciation, on your behalf, to the Rt. hon. Justin Muturi, the Speaker of the National Assembly of Kenya, the Rt. hon. Ekwee Ethuro and the entire staff of the

Parliament of Kenya, together with the Members for offering us these beautiful chambers in which to do our business – *(Applause)*.

We do not take for granted the hospitality that they have often granted to us when we come to sit in this great city. We are grateful.

Honourable Members, as you may be aware, our stay in the Republic of Kenya is action packed. We have our plenary that is going to be running, we will have an address from His Excellency President Uhuru Kenyatta next week on Tuesday. We shall also be having, immediately we conclude our meeting, as you are aware, the Inter Parliamentary Seminar - code named the Nanyuki Series - immediately after, starting next week on Thursday.

Immediately after the Nanyuki Series, we shall be travelling to Mombasa to engage ferociously in our Inter Parliamentary Games. I would like to kindly request the managers of the different sporting disciplines to organise the teams and begin practice immediately. You know that our performance in the last games was exemplary. We are champions in football, we did very well in Netball, we did very well in athletics, we did very well in tug of war, and we do not want to go below that record. We just have to go higher. So, I really plead with you that we should – (Interjection) - of course, the golfers did very well, too. So, I implore you, honourable Members, to begin the practice because our colleagues in the Partner States have been at it for a while. I thank you so much.

A few months ago, we passed a very important law, the Creative Industries Bill that promotes art and creativity in this region. Today we are honoured by the presence of Mr Morris Musyoka Nzili, but mostly known as Wamahuyu. He is a great artist; he is one of the sons of Africa who has communicated greatly to the region using his talent as an artist. You are welcome, sir. (*Applause*).

**Mr Abubakar Ogle (Kenya):** Mr Speaker, may I also join you in welcoming the honourable Members to this very beautiful city of Nairobi?

Mr Speaker, you will remember that during our last session in Zanzibar - actually on the last day of our session in Zanzibar - I stood on the floor of the House under Rule 30(1) to move a motion on a matter of public importance. The motion was duly considered, and the House adopted a resolution. That resolution is currently going through the due process that similar ones normally go through.

Nonetheless, about two or three days after our session, the honourable Secretary General of this Community issued a very strong statement that I thought appeared to be like a rebuttal to our resolution of the House. In fact, he went on to admit that the House had oversight authority in doing what it had done, and then he wrote a very strong letter. He called a press conference and said that he wanted to seek further evidence from the Speaker on this matter. I thought that was un-procedural, wrong, un-parliamentary, uncalled for and, indeed, very reckless.

Mr Speaker, I need your guidance and clarification on this. In fact, I do not want to preclude what the investigations of that particular committee will do, but one of his officers – in fact, the Corporate Communications Officer is on record to have called that resolution of the House baseless. We take strong exception to that. That is an assault and a raid on the integrity and reputation of this House. Therefore, it must be cleared, Mr Speaker. Thank you very much.

**The Speaker:** Thank you so much, hon. Ogle who has risen on a point of procedure on a matter that transpired during our Second Meeting while we were in Zanzibar.

Honourable friends and colleagues, the spokesperson of this Assembly is the Speaker. Any business before this House is procured and concluded according to the Rules of Procedure. All Members of the Assembly, including the ex-officio members must abide by the Rules of Procedure of this House.

What is passed by this Assembly is transmitted to the relevant offices through the Office of the Clerk, and that we always do and very clearly as per the rules of this House. Anything to the contrary is un-procedural and is not accepted.

On the questions of that communication, I would like to inform the Assembly that the Commission has met with the Chair, Council of Ministers and members of the Council and discussed in depth the question of communication. We have agreed that from now onwards, we shall follow the rules that govern the different organs and institutions of the Community while we are doing our business. I thank you so much.

### PAPERS

The following Paper was laid on the Table:

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(by the Chairperson, Committee on Accounts (Mr Jeremie Ngendakumana) (Burundi)

The Report of the Committee on Accounts of the Meeting with the Audit and Risk Committee

**The Speaker:** Hon. Jeremie, move the motion.

**Mr Ngendakumana:** Mr Speaker, I beg to move that the *Report of the Committee on Accounts on the meeting with Audit and Risk Committee be adopted.*

**The Speaker:** Seconders? Hon. Mulengani, hon. Mumbi and all the members standing. Chairperson, proceed.

**Mr Ngendakumana:** Mr Speaker, whereas the Committee on Accounts is particularly mandated to -

- i) Carryout a post audit review and scrutiny of the expenditure incurred by the EAC Secretariat, the Organs and Institutions of the sums appropriated in annual budgets approved by the EALA upon presentation by the Chairperson of the Council of Ministers of the EAC;
- ii) Carryout out post audit review and scrutiny of the expenditure based on an annual audit report of the Audit Commission, pursuant to provisions of

Article 49(2) (c) and 134 of the Treaty for the Establishment of the EAC. This function is post budget and implementation of the budget by organs and institutions of the EAC;

- iii) Carryout post audit function that encompasses the need to monitor the implementation of the budget in a manner similar to internal audit, pursuant to Rule 72(1) that the Assembly shall monitor the implementation of the budget of the Community through the Committee responsible for budgetary control and other relevant Committees;
- iv) Carry out on-spot assessment on activities of the EAC and those of the donors; and, to
- v) Present a report with recommendations to the House for debate and adoption,

The East African Audit and Risk Committee is mandated to discharge its oversight responsibilities concerning:

- i) The effectiveness of the processes of Governance;
- ii) The integrity of the financial information;
- iii) Compliance with legislation, regulatory requirements and internal policies and procedures;
- iv) The adequacy of the internal control system;
- v) The effectiveness of risk management;
- vi) Efficiency, effectiveness and economy (value for money) in the use of the Community resources; and
- vii) The performance of the EAC Internal Audit function.

The East African Community Audit and Risk Committee was established by the Charter that was approved by the 20<sup>th</sup> Meeting of the Council of Ministers (EAC/CM/20/Decision 87) and amended by the 32<sup>nd</sup> Meeting of the same Council. The Committee derives its mandate from

the Charter and assists the Council as its technical arm.

Owing to the fact that the Community has been faced with issues as pointed out by the Audit Commission and recommended upon by the Assembly, the issues have persisted despite Assembly efforts to mitigate the audit queries. The Committee deemed it appropriate to meet the Audit and Risk Committee to discuss further the roots of the issues for a lasting solution.

## 2.0 The Objective of the Meeting

The Committee met the Audit and Risk Committee to forge a working relationship. The Committee on Accounts being an accountability Committee and an arm of the Assembly as an oversight organ, would work with the Audit and Risk Committee, just like it works with the Audit Commission. The roles of the two Committees are almost similar despite performance in different capacities with different reporting structures. It is in this regard that the Committee on Accounts has initiated the meeting as culture of sharing information and building synergy to enhance accountability in the Organs and Institutions of the Community.

## 3.0 Methodology

The Committee conducted a joint meeting where the Chairpersons read statements as opening remarks, made presentations and held plenary discussions.

## 4.0 Presentations

### 4.1 Recurrent Audit Queries in the EAC Organs and Institutions

The Chairperson of the Committee on Accounts presented the recurrent Audit Queries in the EAC Organs and Institutions as follows: -

#### 4.1.1 Accounting Function at EAC

The Audit Commission of the EAC had reported that the EAC Secretariat submitted Financial Statements for the FY 2014/15 to the Audit Commission on 5<sup>th</sup> October 2015. The Director of Finance and the Secretary General signed the submitted Financial Statements on 25<sup>th</sup> September 2015 and 30<sup>th</sup> September 2015 respectively.

It was noted that the EAC Secretariat passed 1146 adjustments to the transactions in the General Ledger after the submission of the Financial Statements. Out of these adjustments, the Audit Commission recommended 138 and the remaining 1008 adjustments were passed by the EAC Secretariat.

During the review and consideration of the Audit Commission reports, the EAC Management conceded that there is lack of coherency and complementarity in the finance department hence financial imprudence.

Indeed, there is lack of proper recording of financial transactions and general lack of capability to exercise supervisory role in the finance department. The adjustments of the Financial Statements are an indicator of failure of the EAC top Management to supervise its departments and laxity of the finance staff and the Internal Audit to do their work.

The EAC Council of Ministers is required to -

- i) strengthen EAC internal control mechanisms by ensuring that financial transactions are accurately and timely posted in the financial information system;
- ii) direct EAC Management to enhance capabilities of finance and internal audit staff; and
- iii) prevail over the directorate of finance to render its supervisory role over the accountants;

Most important to note is that the accounting function at the EAC has been queried for the last four years. If it is not due to understaffing, it is the accounting systems or underfunding.

#### 4.1.2 Lack of EAC Projects Coordination Unit

This is an audit query that has existed for a decade.

EAC has a number of projects ongoing or proposed by various development partners that respond to its core mandate notably: Peace and Security Project, Medicines Regulatory Harmonization Project, Climate change Project, Railways sector Enhancement Project, Financial Support Development and Regionalization Project etc. This relationship is likely to continue for the long-term, hence the need to establish a top-level unit to coordinate the implementation of these projects through an effective project management.

The EAC Council of Ministers should prioritize this matter and ensure it is addressed.

#### 4.1.3 Outstanding VAT Claims

There is persistent failure of EAC Management to negotiate a conclusive and thorough Headquarters Agreement to enable EAC enjoy its privileges. This challenge has existed since the inception of the EAC and in all the EAC Organs and Institutions. Of course, the Assembly has severally recommended that the EAC Council of Ministers direct EAC Management to -

- i) negotiate and conclusively finalise agreements that exempt VAT with all EAC Partner States that host EAC Organs and Institutions and all meetings and events;

- ii) put in place mechanisms for timely compilation and submission of claims for tax refunds;
- iii) convene a tripartite meeting of the EAC Secretariat, EAC Council of Ministers and the Revenue Authorities in all Partner States to forge a lasting solution of the VAT issue; and
- iv) forge a way of engaging the Ministries of Finance directly.

There is need to have the Assembly recommendations implemented.

#### 4.1.4 Expenditure on payments to short-term contract staff in terms of Salaries and overtime allowances.

There has been, and there is still, an illegal practice at the EAC regarding short-term contracts. The continuous recruitment and maintenance of the short-term contracts in the guise of stop – gap measures contravenes EAC Staff Rules and Regulations (2006).

#### 4.1.5 Irregular Payment in Lieu of Leave

The Audit Commission Reports have always pointed out this irregularity. These payments always have no evidence that special permission to accrue the leave had been obtained or granted as required by the regulations. The practice contravenes Regulation 71 of the Staff Rules and Regulations (2006). The EAC Council of Ministers ought to come up with sustainable solution to this recurrent query.

#### 4.1.6 Wasteful Expenditure

The Audit Commission gave instances where the EAC Secretariat spent funds that could have been avoided had Management been more prudent in the utilization of its resources. Most of the expenditures were on conference facilities, fuel, and accommodation for various meetings.

#### 4.1.7 Procurement Matters

Every year, from FY 2010/2011 – 2014/2015 the Audit Commission reports have queried procurement at the EAC. There has been irregularities in the procurement of goods and services in contravention of Financial Rules and Regulations (2012) and EAC Procurement Policies and Procedures Manual (2011). Most procurements like awarding of tenders and procurement of hotel services at the EAC are done without justification, quorum and exceed approved thresholds. This query has persisted despite recommendations to the EAC Council of Ministers by the Assembly.

#### 4.1.8 Internal Audit Function

The Internal Audit Function has had concerns for many years. The major problem affecting proper functioning of the Internal Audit Unit has been understaffing, hence non-accomplishment of its mandate. The Assembly has previously recommended upgrading the unit to the directorate level but nothing has been done to date!

