



## **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 57<sup>TH</sup> SITTING - SIXTH MEETING – SECOND SESSION – THIRD ASSEMBLY**

**Wednesday, 28 MAY 2014**

*The East African Legislative Assembly met at 2.30 p.m. in the EALA Chambers, EAC  
Headquarters, Arusha, Tanzania*

#### **PRAYER**

*(The Speaker, Ms. Margaret Nantongo Zziwa, in the Chair)*

*(The Assembly was called to order)*

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#### **PAPERS**

The following Paper was laid on the Table: -

(by the Chairperson, Committee on Accounts (Mr Straton Ndikuryayo) (Rwanda):

The Report of the Committee on Accounts on Internal Audit Systems of the EAC  
Institutions

(by the Chairperson, Committee on General Purpose (Dr Martin Nduwimana) (Burundi):

The Report of the Committee on General Purpose on the EAC Annual Report for the  
period 2011/2012

#### **BILLS'**

#### **FIRST READING**

The East African Community Trade Negotiations (Repeal) Bill, 2014

**The Minister of State for East African Community Affairs, Uganda (Mr Shem Bageine)**  
**(Ex-Officio):** Madam Speaker, I wish to move that “A Bill for an Act to repeal the East  
African Community Trade Negotiations Act, 2008,” be read for the First Time. I beg to  
move.

**The Minister for East African Community Affairs, Burundi (Ms. Leontine Nzeyimana)**  
**(Ex-Officio):** Seconded.

Bill read a First Time.

*(The Speaker referred the Bill to the Communication, Trade, and Investment Committee for consideration)*

### MOTION

#### **FOR THE CONSIDERATION AND ADOPTION OF THE REPORT OF THE COMMITTEE ON ACCOUNTS ON THE INTERNAL AUDIT SYSTEMS OF THE EAC INSTITUTIONS**

**The Chairperson, Committee on Accounts (Mr Straton Ndikuryayo) (Rwanda):** Hon. Speaker, I wish to move that *the Report of the Committee on Accounts on the Internal Audit Systems of EAC institutions* be adopted. Hon. Speaker, I beg to move.

**The Speaker:** Seconded by hon. Celestin Rwigema, hon. Celestin Kabahizi, hon. Yves Nsabimana, hon. Mumbi, and hon. Shy-Rose Bhanji. Proceed, hon. Straton.

**Mr Ndikuryayo:** Hon. Speaker and hon. Members, the Committee on Accounts carried out this on-spot assessment from 9<sup>th</sup> to 14<sup>th</sup> February 2014 in Jinja, Kampala, and Entebbe in Uganda.

Honourable Speaker, on page two is the introduction, the East African Legislative Assembly is the Legislative Organ of the East African Community responsible for, among other things, carrying out oversight function on all matters pertaining to the Community. Article 49 (2) (c) of the Treaty Establishing the EAC empowers the Committee on Accounts to discharge oversight functions on behalf of the Assembly on all financial matters of the Community. In accordance with the Rules of Procedure of the Assembly, particularly Annex 5A, the Committee on Accounts is particularly mandated to:-

- i) Carry out a post audit review and scrutiny of the expenditure incurred by the EAC Secretariat, the Organs, and Institutions of the Community the sums appropriated in an annual budget approved by the EALA upon presentation by the Chairperson of the Council of Ministers of the EAC.
- ii) Carry out post audit review and scrutiny of the expenditure on the basis of 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) Carry out 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) of the Rules of Procedure of the Assembly.
- iv) Present a report with recommendations to the House for debate and adoption after the post audit review and scrutiny.

Madam Speaker, Article 134(3) requires the Audit Commission to submit its reports to the Council, which shall cause the same to be laid before the Assembly within six months of receipt for debate, adoption and such other action as the Assembly, may deem necessary.

Over the last couple of years, the Accounts Committee has expressed its disappointment on weak internal controls and poor resource management. The Committee took note and wished to strengthen the internal audit function, which was seen as a major entity impacting negatively on the internal controls.

During the review and consideration of EAC Audited Financial Statements for the year ended 30<sup>th</sup> June 2012, a number of queries were reported especially in the institutions of the EAC namely; the LVFO, the CASSOA, and the IUCEA. The issues arose largely from lack of the Internal Audit Unit or inefficiency where it exists. It is against this background that the Committee on Accounts decided to carry out an oversight assessment of the internal audit functions of the aforesaid EAC Institutions.

The assessment mainly looked into the following:-

- (i) Role of Internal Audit Units;
- (ii) Reports of the Internal Audit Units;
- (iii) Reporting and structure of the Internal Audit Units;
- (iv) Systems control;
- (v) Annual Audit plans;
- (vi) Challenges faced by the internal Audit Units; and
- (vii) Any other related internal audit matters.

#### **Objectives of the Assessment**

- i) To assess whether the Internal Auditors of the above institutions discharge their professional duties;
- ii) To establish if the said EAC Institutions are using modern auditing techniques and new applied technologies to assist them in carrying out their duties;
- iii) To understand any related challenges facing the Internal Audit systems of the EAC institutions;
- iv) To strengthen the Internal Audit Units of the EAC Institutions through appropriate internal audit policies and procedures in accordance with international standards; and
- v) To recommend on the improvement of the EAC Institutions Management.

#### **Methodology**

As a method of assessing the Internal Audit Systems in the EAC Institutions, the Committee undertook the following:-

- (i) Observed the work place set up and environment;
- (ii) Interacted and discussed with Management of Institutions of the Community;
- (iii) Reviewed the reports made by the Internal Auditors;
- (iv) Received presentations from the Internal Audit units on their role and challenges faced while executing their duties; and
- (v) Held plenary discussions.

This report is divided into three (3) Parts:

### **PART ONE: LAKE VICTORIA FISHERIES ORGANISATION (LVFO)**

#### **Meeting with LVFO Management**

The Committee met the Deputy Executive Secretary, the Visiting Internal Auditor, the Principal Administrative Officer, and other staff.

The Committee briefed the Deputy Executive Secretary (DES) on the purpose of the activity as a review and assessment of the internal audit systems of LVFO. While doing so, the Committee sought to understand the manuals and other issues regarding the internal audit systems.

The DES gave an overview of the functions of the LVFO, financial status and the functions of the internal audit. She informed Members that LVFO is a regional inter-governmental organization formed by the Convention signed in 1994 by the three founding members of the East African Community (the Republic of Kenya, the United Republic of Tanzania, and the Republic of Uganda). The main objective of LVFO among others is to ensure proper management and optimum utilization of fisheries and other living resources of the lake. In addition, she informed Members that the institution is faced with serious financial challenges due to delayed remittance of contributions from the three founding members, resulting in under budgeting of key activities as well as delay in program implementation.

### **Structure of the Internal Audit Unit**

The LVFO does not have an internal audit unit, but it depends on external auditors on a quarterly basis. At the time of assessment, the institution had borrowed an Internal Auditor from the EAC Secretariat to audit financial statements, procedures and advise Management on improvement in preparation for external audit. The Committee was informed that the Council directed recruitment of an Internal Auditor but never provided funding for the same.

### **Committee Findings and Recommendations**

1. The Committee noted that the Republic of Burundi and the Republic of Rwanda are yet to become members of LVFO yet the Republic of Rwanda and the Republic of Burundi are members of the Community.

*The Committee recommends to the Council that the accession of the Republic of Burundi and the Republic of Rwanda to the convention for the Establishment of the Lake Victoria Fisheries Organization 1994 be expedited.*

2. The Committee also noted that LVFO does not have an Internal Audit Unit to carry out day-to-day internal audit activities. Because of this, LVFO relies on short-term auditors to advise the institution. The structure and budget of the Internal Audit Unit is not in existence under the current structure and the Institution depends on external auditors on a quarterly basis.

*The Committee recommends that the Council provide funds to LVFO to enable fulfilment of its directive authorizing recruitment of an Internal Auditor. The directive was issued in 2009 and 2013 (Ref: to Council directive (EAC/CM27/Directive 8.4.4; and (EAC/CM28/Directive 10.1.7.6, respectively).*

3. LVFO does not make use of the recommended Sun System in its accounting procedures and processes. However, the Committee noted that the EAC Secretary General has committed to procure the Sun System and support LVFO to get the Sun System operational. The Committee was further informed that the Secretary General had provided funds to enhance capacity of LVFO staff to be able to use the Sun System.