#### 4.1.9 Budget Performance

Budget performance at the EAC has been a recurrent issue. There has been Under Utilization of Budgeted Funds especially in the EAC Projects and programs. The poor performance has always been attributed to unrealistic project budgeting, late disbursement of funds and different budget cycles. The EAC Council of Ministers has not done anything despite Assembly recommendations.

#### 4.1.10 Shortfall in Funding

Despite efforts to recover the outstanding balance, there is always outstanding balances from the Partner States. This applies to all organs and institutions. The EAC Council of Ministers should prevail

over the EAC Partner States to honour their obligations and disburse contributions timely.

#### 4.1.11 Non-Compliance with the NSSF Act (IUCEA)

The IUCEA has not been effecting monthly contributions to NSSF as required by the NSSF Act in the Republic of Uganda. NSSF has a claim of more than four million dollars against IUCEA. The Assembly is not comfortable with this unresolved matter. The EAC Council of Ministers should expeditiously report progress in the implementation of the Assembly recommendations on the matter.

#### 4.1.12 Expenditures over and above budget limits

Most of the time statement of comparison of budget and actual included in the financial statements reveal expenditure beyond budget in most line items. The EAC Council of Ministers should address unrealistic budgeting, weaknesses in budget controls in all EAC organs and institutions.

### 4.2 Presentation by the Chairperson of the Audit and Risk Committee

#### 4.2.1 Introduction

The Audit and Risk Committee informed the meeting that it is a technical committee of the EAC Council of Ministers that was established by the 25<sup>th</sup> Meeting of the Council of Ministers (EAC/CM25/Decision 43). The Audit and Risk Committee was established and appointed in accordance with Regulation 110 of the EAC Financial Rules and Regulations (2012), that gives powers to the Council to establish and appoint members of the Audit and Risk Committee.

Article 135 (1) of the Treaty for the Establishment of the East African

Community gives powers to the Council to make Financial Rules and Regulations of the Community.

The Committee derives its mandate from the Audit and Risk Committee Charter that was approved by the 20<sup>th</sup> Meeting of the Council of Ministers (EAC/CM/20/Decision 87) and amended by the 32<sup>nd</sup> Meeting of the Council of Ministers.

#### 4.2.2 Execution of the Audit and Risk Committee mandate/responsibilities

In accordance with the Charter, the Committee is required to meet at least four times a year. The Internal Audit units of the Organs and Institutions periodically prepare reports in line with the approved work plans and submit the same to the Audit and Risk Committee.

In executing its mandate, the Committee meets to deliberate on issues in line with their mandate and prepares reports with recommendations, which are eventually submitted to the Council annually for consideration and adoption.

The Council of Ministers meet at least twice a year and consider the status of implementation of previous decisions/directives emanating from the Audit and Risk Committee recommendations.

#### 4.2.3 Achievements

The Audit and Risk Committee informed the meeting that some achievements had so far been registered:-

a) Improvement of the link between the Internal Audit function and the Council of Ministers through the Internal Audit reports, which are reviewed by the Audit and Risk Committee and tabled to Council annually, hence improvement in the implementation of the recommendations of the Internal Audit unit.

b) The Audit and Risk Committee has been assisting the Council of Ministers in analyzing and making recommendations on matters of governance, accountability and effective use of the Community's resources.

c) The Audit and Risk Committee has since advocated for the establishment and/or improvement of the Internal Audit function across the EAC Organs and Institutions and has succeeded to some extent for instance Lake Victoria Fisheries Organization has now an audit unit headed by a Principal Internal Auditor.

d) Recommendations from the Internal Audit and Audit Commission are now part of the reports of the Council of Ministers and the Council can now monitor their implementation through the existing EAC Monitoring & Evaluation framework.

#### 4.2.4 Challenges

The Audit and Risk Committee stated that despite the achievements that have been recorded since its establishment, there have been challenges, which have affected the execution of the mandates of the Committee as follows:

##### 4.2.4.1 Governance

- a) There is slow Implementation of the Audit and Risk Committee recommendations by organs and institutions as well as Partner States.
- b) EAC Governance structures limit corporate governance in such a way that EAC Secretariat convenes Audit and Risk Committee meetings at its convenience.

##### 4.2.4.2 Internal Audit Units

- a) The Structure of the Internal Audit Units of the EAC Organs and Institutions is not in line with the International Professional Practice Framework (IPPF Standard 1110 on

Organizational Independence) rendering the function ineffective.

- b) The Internal Audit Units are understaffed and underfunded, causing ineffective delivery on their mandate.

#### 4.2.4.3 Risk Management

There is lack of full operationalization (EAC-wide) of the approved Risk Management Framework, Policy and Strategy that will cover risk assessment for the remaining institutions - LVBC, LVFO and CASSOA.

### 5.0 PLENARY DISCUSSIONS

The two Committees held plenary discussions arising out of the presentations made by the two Chairpersons.

#### 5.1 Findings / Observations

5.1.1 The Untimely convening of the Audit and Risk Committee to execute its duties.

The Committee observed that the Audit and Risk Committee is convened by the EAC Secretariat at its convenience. Whereas the Audit and Risk Committee was established as a technical arm of the EAC Council of Ministers, it does not regularly meet in accordance with the Charter and not accorded adequate time to brief the EAC Council of Ministers appropriately.

#### Committee Recommendation

The Committee recommends to the Assembly to urge the EAC Council of Ministers to accord time and regularize Audit and Risk Committee meetings in accordance with its Charter.

5.1.2 Lack of Synergy between Oversight and Accountability Committees.

The Committee noted that for effective delivery and to serve the Community

properly, there is need for synergy and harmonized working relationship between the Assembly Committee on Accounts, the Audit Commission and the Council.

#### Committee Recommendation

The Committee recommends to the Assembly to urge the EAC Council of Ministers to direct the EAC Secretariat to initiate and regularly convene the tripartite meeting for purposes of building synergy and harmonizing accountability at the EAC.

5.1.3 Non-implementation of Assembly recommendations and non-disclosure of audit and assessment results on staff qualifications.

The Committee recalled that following a recommendation on due diligence on staff qualifications, audit was carried out following the discovery of forged academic papers by the expelled senior accountant at the LVBC.

The meeting was informed that due diligence of all EAC staff qualifications was undertaken and a report produced but it was never disclosed to any of the oversight or accountability Committees.

#### Committee Recommendation

The Committee recommends to the Assembly to urge the EAC Council of Ministers to direct the EAC Secretary General to table before the Assembly, the said report in January 2017 during the next session.

5.1.4 Gaps in EAC Management and Governance

The meeting was informed that there are so many gaps in EAC Management and Governance partially expressed by the lack of EAC Projects Coordination Unit.

It was clear that the Council has always received reports from the Audit Commission, the Audit and Risk



Committee and the Assembly. All the reports have pointed out the issues and flaws at the EAC but the EAC Council of Ministers has not address most of the issues.

#### Committee Recommendation

The Committee recommends to the Assembly to urge the EAC Council of Ministers to arrange an extra ordinary meeting and accord time to the Audit and Risk Committee for a regular and detailed brief on the issues paralyzing the Community.

#### 5.1.5 Performance of the Audit and Risk Committee

The Committee observed that the Audit and Risk Committee does not perform its duties in accordance with the Charter. The Audit and Risk Committee has met fewer times in fact only two instead of the four as stipulated by the Risk and Audit Committee Charter.

#### Committee Recommendation

The Committee recommends to the Assembly to urge the EAC Council of Ministers to direct the EAC Secretariat to -

- avail resources to enable Audit and Risk Committee to meet regularly;
- facilitate Audit and Risk Committee in the discharge of its duties, and to implement Assembly recommendations vigorously.

#### 5.1.6 Slow pace in implementation of Audit and Risk Committee Recommendations

The Audit and Risk Committee informed the Committee on Accounts that for the fewer times it has met to review the Audit Commission reports, several recommendations have been drawn. It is however disappointing that only one

recommendation has been implemented in a period of two years.

The Committee expressed its disappointment about this.

#### Committee Recommendation

The Committee recommends to the Assembly to urge the EAC Council of Ministers always to ensure all recommendations are implemented timely.

#### 5.1.7 Financial Limitations

The Audit and Risk Committee informed the Committee that financial difficulties caused by delays and lack of disbursements of contributions by Partner States also lead to non-implementation of some of the recommendations.

#### Committee Recommendation

The Committee recommends to the Assembly to urge the EAC Council of Ministers to -

- always ensure that Partner States disburse their contributions on time;
- lift the zero-increment policy on the EAC budget; and to
- table quarterly reports to the Assembly.

#### 5.1.8 Audit and Risk Committee Reports to Council

The Committee noted that the Audit and Risk Committee reports to the EAC Council of Ministers annually. Given the state of affairs at the EAC, there is urgent need to address issues of governance and exercise proper risk management and controls.

#### Committee Recommendation

The Committee recommends to the Assembly to urge the EAC Council of Ministers to ensure that detailed reports of the Audit and Risk Committee are received

and attended to adequately on a quarterly basis.

#### 5.1.9 Inefficiency of the Internal Audit Units

The Committee was informed that the Internal Audit Units of the EAC Organs and Institutions structure is not in line with the International Professional Practice Framework (IPPF Standard 1110 on Organizational Independence), rendering the function ineffective. This issue has not been attended to despite reports to the EAC Council of Ministers.

The Committee was further informed that inefficiency of the Internal Audit Units is also caused by understaffing and insufficient funding. This specifically hampers effective delivery of the Internal Audit Units Mandate.

#### Committee Recommendations

The Committee recommends to the Assembly to urge the EAC Council of Ministers to -

- a) cause the alignment of the EAC Internal Audit Units to IPPF Standard 1110 on Organizational Independence by March 2017; and,
- b) ensure that Internal Audit Units are sufficiently staffed and funded.

#### 5.1.10 Non-Operationalization of approved frameworks, policies and strategies.

The Committee was informed that the approved (EAC – wide) Risk Management Framework, Policy and Strategy risk assessment to include LVBC, LVFO and CASSOA has not been fully operationalized.

The Committee noted that persistent refusal to operationalize such strategies and policies would always expose the EAC establishment to risks.

#### Committee Recommendation

The Committee recommends to the Assembly to urge the EAC Council of Ministers to prioritize and expedite full operationalization of an EAC – wide Risk Management Framework, Policy and Strategy to cover EAC Institutions also.

#### 5.1.11 Weak Monitoring and Evaluation Mechanism

The Committee noted weaknesses in monitoring and evaluation mechanisms at the EAC. The Committee also noted that Council decisions and Assembly recommendations are neither effectively, nor sufficiently implemented.

#### Committee Recommendations

The Committee recommends to the Assembly to urge the EAC Council of Ministers to -

- a) enhance Monitoring and Evaluation mechanism for full implementation of the Council decisions, Assembly recommendations and Audit and Risk Committee recommendations by conducting physical monitoring for verification on the reported status of implementation of the decisions and recommendations;
- b) direct EAC Secretariat to allocate adequate resources to enable the Audit and Risk Committee timely and effectively execute its mandate; and to
- c) build and improve capacities of the Internal Audits of the Organs and Institutions and urgently fill the approved positions for the Internal Audit Units.

#### 6.0 Conclusion

The Committee had a fruitful meeting with the Audit and Risk Committee. The meeting discussed several issues affecting the Community with the EAC Council of

Ministers at the centre stage in successes and failures of the Community.

The Council is vested with full authority to manage the Community but has not done much despite several reports and advice by all the oversight and accountability Committees and Organs.

The Council, for several years, has received reports from the Audit Commission, the Audit and Risk Committee and the Assembly. In accordance with Article 14 of the Treaty, the Council is mandated to ensure the proper functioning and development of the Community. This infers that the implementation of the recommendations proposed by the accountability committees and approved by the Assembly rests in the hands of the EAC Council of Ministers.

#### 7.0 Acknowledgments

The Committee wishes to thank the Rt. Hon. Speaker, the Clerk and the entire Management of EALA for the excellent facilitation accorded to it while executing its mandate.