*The Committee recommends that the Secretary General expedite the procurement of Sun System to help LVFO upgrade its accounting procedures to the internationally accepted Standards by December 2014.*

4. The Committee further noted that there is discrepancy between harmonized terms of services of staff members, procedures, regulations, grades, salaries and daily subsistence allowances, and clear retirement policies and procedures. In addition, LVFO has not approved human resource and procurement manuals. Moreover, the ones in use are not harmonized with those of the EAC Secretariat.

*The Committee recommends that LVFO harmonizes procedures, regulations, terms of services of staff members, grades, daily subsistence allowances, and introduce comprehensive retirement policy and procedures. All should be mainstreamed and harmonized with those of other EAC Organs and Institutions.*

5. The Committee noted that like other EAC Organs and Institutions, LVFO rely heavily on funding from development partners; that is not sufficient and sustainable. Moreover, contributions from the three Partner States are not remitted on time.

*The Committee recommends that the three Partner States increase funding to LVFO and honour their commitments on time.*

6. The Committee noted that the Governance Council of LVFO does not convene regular meetings and takes very long time to meet. Of late, the Council has taken three and half years without holding a Council meeting.

*The Committee recommends that LVFO Governance Board institute periodical meetings in order to provide strategic and policy guidance regularly.*

7. The Committee noted that LVFO has been under funded ever since it became an institution of the Community but the management ensured the Committee members that funding proposals have been developed and are being presented to potential donors for future funding.

*The Committee commends LVFO Management for the ongoing initiatives that would boost their financial base for appropriate implementation of its activities.*

## **PART TWO: THE INTER-UNIVERSITY COUNCIL OF EAST AFRICA (IUCEA)**

### **The Structure of the Internal Audit Unit at the IUCEA**

The IUCEA has established an Internal Audit office managed by the Principal Internal Auditor and the Internal Audit Officer. The two officers monitor and evaluate management policies, regulations, procedures, and systems to facilitate and advise management on strategies for compliance with best practices for effective utilization of IUCEA resources. They also facilitate the development of risk management policies and systems as well as oversee the implementation of value for money or performance audits for IUCEA.

In discharge of their mandate, the IUCEA Internal Audit Charter requires that the Internal Auditors be accountable functionally to the Executive Committee through the Audit Committee and administratively to the Executive Secretary.

### **Meeting with the Management**

The Committee met the Deputy Executive Secretary, the Internal Auditors, and the Accountant.

The Committee briefed the Deputy Executive Secretary (DES) on the purpose of the activity as a review and assessment of the internal audit systems of IUCEA. While doing so, the Committee sought to understand financial manuals and other issues regarding the internal audit systems that are used by IUCEA Internal Auditors.

The Deputy Executive Secretary informed the Committee that IUCEA was revived after the re-establishment of the EAC in 2000. EAC recognized IUCEA as one of the surviving institutions of the former Community. It was agreed to re-establish IUCEA as an institution of the new EAC and a protocol was signed to make IUCEA a legal body corporate of the EAC.

In 2009, the East African Legislative Assembly (EALA) enacted IUCEA Act 2009, thus effectively integrating IUCEA into the EAC operational framework.

The objectives of IUCEA are:-

- (a) To facilitate networking among Universities in East African Community, and with Universities outside the region;
- (b) To provide a forum for discussion on a wide range of academic and other matters relating to higher education in East Africa; and
- (c) Facilitate maintenance of internationally comparable education standards in East Africa to promote the region's competitiveness in higher education.

The DES informed the Committee that IUCEA is understaffed in all departments including the Internal Audit Unit department. As a response to the challenge, the Governing Board has approved the recruitment of a Principal Officer in charge of Finance and Administration. This however, does not provide a lasting solution to the problem of understaffing that IUCEA is facing at the moment. He informed the Committee that the institution has developed a human resource manual that demonstrates how IUCEA intends to build its staff capacity and support the existing staff.

The Internal Audit Unit presented to the Committee its reports, the Internal Audit Charter, the Internal Audit Plan and the IUCEA organizational structure and staff establishment.

### **COMMITTEE FINDINGS AND RECOMMENDATIONS**

1. Reporting Structure
  - a) The Committee observed that in the functional analysis report, the reporting of the Internal Audit unit in the Job Responsibility indicated that Internal Audit reports to the ES contrary to the practice requirement of functional reporting to the Audit Committee and administratively to the ES and what is stipulated in the Charter. Arising out of this anomaly, the Committee discovered that the ES had written a six page letter to the Principal Internal Auditor attached as *Annex I*. The Principal Internal Auditor responded to the allegations – see *Annex II*.