Finally, the Committee wishes to thank the Audit and Risk Committee and the Internal Audit Units for their availability and meaningful participation in the meeting.

**The Speaker:** Thank you very much Chairperson.

Honourable Members, the motion on the floor is that the Report of the Committee on Accounts on the meeting with Audit and Risk Committee be adopted.

*(Question propose)*

**Ms Shy Rose Bhanji (Tanzania):** Mr Speaker, the basis of my concern touches on two areas. What will the development partners think about how their money is being used when they read these reports?

What impression will they get about their funds that they put in the East African Community?

Mr Speaker, it is now 16 years since the re-establishment of the East African Community, what impressions are we giving to East Africans? Are we delivering the objectives that we had promised when the East African Community was being re-established? Are we giving East African value for their money and trust? East Africans are expecting positive results in terms of development, integration effects and overall better services out of the money that is being invested. We owe an explanation to 165 million East Africans and this is a tall order.

Mr Speaker, when we read these reports, it looks like we have all been taken for a ride. How long must this go on? Can we show some seriousness in taking actions? Is this too much to ask from the Council of Ministers?

Mr Speaker, when I read the report of the Audit and Risk Committee to the Council of Ministers, it is very noticeable that there is a recurrent pattern of malpractice of Community money from 2013, 2014 and 2015.

Mr Speaker, even when recommendations are made to improve the situation, no action is done for the implementation. For example, in the year 2015, according to the Audit and Risk Committee report, which was availed to Accounts Committee, only one out of 17 recommendations have been implemented. What is the problem with the Council of Ministers?

The Council of Ministers get these reports from their Audit Commission, from their Risk and Audit Committee and from this Assembly through the Accounts Committee. I am repeating my question: what is the problem with the Council of Ministers? What is making them not take

action? This is very sad. Out of 17 recommendations, only one has been implemented.

Mr Speaker, the Council of Ministers not taking appropriate action is a let-down to everyone. The governments of East African Community, donors, East Africans, this Assembly and all the stakeholders – this is a big let-down.

Finally, in order to move forward, I urge the Council of Ministers to hold an extraordinary meeting with the Audit and Risk Committee so that they talk at length to see how to solve these problems because it is so embarrassing. Every day in this Assembly, we are talking about the same things and nothing is being done. I fully support the report and I beg to submit.

**Mr Bernard Mulengani (Uganda):** Thank you very much, Mr Speaker for the opportunity. I also want to join you, Mr Speaker in thanking the government of the Republic of Kenya and your colleague, the Speaker of the Republic of Kenya and the members that have accorded us this warm welcome. We are yet to see what the former President used to say '*mu jienjoy*'. The first weekend we shall be witnessing *mu jienjoy* will be this one coming soon.

Mr Speaker, I also want to say that I am a member of the committee but it is important that we also rise up to highlight certain issues that might have come out not so well in the report. Before I raise issues in support of the motion, I think we need to recap because the manner in which the Treaty mandates our elections also jeopardises our institutional memory. Eventually we keep on leaving the Assembly because the Treaty demands that we should serve for two terms, which is okay, but for purposes of institutional memory and at an appropriate moment, Council may look into this and see what they consider in future.

I think it is important to recap, know, and maybe inform our colleagues that came to

this Parliament for their first time. Where was the origin of the creation of the Audit and Risk Committee? We need to understand. The origin of the creation of the Audit and Risk Committee is the genesis of the Audit Commission report, which, time and again, envisaged the conflict of interest of the auditee who is the Secretary General, the CEO of the Community where the internal audit was continuously reporting both functionally and administratively.

Because the Secretary General was the chief auditee, he used to frustrate the functional side of the internal audit. I the wisdom of this House in the Second Assembly, which I gracefully take responsibility and honour to have chaired the Accounts Committee then, we thought it important to recommend to Council that there be created an Audit and Risk Committee and we want to thank Council for listening to that recommendation.

When the Audit and Risk Committee was created, in the wisdom of the Executive, they tried to make a charter but again tied its hands. The Audit and Risk Committee is not working functionally very well but I think the direction we are headed to is good but we need to expedite.

One of the other things I need to tell this House is, why was Trademark brought in the picture of the Community and what is it doing anyway? When we failed the fiduciary risk assessment, the donors declined funding the Community directly. Fiduciary risk assessment is basically about internal control systems of any organ and after failing that, they constituted an organ called TIMEA, which is putting itself in a situation as a funder, but it is a conduit receiving money from the funders and bringing it to the Community.

It is surprising to find also, as a purpose of record for those who are here in the Third Assembly for the first time and I wish you well that you come back in your second

term so that you continue giving institutional memory to the Assembly.

At the time when TIMEA came in place, we had a few challenges, and we are surprised that some of the people who sit on the Board - you will find the Secretary General, our permanent secretaries for the Partner States, and this creates a challenge to the extent that they are able to take the corporate function of the Community - *(Interruption)* -

**The Speaker:** Hon. Mulengani, maybe you have to be clear. Sitting on the board of TIMEA, do you mean the sitting Secretary General or the former Secretary General or the office?

**Mr Mulengani:** Mr Speaker, I meant the office, and the Secretary General can substantiate it.

Mr Speaker, to re-cap to this House, Trademark has positioned itself that it is doing what we expect the Office of the Secretary General to do. Talking about the progress of the achievements of the Community continuously, go to any website. Trademark is up to date with even the things that we plan to do.

Mr Speaker, in that context, I thought I should rise up and, first of all, give a genesis of why the Audit and Risk Committee came in place and we think it can help the Community regain. Much as we are hearing that we have passed the fiduciary assessment, how is it sustainable, or how is it going to be maintained? The Audit and Risk Committee must be empowered to help Council to achieve its objectives.

Mr Speaker, as I refer to the report that my Chair presented, on page four, the committee is talking about underfunding somewhere after (III). The Audit report is clear as to the accounting function and the 1,146 adjustments. It says lack of complementarity. When you lack

complementarity that means that people in the Community are working as individuals. You are in a department but when a person walks away with a file, he will leave nothing for the assistant. That is what it means and this is why work is not finished in time.

The adjustments made somewhere- The auditors were clear that it is not that transactions were not done but the issue is that the documentation and proper writing of financial statements were not up to date implying absence of staff in the Community.

I think that these are serious issues that Council needs to address.

The other point I want to raise is on the issue of procurement matters on page five. Mr Speaker, this is a predominantly traditional query in the Community. I want to leave it at this point.

Mr Speaker, on page six, the internal audit function. It is not the first time that this Assembly is reiterating this and saying that this function should be elevated to a directorate level. But even the committee that the Council considers to be its technical committee, the Audit and Risk Committee, has ably advised the Council to create a directorate and maybe in camera they have informed Council that the level of a principal cannot efficiently and sufficiently position itself in its independence.

Mr Speaker, referring this to the institutional review will be an understatement and it will be double standards because I am aware that there has been created a Directorate of Customs and Trade, which is being managed by a director. This is not in the Treaty, and neither did it wait for the institutional review. However, because of its necessity, Council deemed it right to put a person in place.

There is no reason why Council should not establish a directorate in the internal audit function to enable it position itself comfortably but also to enable us to separate the internal audit fully functionally and at the administrative level.

At this point, I would wish Council to reconsider and see if it is not necessary, in this financial year, to create a directorate for internal audit because there are very many changes that have taken place and yet they require the amendment of the Treaty.

Mr Speaker, on page seven, we quote the Council under its 10<sup>th</sup> Meeting when they took the decision to create the Audit and Risk Committee. There are challenges, and they include the harmonisation of titles. You will find that a commissioner in Kenya is senior to a commissioner in Uganda. A director in Kenya is a junior to a director in Uganda. It is creating problems for the composition of the Audit and Risk Committee because of lack of harmonisation of titles. What they call a commissioner in Kenya is a senior public officer to a director whereas in Uganda, a director is more senior to a commissioner. It creates a challenge, Mr Speaker. So, it is in the interest of Council to ensure that these portfolios are harmonised so that we have a proper constitution.

In addition, let the Partner States take structures we are creating at the Community seriously. Uganda and Kenya appointed people at a level of deputies from their Audit General offices. Other countries got lower level cadres. Now what is happening in the Audit and Risk Committee is that these senior cadres from Uganda and Kenya have decided to delegate their responsibilities. This means that decision-making is deferred because the person delegated will eventually want to come back and consult. I think it is something that Council needs do to help this Community so that we make steady progress.

Again, on page seven is the issue of the work plan, the meetings of the Audit and Risk Committee vis-à-vis the financial year. The Audit and Risk Committee is meeting four times as per a calendar year whereas the audited accounts follow the financial year.

When they present an annual report to the Council, I do not know how they distinguish between the previous years we covered in the audited accounts and the current year because the reports will be over lapping. There is need for harmonisation of the sittings of the Audit and Risk Committee. They either follow the financial year, which will give meaning and informed decisions to the Council. I think the work plans also follow the financial year.

Mr Speaker, under the executing of their mandates, it came to the attention that for them reporting annually to the Council does not give effective results because auditing is not an event. This is why the external auditors come for more two months because auditing is not an event that you will come, see this, and walk away because these are procedures.

Therefore, reporting to Council once a year is cheating your technical ability for the Audit and Risk Committee to come only once a year. On this I also want to say that when Council creates structures, let Council avail itself for these structures. Do not limit them to your meeting times of two times a year because we are told that Audit and Risk Committee can only meet you when Council is meeting. No. Let the structures you are creating demand you to adjust your time, come, and meet them because if they have concluded a report, why would you wait when Council is sitting and when they come to present, they present a report for more than seven days then you accord them less than an hour. That is not justifiable for creation of the structures.

The same applies to the Audit Commission. They spend all the time presenting a report, they look for you when you are in Council, you do not avail yourselves as Council to receive the report and then when they present the report, they only meet you for an hour.

I am not surprised that when we raise issues, they seem to be new to Council. This is because this technical arm informed the committee that they inform you of what we usually raise and we were in congress when we raised issues to this Audit and Risk Committee. They said they had noted the same issues in the report. When we come on the floor, Council seems to be as if they are receiving this for the first time. It is because of the time accorded to them.

The structures you are creating are good structures to enable us beat the fiduciary and risk assessment, to enable us stop these irregularities in our reports of accounts but time is not being accorded to the structures.

I want to beg Council, as I talk in this last term of mine, that – (*Interruption*) -

**The Speaker:** Hon. Mulengani, you are a member of the committee. Speak and give a chance to others as well. Thank you.

**Mr Mulengani:** Most obliged, Mr Speaker.

Mr Speaker, on page eight, the Audit and Risk Committee is clear that the separation of the internal audit function is not yet fully achieved. Functionally, there is still some bit of jeopardy that comes from the administrative side and we need to deal with that.

Mr Speaker, let me conclude by saying that I support the report and I think it is very important to make the Audit and Risk Committee very efficient. The only way the Community is going to come out of what is happening in our systems is by ensuring that the Audit and Risk Committee first of

all is removed from the status to a proper status of an Audit and Risk Committee of the Community.

I thank you very much, Mr Speaker, for the opportunity to say something on the report of the committee I sit.

**The Speaker:** Thank you, hon. Mulengani.

**Ms Mumbi Ng'aru (Kenya):** Thank you, Mr Speaker. I take this opportunity to welcome you to Kenya because I am Kenyan. I take this opportunity to welcome all of you to our beautiful country. *Karibuni sana* – (*Applause*).

Thank you and I want to declare that I am a member of this committee, and I support this report.

When we sat as a committee, I want to say that from where I sit, I felt like it was a performance contracting ... for the Council of Ministers and if I were to give some percentage of the marking from where I sit, you would have had an “E” because you would not have had 30 per cent.

The report is very clear; I do not need to go into issues of the report. I asked my colleagues to read it and probably I am sure that there are some of you who will find that 30 per cent was so high and probably give you below 20.

Why do I say this? There was concurrence between us and the Risk and Audit Commission that what this committee has said for the last four years that I have been a member is what they have said to me in and we have heard the same things. They have vindicated the report of our Accounts Committee and raised the same issues that are listed in this report and I kept on asking myself why. You are the policy organ of the Community and I remembered at one time that Chair, Council stood up on the floor of the House and accused the Audit Commission of doing a shoddy job and it is in the *Hansard* yet this is a committee that

you formed, that you agreed that it is your technical arm. They have raised the same issues and it looks like you are not taking them seriously.

For me, it was a performance contract in view of your performance, you almost got zero, and I am asking myself why. I want to be fair to you and say probably, the way you are structured to meet twice or three times a year is not enough to look at the issues that are very deep in the Community.

Therefore, if you have heard it from the Audit and Risk Commission, you have heard it from the auditors and from this Assembly, why haven't you found it fit to reorganise yourselves and make recommendations to the Summit that you need to sit? Maybe the Chair, Council should be a permanent resident of Arusha where there is action and where you are required.

I have not heard you say, bring that recommendation to the Assembly. I have been asking myself, who is the beneficiary of this confusion at the East African Community? You know what, I am thinking that you are also beneficiaries of the confusion.

I am saying this because sometimes we look at – (*Interruption*) -

**The Speaker:** Hon. Mumbi, maybe you need to be succinct on that kind of allegation to say that Council of Ministers are beneficiary of a certain confusion as if the confusion is deliberately structured. Maybe you also need to let us know what this confusion is.

**Ms Mumbi:** Mr Speaker, I was coming to that. Please give me an opportunity to explain. Why would three different levels of governance mention issues that are very dear to the Community? Wouldn't it raise red flags to the Council of Ministers that we have a big issue here? Why wouldn't they

just wake up and say well, I think there is a problem. Everyone is shouting to us that there is a problem and I haven't seen guidance from the Council. If there is no guidance, I am left wondering. Is it because they are hiding their own incompetence? Is it because it is business as usual? Is it because okay, we do not want to take the bull by the horns by pointing at issues at the Secretariat because of certain issues? That is exactly what I mean.

I beg that instead of being told that I am not coming out clearly, I want those answers. They should give us the reasons why for four years, I had to repeat the same issues again and again.

Mr Speaker, when we met this committee, we asked in our recommendation whether we could have a tripartite meeting, if funds allow, to have us and the Council and the Secretariat and the Committee of Accounts and the Audit and Risk Committee sit together so that we can face each other and ask the questions that we are talking about because I can tell you that we felt like there were issues that - one of them was... You know, the same insubordination – (*Interruption*) -

**The Speaker:** Hon. Mumbi, I would like to help you on that one. That is a very strong point you are raising. It could come out as a recommendation by the committee that there is need for a tripartite meeting and this House resolves and adopts it then the SG will work around to look for funds for that meeting.

**Ms Mumbi:** It is there, Madam Speaker. I am picking on it; I didn't pick what page it is on. I apologise, I have not yet had my eye surgery and that is why I did not pick on the page but it is there, because it was a recommendation that was very firmly and unanimously agreed upon by the Committee.



I was saying that the reasons why we felt that way is because the Audit Commission was talking to us like the Chair, Council is high there and so there are some things that they would not want to express. We told them that the reason why we are members of this House and members of that committee is to say the things that they not say and say them in their presence so that this exchange helps the issues that have been prevailing for a long time. It has come out in the open and if there is need for the Assembly to make firm recommendations through the Council to the Summit, those things can be done once and for all.

I can say confidently that not all the Members of this Assembly are enjoying when you have to have a liquidity problem, when you have to find out what is happening at the Community, you cannot ask each other questions. We need to do this once and for all even if it is not for this Third EALA. We are mandated to handover to the Fourth EALA something that they can pick from us and do a good job for the Community. We owe it to the East Africans. I beg to support the motion.

**The Speaker:** Thank you, hon. Mumbi.

**Mr Mike Sebalu (Uganda):** Thank you very much, Mr Speaker. Likewise, I would like to thank the President, the Government, the Parliament and the people of the Republic of Kenya for playing hosts to this wonderful sitting of ours. I am indeed delighted as is usually the case to be in Nairobi. It is a happening city and, definitely, we enjoy ourselves in Nairobi.

I just want to say that this is my last time to be in this chamber as an EALA member. Others may have an opportunity. The next possible time to be around- the nearest I can be is the Strangers Gallery - (*Interjections*). I do not speculate about those matters and that is why I am saying that we are indeed on our final tour of duty as EALA members; those of us that have had a term

to serve. So, I am indeed delighted that we are here to do good business to serve the East African people.

Allow me to thank the leadership of Parliament for the hospitality and the sufficient facilities that they have put at our disposal in order to create an enabling environment for us to do justice to the business that brought us here.

Mr Speaker, I would like to thank the Chair of the Committee for an exhaustive report, very informative, well structured and provided with a lot of principles and details regarding the subject that they were investigating.

To the Council of Ministers, I think this is a good report that you could use as reference material because therein are recommendations, findings that can make your performance better as a Council of Ministers.

The Council of Ministers does provide political leadership in terms of driving the integration agenda, and in the process, they also supervise various technical institutions, organs and agencies of the Community to be able to fulfil their mandate. I am glad to say that the Council has done a good job in terms of creating these institutions and structures that give accountability. However, I think it is not good enough to stop at creating them. Council should go further to ensure that these institutions are empowered with finances, with human resources and other logistical needs for them to deliver on their mandate.

Secondly, Council should seize the opportunity to engage these institutions in a mutually beneficial manner for the benefit of the collective good of the East African people.

Furthermore, Council needs to work towards making these institutions efficient

in the way they execute their mandate because at the end of the day, we need to have deliverables to the East African people. And if this is done, if efficiency is enhanced, productivity is enhanced, and the people will benefit from the outcome of the performance.

Council should also ensure that they support these institutions to be effective in the work that they do, when they do it, how they do it and for what purpose they do it so that at the end of the day, we benefit as a region.

Mr Speaker, it is clear from the outcome and findings of these institutions that a few areas are not moving as expected. We need to appreciate that the Committee of Accounts, which is the equivalent of the Public Accounts Committees in our Partner States, takes a lead role in terms of following value for money and in ensuring that budgets that are passed are utilised for the purposes that they are passed. They are doing a good job engaging so the recommendation of the tripartite arrangement is something that must be appreciated to build synergy around the three stakeholders in terms of improving the performance levels.

Mr Speaker, the recommendations that have always come out of these institutions have always been presented in this House and one thing that is missing and where I want Council of Ministers to take special interest is not in the structures, not in the recommendations but it is at the level of implementation. Maybe we may need to have an implementation audit of the recommendations that have been passed because we have so many recommendations gathering dust somewhere on our shelves and the challenge and the weakness is at the level of implementation.

If you go through the documentation across the board, you will find very important

recommendations being made from those very institutions and even from the reports that have been presented by the relevant accountability committees of this House but the-

**The Speaker:** Hon. Sebalu, as a matter of information, you may be aware that the Committee on Legal Rules and Privileges carried out an audit on the implementation of the recommendations of this Assembly by the Council and the report was tabled in this House so you have done your bit. Proceed.

**Mr Sebalu:** That is why I am saying that now the Council itself needs to make use of such a document to audit themselves; their status of implementation and their level of performance on the so many recommendations because their work has been made easy. It is cut out that you need to pick that report, look at the so many recommendations that have been made; they have been classified so Council is better off making good use of such a report and then put in motion a process of ensuring that the back log in terms of implementation is cleared.

That is the only way that we will be impactful to the East African people because Parliament has done its bit, the institutions and structures have done their bit, those that are mandated to implement need to be driven by Council, which has the political leadership and the supervisory responsibility to ensure that implementation is undertaken.

When you do all this good work, even the output of EALA may not be seen to be impactful when implementation is not undertaken. EALA will be taken to have grossed in the dark so for our impact, as an Assembly to be realised by the East African people, it can only do so when implementation is undertaken and we are able to explain the full cycle. We initiated this, we recommended, passed it over to the

Executive under the Council, implementation was undertaken so when implementation is undertaken in all the capitals and the effects are realised, this Parliament remains a relevant and useful institution to the East African people.

So, it can be done. We can do a good job provided each stakeholder plays their part and plays it well. I always like to quote that statement from the late Mwalimu because it is the combination of actions from different actors that then can create impact so for the Council, definitely, this report is yet another deliverable that you need to look at, compare it with the previous ones and work out an implementation schedule and modalities. At the end of the day you will feel proud of yourselves, given the impact that will be derived out of the implementation.

Mr Speaker, I am not a member of the committee but I support even more vehemently than some members do. Thank you.

**The Speaker:** Thank you so much, hon. Sebalu. Before I give honourable to speak, I would like to make it known to members that we must appreciate the coverage by Kenya Television Network (KTN) that has given us live coverage this time. We are very grateful to the management of KTN.

**Mr Pierre Celestin Rwigema (Rwanda):** Thank you, Mr Speaker. I would like to join you to thank the President, the Government of Kenya, and the people in the Kenya chapter for the warm welcome and for the hospitality that we are getting until now – *(Applause)*.

Mr Speaker, I am a member of the committee and I would like to support the report. I would like to thank our Chair and the members of the committee for the good and well-elaborated report.

Mr Speaker, our Chair is not an ordinary Chair but an expert in these financial matters, and I congratulate him.

Coming back to this report, I have some comments that were not mentioned in this report. Good management, as you know, involves matching key tasks with appropriate people. This means the people who have knowledge of what they are asked to do and do it. There are some steps. Once you are involved in management or to get good management, you have to think about the time. Time is very important, and designated financial experts should lead an Audit Committee; someone who knows and it is here where we have problems when you find that the Audit Committee is not well staffed or is understaffed. You cannot expect to get a very good result.

Secondly, we need to improve internal controls. Internal controls are more than a signature on a cheque or segregation of some tasks. It needs to be more than that and the internal controls, properly designed, will support every aspect of management. For that, proper internal controls will lead to efficiency in all the processes and when you are there, you can expect to get better results.

Thirdly, we need to improve our financial management by getting something that is not individual but people working as a group and then they can even have score card and then plan to achieve what they plan to do.

Mr Speaker, we also need to clarify on roles and responsibilities. In some organs and institutions of EAC, you see that there are no clarifications of some roles and responsibilities and when you hear a system like this one, you cannot expect to get better results. Without clear responsibilities, there is a risk that the talks will not be efficiently or effectively executed or not executed at all.

Lastly and this is the most important is value for money. Value for money is what we need to have good management in EAC organs and institutions.

An active Audit Committee is still involved with these auditors through the whole year. I can compare and say that the Audit Committee relationship with the auditors is similar to a willing and engaged patient who makes the physician better and more effective because sometimes the physician can be more committed because of the patient.

Mr Speaker, the work we did as a committee is work that needs to be done, not once in a while but quarterly and then we can push and get better results. With those remarks, I support this report. Thank you.

**The Speaker:** Thank you, hon. Rwigema.

**Ms Dora Byamukama (Uganda):** Thank you, Mr Speaker. I would like to add my voice to those who have thanked the Kenyan government for a warm welcome and to say that we are every delighted to be in this part of East Africa, which is categorised as being developed. It is evident from the infrastructure and the way of life that indeed, we all aspire to be where you are in the Republic of Kenya.

Mr Speaker, I would like to make three observations. I was privileged to serve on the Accounts Committee in the Second EALA and like hon. Mulengani said, I was very happy to be part of that particular committee which proposed the creation of this particular committee on Audit and Risk.

Having said this, hon. Mulengani was talking about the issue of institutional memory and in away saying that the term limits will hamper this from going on. I am glad to note that some of our sisters and

brothers will be able to make it, with God's grace and hopefully they will carry on.

Mr Speaker tied to this, I wanted to highlight a few other issues which I thought would help us on the issue of institutional memory and one of these is the issue of publication of the *Hansard*.

Mr Speaker, I think it is very important that the *Hansard* is published and that the *Hansard* is availed to members of the Assembly so that whether you come in the First, Second, Third or Fourth Assembly, you are able to go to the library and read and have a chronology of what transpired before.

Mr Speaker, I remember when we were aspiring to come to EALA, one of the things that I did diligently as a person was to read the previous *Hansards* and I know that other members also confessed to me that they read the previous *Hansards*. I am seeing one of them, hon. Nakawuki, who was following up on what we were doing. So, I believe that if we have the *Hansard* published, they will be able to carry on the legacy and continue this history.

Mr Speaker, connected to this on institutional memory, I would like to highlight the fact that we should also find some space and resources to put in place an East African parliamentary institute and I am saying very humbly. It does not have to take a lot of money but we can have video conferencing whereby for example, when the members of the Fourth Assembly come in, we have a video conference and we sit in a room, for example in Kampala and we are able to interact with member who are sitting in Arusha and with those who are sitting in the other Partner States.

This is cost effective and we will be able to share information in a constructive manner. So when we talk about the East African parliamentary institute, we are not talking about issues of money or where it will be

located. We are talking about transferring of information as well as sharing of experience, which will enable us to have a better East African Community and to be more effective and efficient in the way we operate.

Mr Speaker, my second point is on the issue of how this particular Audit and Risk Committee was formed. I have read in the report mention of a charter. I do not understand nor appreciate - maybe I need some more clarification on how a charter came to be its legal framework because maybe it would have been some kind of regulations or maybe we could have even have had a law.

This use of the word charter is alien to the Treaty and maybe this is what is causing some of the problems because for example, the East African Development Bank has a charter. The Audit and Risk Committee has a charter. These are the only two institutions that I know which have charters. So, maybe we may need to look at how we can have a legal framework, which will enable this particular committee to be able to function properly.

Mr Speaker, connected to this is the fact that on the aspect of audit, because the Audit Commission has pointed out these issues, there may be nothing new in the real sense but I wanted to hear more from the committee on the issue of risk. Did you have time to discuss with the Audit and Risk Committee the potential risks or the current risks that the EAC faces, and did they have time to propose to you how these risks are to be mitigated? It is very important that we anticipate and analyse the risks so that we do not get shocked when certain things happen.

So, I wanted to hear from the chairman whether this aspect was brought on board because as I said, on the issue of audit, most of what has been raised here, even from as far as 2007, is the same: the outstanding

VAT claims, the irregular payment in lieu of leave, wasteful expenditure, procurement matters, the short term contract, non-compliance with NSSF – all these are the same. For me what would also be new would be the aspect of risk.

Mr Speaker, there are some few contradictions. For example when you look at page six, you will find mention of a short fall in funding with regard to contribution and then you will find that there is a problem of over expenditure. If there is a short fall in funding contributions, how can you have another challenge of over expenditure? It is a bit confusing but I remember saying before this House - I need your protection from hon. Mulengani and hon. Ndahiro.

**The Speaker:** Honourable members, let us listen to the Member holding the floor in silence.

**Ms Byamukama:** What I was saying is that there is a contradiction because if there is a shortfall in funding, how can there be over expenditure?

I want to say clearly that the EAC is a very interesting place and I hope this will be rectified because all this is supposed to help us become more efficient and more effective. It is like when you have a house and in one of the rooms, the children are over fed. In another room, the children are malnourished. In another, the children are starving. How can we ensure that we have a house called the EAC whereby all the children are healthy? I do not know whether you understand me because sometimes when we say these things, I do not know how better to be understood. You will find that you will have some offices, which are budgeting for days, which are beyond 365, and you will have other entities, which do not even have money to staff an internal audit office.

I think we need to rationalise and I want to take it in good faith such that this particular report is used to help us rectify so that we have a healthy organisation.

Mr Speaker, as I conclude, I want to thank the East African Community and in particular the Secretariat. I think when you look at page seven, you will find that for the first time, and maybe in a long time, this particular Audit and Risk Committee is highlighting achievements and these are not mean achievements.

I think it is important for us to raise issues but at the same time also celebrate achievements. For me one of the other achievements is the fact that we have passed the fiduciary risk assessment. This is very important because if the reason for not giving us money was because we had not passed this assessment and this has now been passed, there is no cause or excuse which the donors will use or other partner will use not to associate with us or to partner with us. I believe that these achievements can be expanded.

In conclusion, Mr Speaker, if we do not change, we shall become extinct. For the Council of Ministers, with due respect, it cannot be business as usual. I think there must be a radical change in the way we operate. Can't we put some timelines, for example on implementation? Can't there be a whip within the Council of Ministers to ensure that this report, which has been presented today, is acted upon? A simple thing like budget cycles.

Countries that joined the EAC in 2007 are still running a budget cycle from January to December. I do not want to mention them. This is an issue of political will.

Mr Speaker, I do not want to go into many things since I am winding up my tenure, but hopefully, the message has been taken. I hope and pray that before we end our term, we shall get a conclusive report on some of

these things so that we can go away with our heads lifted high that at least not only is it one out of the 17 recommendations were adhered to. I want to thank hon. Shy-Rise because I was asking, out of how many and she put that. I hope it will be part of the report - (*Interruption*).

**Ms Hajabakiga:** Thank you, Mr Speaker and thank you, hon. Dora for giving way. It seems that we are just talking to ourselves. Last August, most of these recommendations came in the Audit report and we set a time frame of October for the Council to report. Now we are talking about before you leave. Are you sure that you are going to get that report?

**Ms Byamukama:** Thank you, hon. Patricia for that information and reminder. We live by hope, and quoting the - (*Interruption*) -

**Mr Ngendakumana:** The information is that we have prepared another question to be given before the Council so that they may get an opportunity to provide to this House the status of implementation of all the recommendations whose follow up was to be done in October and November. I think that during this plenary we will get from the Council of Ministers the whole status of implementation of those recommendations. I thank you.

**Ms Byamukama:** Mr Speaker, I would like to conclude and take a cue from hon. Patricia and my brother, hon. Jeremie. Maybe as one of the recommendations we should pass a resolution that Council presents a status report on implementation on what has been raised in the next plenary. If this is agreeable, maybe then it will answer what has been raised because I do not want to push it to the end of our tenure. Let us use what we have and saying the next plenary, Council should give us a status report on the implementation status of the recommendations. If this is agreeable, I think this will be more constructive.

I thank you very much and I support the report. Thank you very much.

**The Speaker:** Thank you, honourable members. I will give two members; hon. Nancy, hon. Kimbisa and finally hon. Taslima and I will explain why. One of the reasons is the threading theme I this report is issues of financing of the integration process. We have the good news that tomorrow in the morning the Secretary General will be signing contracts of some fresh funding to the Community by some development partners and he should leave I time for that meeting to take place tomorrow at 9.00. So I am not limiting members from debating. Please hon. Kimbisa.

**Mr Adam Kimbisa (Tanzania):** Thank you very much, Mr Speaker for giving me the floor. I also appreciate the warm welcome by the Kenyan chapter, Kenyan people and the leadership of Kenya.

Mr Speaker, we have discussed this matter several times and the way I was hearing what was being discussed here, I was wondering what the difference between a corner shop and a well-established institution is.

Normally a corner shop is run by the family and the decisions done by the family but a well-established business has some financial management, accounting system and of course, auditing procedures.

When we are hearing this information this afternoon and what we have read in the documents, I was finding some difficulty where to put the EAC. How can things happen for so long and nothing is corrected? Are we being serious to identify what the real cause of the problem is? If the answer is yes, who is the cause of the problem so that at least we can remove or prevent the cancer from spreading? If the answer is no, why have all the checkpoints and structures failed?

For example, we have the internal audit, the Audit Commission, the Accounts Commission, the Assembly, the Council of Ministers and maybe the Summit and still things are not working with all these structures. The more we fail, the more we add another structure to identify the same so we are creating bureaucracy but things are not going on well.

I have the feeling that the problem – I do not think that the problem lies squarely with the Council of Ministers. I have a feeling that it does not. I have a feeling that there is something wrong, maybe with the structures, maybe with the timing, maybe with the resources, maybe with the political set up within the East African Community of the Partner States, but I have a feeling that we should critically look at the underlying causes. Let us stop dealing with the symptomatic conditions because we shall get nowhere. Thank you, Mr Speaker.

**The Speaker:** Thank you, hon. Kimbisa.

**Ms Nancy Abisai (Kenya):** Thank you, Mr Speaker. I would like to take this opportunity to welcome all the members of EALA to the capital city of Kenya, the city of Nairobi. *Karibuni sana. (Applause)*

I would like to let you know that unfortunately we have four sessions running concurrently at the same time. We have the Senate sitting, we have the national Assembly sitting, we have the County Assemblies sitting and we have the regional Parliament sitting so we have four sessions taking place at the same time. I think that is a good thing.

Mr Speaker, I do not want to belabour the point because my colleagues have talked a lot to most of the issues. However, one of the things that I wanted to raise is that I belong to the General Purpose Committee, which also deals with the budget. Hon. Dora mentioned that some members took time to go through the *Hansard* and I want

to tell you that even the *Hansard* of this Third Assembly, if you look at the recommendations, they are almost repetitive. You can actually think that it is a copy and paste because most of the recommendations that we had put in place have never been implemented.

Mr Speaker that is the biggest challenge to efficiency and effectiveness. We are talking about value for money and the use of our Community resources. When we are at the Budget Committee, we have often times raised issues of underutilisation of budgets. Of course, the project staff explained to us why there is underutilisation of budget resources.

We have been told about unrealistic – we have also been there, and we keep on talking about unrealistic project budgets and most of the times we get explanations, which are geared towards defending those unrealistic budgets. For me, it is not just a matter of just defending. It is about processes and it is about institutions and how we manage what we have put in place in terms of how we want to move this Community forward.

I do not even want to talk about this much because we have talked about this issue of underutilisation, we have talked about unrealistic budgeting, we have made recommendations even from the General Purpose Committee, which are almost similar, to what the Accounts Committee is also giving as recommendations but nothing has been done.

When we talk about late disbursement of funds, no Partner State can actually stand and say that it is up to date with contributions. This is the point where we must make sure that we ask – I can see that the committee has recommended that the EAC Council of Ministers needs to do more in terms of being at the forefront on this issue.

On page 6, the Committee has actually observed that the EAC Council of Ministers has not done much despite Assembly recommendations being very clear on what needs to be done. The legal committee, at some point, did have an activity on looking at the implementation of the resolutions of the Assembly. I do not know to what extent some of these resolutions have been implemented. However, we will just be coming up with motions, feel very good that the motions have been passed, feel very nice that the contributions were rich and healthy, and think that we have done our part but then the motion will find itself on a shelf somewhere, and that will be the end of the story.

I think what we need to do - despite the challenges and difficulties that we may be having - let us start looking at how to implement some of these recommendations, so that we get good input on what the committee raised, what the Audit Committee raised, what is not right, what can be changed and what can be done to improve the process of managing Community resources. I support the report, Mr Speaker.

**The Speaker:** Thank you, hon. Nancy.

**Mr Twaha Taslima (Tanzania):** Thank you, Mr Speaker. I will start by quoting a saying in Kiswahili, which says, “*Mali bila daftari, huisha bila tarifa*”. The meaning is having ... trade without properly keeping books of accounts renders the stock to perish unnoticed.

Why am I saying this? If you look at this report, most of the things are such that most of the people involved are not serious, most of the people involved might not have the required experience or qualities and I would like to point out a few things.

On page three, you will find the last two paragraphs saying that during the review and consideration of the Audit Commission



reports, the EAC management considered that there is lack of coherence and complementarity in the Finance department hence finance imprudence. They end up saying that, indeed, there is lack of proper recording of financial transactions and general lack of capability to exercise supervisory roles in the Finance department. The adjustments to the financial statements are an indicator of failure of the East African Community top management to supervise its departments and laxity of the Finance staff and internal audit to do their work.

Not only that, we have another one on page four under the EAC Council of Ministers and what they are required to do, at the end of that paragraph it says, most important to note is that the accounting function at the EAC has been queried for the last four years. If it is not due to partial understaffing, it is the accounting system or under funding. All this points to one thing.

The last two examples that I would like to give are on page five, item 4.1.7 which talks about procurement matters. It says, “Every year from 2010 to 2011 – we were not here in 2010 – up to 2014-2015, the Audit Commission reports have queried procurement in the EAC and there have been irregularities in the procurement of goods and services and contravention of financial rules and regulations, 2012, the EAC procurement policies and procedure manual 2011.” It ends by saying, “Most procurements like awarding tenders, procurement of hotel services at the EAC are done without justification, without quorum and without and exceed approved thresholds.”

These are the things that one wonders about. We have to ask ourselves, do we proceed the way we are where one is convinced to think that we might be holding far too much in our hands? As time goes on, our ability to fund goes on failing. What we have in terms of funding is Lake Victoria

Fisheries organ – I am talking about the institutions that we have as projects. Lake Victoria Fisheries Organisation, Lake Victoria Environmental, Lake Victoria Basin Commission, CASSOA, IUCEA, Kiswahili Commission – It looks like we have a lot in our hands. Maybe the time has come that some of the things have to be pruned in order for us to go on.

I am just thinking about it off head but I think that sometime later I might think of coming up with a concrete suggestion on how to deal with these things because we are continuing to fail.

Mr Speaker, I would like to end by saying that let everyone concerned think about pruning or what we have in our hands so that we can be able to proceed. Otherwise, it looks like we are bound to fail. Thank you, Mr Speaker.

**The Speaker:** Thank you, hon. Taslima.

**Ms Valerie Nyirahabineza (Rwanda):** Thank you very much, Mr Speaker for giving me this opportunity to contribute to this very important motion. From the onset, let me also join my colleagues in thanking His Excellency President Uhuru Kenyatta of the Republic of Kenya, the Government, the Parliament and the people of Kenya and the chapter of Kenya for the warm welcome and hospitality we have enjoyed since our arrival here in Kenya.

Mr Speaker, I will be very brief because my colleagues have ably explained most of the things that I wanted to highlight.

I am not a member of the Accounts Committee. However, like all my colleagues who spoke before me put it rightly, we are talking to ourselves. This report can be considered as an extract of the Audit report we debated a few weeks ago. The recommendations are more or less the same so in conclusion, if you go through a different report, if you go through several

recommendations that are contained in the report, you can conclude that there is a very big structural problem at EAC.

I am saying structural because the Chair of the Committee on Accounts started by showing the kind of presentation that was made by the Committee on Accounts whereby he stated various problems and one of them being non-performance and non-adherence to the procedural manual.

Mr Speaker, I remember that this Assembly, from the First to the Third, has been calling upon the Council of Ministers and the Secretariat to develop many manuals because we wanted to cue a mischief and because we wanted things to be done in a smooth way. Luckily, the Council has been proactive, and many manuals of procedures have been developed and are now under application. However, they are being breached. Unfortunately, there is impunity and that is why I am saying that there is a structural issue because if one staff is not adhering to the directives contained in one of the manuals, he cannot be punished, either by the Secretary General or the Council, and for us, the Assembly, we make recommendations every day, which are not implemented at all.

There is a serious structural issue. I do not know whether it needs Treaty amendments. In any case, it is as if the Community belongs to all of us and to nobody at the same time, and I am very sorry to say this - *(Interruption)*.

**Ms Byamukama:** Mr Speaker, the information I would like to give to my sister, hon. Valerie, is that when you look at the East African Community Audit and Risk Committee Charter, and you look at section 4 on appointment and composition of the EAC Audit and Risk Committee, you will find that it is the Council, which appoints one member from each Partner

State to serve on the EAC Audit and Risk Committee.

Under (7), the committee's secretary shall be the head of the Internal Audit of EAC Secretariat who shall be an ex-officio member. Obviously if the secretary is the head of the Internal Audit of the EAC and this head is answerable to the Secretary General. The secretary is constrained for calling for these meetings by virtue of his position so obviously this needs to be changed. Thank you.

**Ms Nyirahabineza:** Thank you, Mr Speaker and thank you, hon. Dora. This confirms what I am mentioning to you.

Mr Speaker, there is one aspect which is always saddening me and it is about budget performance. The Community negotiates projects. The aim is to uplift the lives of East Africans. Unfortunately it is always said in each report that we debate here in this House that there is under performance simply because there is underutilisation of budgeted funds and the poor performance has always been attributed to unrealistic project budgeting.

This means that either we have too much money and the plans are not matching with the money or we are requesting for less money. Of course, there are problems of budget cycles that have been highlighted in this report but most of the time, it means that the plans that we develop and make for those projects to be implemented do not match with the amount of money we have and this is a serious issue.

I think we should re-visit our mandate and our function and do something about this. I represented Your Excellency last week in Kisumu and I had an opportunity to discuss with a few development partners. Many people are willing to come in EAC because they see a big opportunity not only to uplift the lives of the citizens but also to make this

region a regional hub of investment and whatever.

Unfortunately, because these projects are not well coordinated, it is a serious problem. Some of them are still hesitating and that is why I want to finally mention one point that I repeatedly mention whenever I take the floor; this project coordination unit.

In Arusha, we were told that terms of reference of the staff that have to be under this project management unit have been developed and I think there is something I saw that staff are more or less there. They are not there. This project management unit is of paramount importance and has to be established sooner than later.

Mr Speaker, we have made recommendations here and the Council, in its wisdom, accepted to fast track the establishment of this unit. If we want many development partners to come in the EAC to help us uplift this region, we should create this project management unit.

Mr Speaker, with those many words, I support the report and I thank you for giving me the opportunity.

**The Speaker:** Thank you so much, hon. Valerie. Honourable members, may I invite the Secretary General to say a few things? I know that many members would like to debate this report but this debate, as members have agreed with me, is recurrent. It is more or less as if we are debating the Audit Commission report that was tabled in the House in the last plenary so I recognise the members who wanted to speak.

**The Secretary General of the East African Community (Ambassador Liberat Mfumukeko):** Thank you, Mr Speaker. Through the Chairperson of the Council, I would like to thank this august Assembly for showing such a level of

interest in matters of paramount importance at the Community.

I would like to start on a note of confidence. I think that this Community was built on confidence in our capability to integrate to achieve and become an international powerhouse and improve the wellbeing of East Africans. I think this was a dream of the founders of this Community, and it was decades ago. They were not really ... because when someone hears this year that the United Nations Economic Commission for Africa, the African Union, the African Development Bank declare publicly that East Africa is the best integrated community in Africa, and that East Africa is the best performing community in Africa, I think this commends what the Community is doing – (*Applause*).

I think we owe this to all of you because you have been pushing the Community for excellence.

I would like to talk about this Audit report which we discussed in September and that we are discussing today. Again, this report to me is almost about history because the findings are traditional findings that you all know about in terms of the capability of the Community to put in place the best practices in financial management, in procurement, among other things. Therefore, this is a report for 2014/2015.

I would like to consider it as an important report, which gave recommendations and which is asking for one thing; for the management of the Community today to implement the recommendations. I think this is what you have all been asking for.

This report was not only discussed by EALA but also extensively by the Council of Ministers and I would like to tell you very confidently that we have been acting upon these recommendations actually I have been acting upon these

recommendations before we even discussed them in September.

I would like to say very briefly that in 2016 – I will not tell you stories but what I am going to tell you is important I think. The ... of EAC is ISO 9001 certified. This certification is not given by EAC; it is an international standard. This means that we are making some progress towards best practices in accounting and finance.

In June 2016, we passed the fiduciary risk assessment and this is very important because all our donors are aligned with the fiduciary risk assessment of the European Union. I will tell you a little bit later that I think we are now starting to yield fruits of that work which was done in succeeding the assessment of EU.

The Council of Ministers recently established a number of positions. They established two positions for internal audit so we can recruit two internal auditors this year. We are very happy about that. They have also established a position of risk management coordinator. If you would remember, a few months ago, we were not talking about established positions. We were talking about trying to get some money in the Partnership Fund to be able to recruit, on a short-term basis, some of these positions. Now Council establishes them.

The institutional review was adopted. I am sure you all know about the institutional review, you debated it on several occasions but this will unlock a number of things for us in terms of acquiring the necessary resources to operate more efficiently in the Community.

You know that the EAC has made significant progress towards setting up sustainable financing mechanisms. You know that we have been working on this for many years, there were many meetings last year and now we know that there is a meeting in December and the Summit is

expecting to have a proposal early next year. So, hopefully, this will finally end the cycle in which we have been put and this is the cycle of dependency on external funds for the Community.

Someone talked about the project coordination unit. Honourable members, I would like to tell you that the ad hoc project coordination unit was set up. They have even produced their reports and they are going to be presenting to the donors, at the end of this month, what they have been doing for these last few months.

Just a few days ago on 11 November, we had a meeting in Dar es Salaam with all our donors and they decided that they are going to support a number of positions. They are going to help us establish the project coordination unit. As of today, we received the first proposal of ... and we are doing this with USAID. They have agreed to fund three positions for the coordination unit so we are making some progress.

I would like to set my intervention on a point of optimism. This year 2016, we have signed for 85 million Euros with the EU. I signed one week ago for US\$ 194 million with USAID. I am going to sign tomorrow 40 million Euros with Germany. We signed about two months ago with China for US\$ 2.2 million and this money was remitted. Four other donors have come and committed and they have given the money to the Partnership Fund.

Back in May, we had zero money on the partnership Fund but now we have four of them who have remitted money to that fund so we are making progress and as far as I am concerned, I do not have any reason to be hopeless when it comes to the Community. I think all achievements we have been talking about when we refer to the Community have been possible because we have capable people.

In your supervisory role, you have done an excellent job and I think that in Arusha we have very capable people, regardless of the challenges. They need to be empowered, we need to look deeply into what we can do to provide the necessary resources to the Community but all that I can promise you is that we see the challenges, we know that there are recommendations and we are going to improve the Community. Thank you.

**The Speaker:** Thank you so much, honourable Secretary-General. May I invite the Chair, Council of Ministers to say a few things before I invite the Chair of the committee to respond to the debate of the report?

**The Deputy Minister for Foreign Affairs and East African Cooperation, Tanzania (Dr Susan Kolimba) (Ex-Officio):** Mr Speaker, after what the Secretary General has responded, I will just say to the honourable members of the Parliament that as we have discussed this report and the same recommendations appeared in the last session, I promised this Assembly that the Council will make follow up with the Secretariat and just to inform them we have decided and instructed the Secretariat through the SG to make sure that they give us the implementation status of each recommendation which was made through the Audit Committee report and also the Audit and Risk Committee.

We have agreed that to make sure that these recommendations, which are agreed or directed by Council, are implemented and those directives or recommendations, which were agreed to in the Assembly and recommended by the Council, are implemented, we want to have the report on each month of what has happened on the recommendations. The SG is here and even yesterday, we sat again to remind him so we expect that in December we will get the first report to the Council. We will have the extra ordinary meeting of the EAC Council

of Ministers and we said that this will be through video conferencing and the Secretary General knows about this.

Therefore, I can just promise members of Parliament that the members of the Audit and Risk Commission do not fear the EAC ministers or the Council because this committee is formed by the Council so they are supposed to assist us. They cannot fear us because we directed them to do the job. Through doing the job, they assist us.

We assure you that they will do the job and we will do the follow up of implementation of the recommendations. I beg to submit.

**The Speaker:** Chair, before you take your seat, the Secretary General has excellently underscored the progress of funding from development partner but this report also highlights very detailed remittances from the Partner States. May you please allay the fears of the Assembly and the public particularly on the side of our Partner States other than the development partners?

**Dr Kolimba:** As the Secretary General had said we want to assure you that we are doing well. Yes, the situation before the Zanzibar session was bad but now the donors are coming back, as you have heard from the Secretary General. In addition, for the Partner States, in October, the sectoral Committee on Planning sat and reminded each Partner State to make sure that they complete their contributions by December.

So far, we are waiting for the contribution from Tanzania, which is coming as well as that from Burundi. I thank you.

**The Speaker:** Thank you so much, Chair, Council of Ministers for that excellent submission. These kinds of information make the Assembly feel that the integration is on course. Thank you so much. Chair of the committee.

**Mr Ngendakumana:** I thank you, Mr Speaker. Before I proceed, I would like to bring to the attention of the House that

things are not as bad in this Community as it appears in our countries. The fact is that we are not interested in what is going well when we are doing our business. We just point out the areas where things are going wrong, when there is need to raise the red flag.

Another observation is that you highlighted that all the queries contained in this report are the same with the report of the financial statements of the last year 2014/2015. The fact is that we wanted to ensure that we have seen the same things with the Audit and Risk Committee because we have been the Audit Commission report. They did the same and reported the same observations as we highlighted in our report. That is why what you see here was extracted from our financial review report.

Hon. Dora asked about the risk. I think that there is no risk to harm this Community. If it was, it should have been highlighted in the Audit Commission report so I think that there is no risk or potential risk. However, wherever there is a gap, however minor, we highlight it to ensure that we are improving the way we are doing things. *(Interruption)*

**Ms Byamukama:** With due respect, Mr Speaker, when you look at the East African Community Audit and Risk Committee Charter number six on risk management, one of the requirements is that this committee advises on effective implementation of the risk management framework policy and strategy. So I was seeing it in this light that maybe when they report, not only should they highlight the aspect of audit but they should also look at the aspect of risk because their name by their very nature requires them to do so in accordance with this charter. That is what I wanted to highlight.

**Mr Ngendakumana:** About the shortfall in funding which was supposed to be in contradiction with the over expenditure, what does this mean? The over expenditure

I when there is reallocation in terms of budget line so you find that there is a budget line which has been utilised on another budget. If you have budgeted for a certain amount of money and it is above the budgeted amount because it has been drawn from somewhere else.

The over and above expenditure is explained in two ways and one is the poor performance in projects. When we talk about poor performance, there was a budget, it has not been utilised so it is ... That is what the committee would like to say.

Coming back to the different contributions, let us begin with the submission of the Secretary General. As I was saying, things are not as bad as they appear to be in our accounts report. We would like to inform the House that the Accounts Committee liberalised the submission of the Secretary General that we refer to the Audit Commission report. The submission of the Secretary General will be confirmed in the report of the Audit Commission for the FY 2015/2016. *(Interruption)*

**Ms Nyirahabineza:** Thank you, Mr Speaker. One is just a clarification from the Chair when he said that there is no risk. I want to read what is underscored on page 10 under slow pace in implementation of Audit and Risk Committee recommendations. *"The Audit and Risk Committee informed the Committee on Accounts that for the few times it has met to review the Audit Commission reports, several recommendations have been drawn. It is however disappointing that only one recommendation has been implemented in a period of two years."*

How do you explain this?

**The Speaker:** I can see the member of the committee informing the Chair. Hon. Mulengani, proceed.

**Mr Mulengani:** Indeed sir I am informing the Chair to add on his submission that not relying to the Secretary General's verbal submission only but the audited accounts is generated from the precedence of submissions of Secretary Generals on this floor that have not been consistent in terms of implementation.

In addition to what hon. Valerie was informing the Chair regarding what the Audit and Risk Committee told the committee that out of all the recommendations that they made, only one – This is a new creature; it is not old. We have never captured this anywhere in our reports on this floor that the Audit and risk Committee makes recommendations to the Council. Thank you, Mr Speaker.

**Mr Ngendakumana:** As I was saying, the different recommendations from this House have been brought to the attention of the Council. What I may highlight here is that when the Council meets the audit and Risk committee, we have been told that they are not given enough time to brief you deeply on the contents of the Audit Commission report. Consequently, we have seen that when we come up with our report, the Council looks like they are not very informed with the contents of the Audit Commission reports.

There is a request to the ministers to give to the Audit and Risk Committee enough time so that you are well informed and know exactly the contents of the Audit Commission report so that when we come up with recommendations, they are not new.

The second is that we have been asking many times that the internal audit unit be upgraded to the level of directorate because if you are a junior officer then you come to investigation, you are not comfortable. We would like that this be taken as an urgent matter to upgrade the internal audit unit to the level of a directorate.

Another thing is about the convening of meetings of the Audit and Risk Committee. The Secretary General convenes their meetings. We request that the Secretariat provides a budget to the Audit and Risk Committee and let them do their business and convene their meetings as per their annual work plans nit waiting for the Secretary General to convene their meeting. The Chair of the Audit and Risk Committee may be able to convene the meeting as per their annual work plan then this can move.

At the end of the day, we concluded that the Council of Ministers receives all information by the report of the Audit and Risk Committee and this report contains elements of the internal audit report. That is one source of information.

There is also a recommendation of the House and we came to the conclusion that all the responsibilities of the improvement of the Community is in your hands because it is up to you to instruct the Secretary General to put into implementation all the recommendations of this House.

I would like to thank all the members who contributed to this report beginning with hon. Shy-Rose, hon. Mulengani, hon. Mumbi, hon. Sebalu, hon. Rwigema, hon. Dora, hon. Nancy, hon. Kimbisa, hon. Taslima, hon. Valerie, honourable SG, Chair, Council of Ministers.

With this, I beg that this report be adopted.

**The Speaker:** Thank you so much, hon. Jeremie for the good response to the good report.

Honourable members, the motion before the House is that the report of the Committee on Accounts on the meeting with the Audit and Risk Committee be adopted.

*(Question put and agreed to.)*

**MOTION TO CONDOLE THE DEATH OF  
AND PAY TRIBUTE TO THE LATE RT.  
HON. SAMUEL SITTA**

**Mr Jeremie Ngendakumana (Burundi):**  
Mr Speaker, I beg to move

That this Assembly do resolve to  
condole the death of and pay tribute  
to the late Rt. hon. Samuel Sitta.

I beg to move.

**The Speaker:** Thank you. Seconders? Hon. Shy-Rose, hon. Ussi, hon. Twaha and all the members standing. Hon. Jeremie, proceed with your motion.

**Mr Ngendakumana:** Motion of the Assembly to pay tribute to the late Rt. hon. Samuel Sitta, former Ex-officio member of EALA and Speaker of the Parliament of the United Republic of Tanzania.

Mr Speaker,

*“The Assembly, having received with shock the news of passing away of the Rt. hon. Samuel Sitta, former ex-officio member of the East African Legislative Assembly, Minister of the East African Cooperation from the United Republic of Tanzania and Speaker of Parliament of the United Republic of Tanzania;*

*NOTING that hon. Samuel Sitta was the Speaker of the National Assembly of the United Republic of Tanzania from 2005-2010 and he is credited for his enormous contribution to the growth of parliamentary democracy in the region;*

*RECALLING the active role that he played in ...*

*Rt. hon. Samuel Sitta was the arm and the key factor in the East African Community and exhibited strong commitment and faith in the EAC integration process by contributing immensely to the region's*

*integration process and ... in his capacity as Minister of East African Cooperation from 2010 to 2015;*

*RECOGNISING the amiable and strong character and style of leadership he exhibited in various capacities and positions he held,*

*NOW THEREFORE, this House do resolve to:*

- 1. Hereby express its heartfelt condolences to the family, the Parliament, government, the people of Tanzania and the entire East African fraternity for the loss of this gallant son of East Africa;*
- 2. Pay tribute to the late Rt. hon. Samuel Sitta for his outstanding selfless service to the people of Tanzania and the East African Community.”*

Mr Speaker, I beg to move.

**The Speaker:** Thank you so much, hon. Jeremie. Honourable members, would you like to say something in justification of your motion before I open debate?

**Mr Ngendakumana:** Mr Speaker, Rt. hon. Samuel John Sitta is recognised in Tanzania as a politician of high profile. He was born on 18 December 1942 and passed away on November 7, 2016.

He served as a minister, as a Speaker of the National Assembly. He has also been chairing the Constitutional Assembly, which is very important in Tanzania.

He is recognised as a mentor to the young politicians in Tanzania.

I would like to highlight that the Parliament of Tanzania requested to get his body in the Parliament which as a sign of seeking an opportunity to pay him tribute. That is why, in my opinion, Samuel John Sitta deserves to be paid tribute by this House as our own.



I will not go so far, maybe some other members know Samuel Sitta more and they will elaborate more. With this, Mr Speaker, I beg that this House debates and adopts this motion to pay tribute to the Rt. hon. Samuel John Sitta.

**The Speaker:** Thank you so much, hon. Jeremie. Honourable members, the motion before this House is that this Assembly do resolve to condole the death and pay tribute to the late Rt. hon. Samuel Sitta. Debate is open.

Before hon. Shy-Rose, the seconder of this motion, speaks, I would like to inform this Assembly that when the Right honourable passed on and the news came to us in Arusha, I sent a condolence message on your behalf, which was graciously delivered by hon. Kimbisa on my behalf. It was presented to the Rt. hon. Ndugai, the Speaker of the National Assembly of the United Republic of Tanzania. Therefore, we are just doing our part as a Parliament to which he was a member.

**Ms Shy-Rose Bhanji (Tanzania):** Thank you, Mr Speaker. I feel honoured and privileged to be the main seconder of this motion to pay tribute to the late Rt. hon. Samuel Sitta, former ex-officio member of EALA and Speaker of the United Republic of Tanzania.

Mr Speaker, on 7 November 2016, Tanzania lost a political tiger, a seasoned politician, and a good representative who was a former Urambo Constituency Member of Parliament.

Mr Speaker, hon. Sitta had spent more than half of his entire life as a public servant. He served as a senior government minister under four governments starting with *Baba wa Taifa Mwalimu Julius Kambarage Nyerere*, His Excellency, under the second phase government under His Excellency Mzee Ali Hassan Mwinyi, third phase government Mzee Benjamin Mkapa and the

fourth phase government, His Excellency *Mheshimiwa Jakaya Kikwete*.

As a Minister for Works in the late '70s, hon. Sitta had built Air Tanzania. This he managed to do after the collapse of the former East African Community by buying planes for Air Tanzania from Canada.

Mr Speaker, hon. Sitta left a good legacy during his ministerial duties. He was very generous in giving good advice to young and old politicians. Even our current Prime Minister of Tanzania, hon. Majaliwa Kassim Majaliwa has confessed that hon. Sitta was a good leader, a good adviser, not only to him but also to many other people when he was the district commissioner of Urambo District. Likewise, he mentored many of us and a good number of young and upcoming politicians.

The late Sitta as a Speaker of Tanzania National Assembly from 2005 to 2010 contributed a lot to the growth of parliamentary democracy not only in Tanzania but in our region as well. During his speakership, he made sure to oversee his slogan is implemented. His slogan was, 'Standard and speed'.

For those of us who were outside Tanzania Parliament, he was our admiration and he became so inspirational that everyone in Tanzania started following parliamentary debates. He inspired many of us.

Today we remember hon. Sitta as not just a distinguished senior politician from Tanzania but also a distinguished and very able member of EALA. Hon. Sitta had served as a full Cabinet minister in the Ministry of East African Cooperation for almost five years. During his ministerial duty, two important Bills were passed in EALA Assembly: the One Stop Border Post Bill and the Vehicle Load Control Bill.

We recognise his contribution in the passage of these two important Bills. Mr

Speaker, these Bills are very key in the integration of East Africa because trade has improved significantly and we all know that trade is very key in integration.

As a Minister of EAC from Tanzania, he was a key link between EALA and EALA Tanzania MPs together. He was also an important link to EALA Tanzania chapter because it was during his time that he brought in a lot of positive changes and impact on EAC affairs and EALA and the national Parliament of Tanzania.

It was during his time as the Minister of EAC that EALA Tanzania chapter got an official invitation to attend to the Budget session in Dodoma. Initially it was only the Chair of the chapter who was invited to go to Dodoma so we do recognise and appreciate his contribution to EALA.

Finally, hon. Sitta was a role model because as a young politician he was a role model to young politicians. When he became a senior politician, he became a mentor to many and this is how we are supposed to live in this world.

With that, I pray that his soul rests in peace.

**Ms Maryam Ussi Yahya (Tanzania):** Thank you very much, Mr Speaker. Let me also take this opportunity to thank the people of Kenya, the Kenya chapter, the Kenya government and the Kenya Parliament for their warm welcome to Nairobi. We always feel at home.

Mr Speaker, I will not talk much but I will just say that the shocking passing of Rt. hon. Samuel Sitta was very sad because as the mover of the motion said, he is a historic figure in the United Republic of Tanzania. However, of recent, he was a most historic figure because he was also the honourable Speaker for the constitutional Parliament in Tanzania that was responsible for a new Constitution in Tanzania.

Mr Speaker, we thank you also for your message of condolence because we were around and your condolences were read in the Chamber. We thank you for that.

Hon. Samuel Sitta was a mentor for many and he was actually one of my biggest supporters personally as a family friend because he was the one who mentored me when I wanted to come to EALA so he contributed to my political career. As you know, I was just starting.

Let me also take this opportunity to give my condolences to the members of Parliament in the United Republic of Tanzania through our Chair, Council because on the same day when we were waiting to say good-bye to hon. Samuel Sitta, there was another Member of Parliament who died suddenly and he was participating in the parliamentary session. Hon. Hasidali was also a member of the Inter Parliamentary games. You might know him as well. He was a Member of Parliament in the United Republic of Tanzania from Dimani, Zanzibar and a certified FIFA referee as well. Those who play football might know him very well.

I take this opportunity to give our condolences to the Members of Parliament and for the Chair, Council to pass on our condolences. I thank you, Mr Speaker.

**The Speaker:** Thank you so much.

**Mr Charles Makongoro Nyerere (Tanzania):** Thank you, Mr Speaker. Briefly and very quickly, I join hands with my colleagues who said *asante sana* to Kenya, through His Excellency Uhuru Kenyatta for receiving us, through the Speaker of the Parliament of Kenya for receiving us. I like Nairobi; the weather is good. I also hear that even the nightlife is quite good – (*Laughter*).

Coming back to the weather, it is one of the East African capitals where you can go, put on your suit and tie without thinking twice

about the weather, as compared to some coastal East African towns and cities where you sweat a lot. It is difficult for you to sweat in Nairobi. Love the weather, thank you very much.

I support this motion, I thank hon. Jeremie for bringing it, and I thank hon. Shy-Rose Bhanji for seconding it. I would like to use a few words to remember hon. Samuel Sitta for one particular thing that I will never forget.

I am a Tanzanian and Tanzania has had several Speakers running the Parliament of the United Republic of Tanzania. Honestly, for many years, the Parliament of the United Republic of Tanzania was run like some sort of a group of rubber stampers. They rubber stamp what is brought to them and in only the five years of which hon. Sitta was the speaker of this Parliament, he completely changed the history of the Parliament of the United Republic of Tanzania.

He allowed parliamentarians to question the government of Tanzania. He allowed parliamentarians to say what they felt in those five years. I was not in Parliament but I was following from outside the Parliament. I remember very well as a politician that I was the regional chairperson of *Chama cha Mapinduzi*, which is the ruling party of Tanzania since it was born to date and it will continue for quite some time. Hon. Twaha Taslima, you need to wait a little bit longer.

Mr Speaker, being the chairperson of Mara Region and according to the Constitution of Seychelles, I am automatically a member of the National Executive Committee of *Chama Cha Mapinduzi*.

When hon. Sitta was allowing free debate for the first time in the history of my country of Tanzania, it caused loggerheads and some were ready to punish hon. Sitta's career very hard. It is this national

executive committee, which normally decides, through this party, if hon. Kimbisa is going to come back here or hon. Shy-Rose or even me. They were the ones who had decided that the Speaker becomes Samuel Sitta and they expected from ... He shut them down and said, why? Therefore, there was this special sitting for two days. Every member was saying, we want Sitta's neck, including another 12 parliamentarians who included hon. Mwakyembe. They were trying to be traitors of the government of *Chama Cha Mapinduzi*, they speak whatever they want in the parliament but Sitta changed the rules.

Hon. Sitta allowed one thing that is happening now. There are some issues that if you discuss in Parliament, they turn all the parliamentarians to switch to patriotism and nationalism and the government can do nothing about it. This I say is a tribute to Sitta.

That is what I thought I should share with you today. Thank you very much.

**The Speaker:** Thank you so much, hon. Makongoro.

**Ms Frederic Ngenzebuhoro (Burundi):** Thank you, Mr Speaker for giving me the opportunity to contribute to this very important motion.

Before I go ahead, I would like to join others to thank the people of Kenya, His Excellency Uhuru Kenyatta the president of the Republic of Kenya, the national Assembly of Kenya, and the EALA chapter of Kenya for all they have done to facilitate our stay in this beautiful city of Nairobi.

Mr Speaker, personally I would like to say that I have been very keen to what the late hon. Sitta had done for this House. I will never forget what he did especially when I was chairing the Legal Committee, as he

was very cooperative. I learnt a lot from his experience.

Mr Speaker, I would like to say that hon. Sitta will never be forgotten in this Community because he has played a very critical role in the integration of this Community.

Mr Speaker, let me recall that it is hon. Sitta, on behalf of Tanzania, who fast tracked the implementation of the East African Community Customs Union Protocol. Further to what the honourable has said, I would like to give two examples.

One, the EAC integration now has what we call the Single Customs Territory because of him. It is now a reality thanks to him.

I would like to say that no one in this Community, especially the business community, would never forget that mechanism because now they are reaping the benefits of the single customs territory and trade is facilitated.

The second example I would like to give is in January 2015. Rt. hon. Sitta, then Chairperson of Council of Ministers brought in this House a very important Bill called the East African Community Elimination of Non-Tariff Barriers. This was of course to implement article 13 of the Protocol on EAC Customs Union and it intended to establish a mechanism for identifying and monitoring the removal of non-tariff barriers in Partner States. That Bill is now enacted and you can imagine how it is very important in trading in this Community. We must be very grateful to him for that.

Mr Speaker, I said that this Community would never forget the role he played in the integration. He played a very important role in the implementation of the Common Market Protocol and a very critical role in the negotiations on the East African Monetary Union Protocol. I know how it was hard but he played a critical role there.

I would like to say that this Community has lost one of its greatest sons, one of its important implementers of its integration. That was the will of God and no one could oppose it.

We were given a very important person in this Community and I would like to take this opportunity to thank hon. Jeremie for bringing this important motion which shows that this House is grateful for all hon. Sitta has done to this Community.

Before I conclude, I would like to say that when I was chairing the Legal Rules and Privileges Committee at that time, it was hon. Sitta who contributed a lot to this Bill, which is now enacted. I would like to say that we must be grateful to him because he contributed a lot and once again, I support this motion.

Before I leave this floor, I would like to ask my colleague, hon. Jeremie that the title, *"Motion of the Assembly paying tribute to the late Rt. hon. Samuel John Sitta from ..."* Please put it so that it can – the word "former" is not worthy. Thank you, Mr Speaker.

**The Speaker:** Thank you so much, hon. Jeremie.

**The Deputy Minister for Foreign Affairs and East African Cooperation, Tanzania (Dr Susan Kolimba) (Ex-Officio):** Thank you very much, Mr Speaker for giving me the floor. First of all, I would like to thank the government of Kenya for the warm hospitality as usual which is accorded to all of us.

Mr Speaker, I would like to take a few minutes to say something on this motion. I worked with hon. Sitta and I really enjoyed working with him.

First of all, when I was nominated minister, he was a member of the Council and he

received me well. He coached me and he used to say that I am his sister.

I had many opportunities to interact with him. He was a very good negotiator, a very good orator. If hon. Speaker gives you his word, he will do it. He was very committed to the integration process. He was someone who would feel very bad when he hears that something is not going on well in Tanzania or if people complain in Tanzania. He would intervene and sort out the issues.

Mr Speaker, when I knew that hon. Sitta was dead, I was in Kisumu attending a sectoral Council on ... I travelled to Tanzania for the funeral but unfortunately when I reached Dar es Salaam, the body was taken to Murambo and I could not attend the burial although I really wanted to.

If I start talking about hon. Sitta, I will not finish. I shared many things with him. I remember when this Northern Corridor started, he called ... We were together trying to understand what was going on. It was as if the other side lined us but finally we came to understand what it was, and I will always miss hon. Sitta. Thank you very much, Mr Speaker.

**Mr Twaha Taslima (Tanzania):** Thank you, Mr Speaker. I would like to thank hon. Jeremie for bringing this motion and I would like to say three things about the late hon. Sitta.

First of all, they had a good family. The wife, Margaret Sitta has been a MP for a long time. She was a MP while he was also a Member of Parliament. She was a minister while he was a minister. Last year she was a minister of Education if I remember well and she is now still a Member of Parliament.

One of his five children is a mayor in Dar es Salaam and the family is stable and flamboyant.

Another thing that I learnt about the late hon. Sitta is that I happened to go to Urambo, which was his constituency and I found there was a big huge office and I asked, what is this office? They said, this is an office of the Member of Parliament of Urambo who is Mr Sitta. I asked, when was it built and who built it? They said everything as built from his own pocket. So, he constructed that building and it will be there always for him to be remembered.

Another thing is that during his time in the Parliament when he was the Speaker of the Tanzanian Parliament, what hon. Makongoro tried to touch a bit on – because he wanted standards, he said, I want my Parliament to have teeth to bite and some people in the quarters of Chama Cha Mapinduzi were asking, what would you like to bite? Whom are you going to bite?

People responded by saying that he could either bite the government of Chama Cha Mapinduzi or Chama Cha Mapinduzi itself. That was commotion, as hon. Makongoro was saying and he was almost punished out of the party but he had a lot of courage and he stood on his word.

The last thing is that I would like to inform this august House that during his funeral in Dodoma, almost every member of the chapter of Tanzania, except one who was sick, went to Dodoma to represent members of this august House at the funeral, and we represented you very well up to the end when he was being lowered in his grave. Thank you very much, Mr speaker.

**The Speaker:** Thank you, honourable members. Before I put the question, may we rise up for a minute to pay respect to the late Rt. hon. Sitta?

*(The members rose and observed a moment of silence.)*

**The Speaker:** Honourable members, the motion before this House is that this

Assembly do resolve to condole with the death and pay tribute to the late Rt. hon. Samuel Sitta. I put the question.

*(Question put and agreed to.)*

**The Speaker:** Thank you so much, honourable members for the business of today. Before I adjourn, I would like to remind you again that an internal memo has been circulated to all the members on mail and the subject is training during the EALA plenary in Nairobi.

This is to inform you that the training grounds have been secured at Nairobi Railway Club, which is next to Uhuru Park. There will be group transport to pick members from their hotels to the training grounds. Honourable members, please participate. I thank you so much.

The House is adjourned to tomorrow 2.30 p.m.

*(The House rose at 5:30 p.m. and adjourned to Wednesday, 23 November 2016, at 2.30 p.m.)*