- b) The Committee also observed that in the new Organogram of the Internal Audit Unit the level of unit head is at Grade P3 but reporting to the Audit Committee. This does not fulfil the professional practice requirement of standard 1110 of the International Professional Practice Framework (IPPF) of Audit. The Committee further observed that this recommendation to upgrade the Internal Audit function had earlier been approved by Council during its 27<sup>th</sup> meeting.

*The Committee recommends that the reporting structure be streamlined as per practice requirement and the Internal Audit be upgraded as per the recommendations of the Audit and Risk Committee that was approved by the EAC Council of Ministers.*

*Pertaining to the issues discovered at the IUCEA, the Committee recommends to the Assembly that the Committee be given time and resources to meet the IUCEA Governing Board.*

## 2. Response to Internal Audit Reports

The Committee observed that a number of issues in the Internal Audit reports are not responded to in time or not responded to at all which renders the function ineffective and thus not completing their activities.

*The Committee recommends that IUCEA management takes the matter of responding to Internal Audit queries and Audit Unit advice more seriously and the Internal Audit unit should always appraise the Audit Committee on the issues or reports not responded to.*

## 3. Independence of Internal Audit Unit and its Reports

The Committee observed that the Unit is not as independent as required especially in reporting to the Audit Committee. It observed that Management reviews the Internal Audit reports before submission.

*The Committee recommends to the Assembly to urge the EAC Council of Ministers to ensure proper functioning of the Audit and Risk Committee and also ensure that the independence of the Internal Audit Units is guaranteed as provided for in the Charter.*

## 4. Staffing

The Committee observed that the Internal Audit Unit at the IUCEA is understaffed and this renders its performance ineffective. The new structure has not considered changes in staffing on the unit despite the number of recommendation in the reports of the Internal Audit and that of the Council.

*The Committee recommends that this matter be taken as a priority in the new Staffing structure.*

## 5. Functional Analysis Report

The Committee observed that there were a number of anomalies unexplained by management in the exercise that may lead to a lot of dissatisfaction within the organization.

*The Committee recommends that a forensic audit be carried out as earlier recommended by the Assembly.*

#### 6. The IUCEA Governing Board and the Audit and Risk Committee

The Committee noted that the IUCEA submits its reports to the Governing Board and at the same time to the Audit and Risk Committee. The Committee observed that this practice is a duplication of work.

*The Committee recommends that since the Audit and Risk Committee is in place, and functional, the Committee of Governing Board at the IUCEA should cease to exist or take up other duties.*

#### 7. Missing of supporting Documents (Vouchers)

The Committee got information from the Internal Audit Unit and the Accountant that they recently failed to accomplish their work because of missing vouchers that were used for double payment while the Accountant was on leave. The Audit Commission could not therefore conclude the internal audit report due to lack of evidence.

*The Committee recommends to the Assembly to urge the EAC Council of Ministers to expedite engagement of the External Auditors to carry out the earlier recommended forensic audit.*

#### 8. Lack of Teamwork

The Committee observed lack of teamwork at the IUCEA and because of this; the Internal Audit Unit is not facilitated to look at the financial statements before they are submitted to the Audit Commission.

*The Committee recommends to the Assembly to urge the EAC Council of Ministers to direct the EAC Institutions to ensure teamwork in their daily execution of their duties.*

#### 9. Segregation of Duties

The Committee observed that IUCEA Accountant is a signatory to all accounts of the institution in accordance with the IUCEA financial rules and regulations. The practice jeopardizes checks, balances, safeguarding against fraud, and ensuring accountability.

*The Committee recommends the amendment of IUCEA Financial Rules and Regulations so that the Accountant is not a mandatory signatory to all accounts of the Institution.*

#### 10. Absence of Records

The Committee noted lack of record keeping at the IUCEA. The Principal Internal Auditor never found any records when she assumed the office three years ago. The practice impairs the importance of records and threatens the culture of accountability.

*The Committee recommends to the Assembly to urge the EAC Council of Ministers to direct EAC organs and institutions to ensure that records of the Community are kept safe and can be availed at all times.*

### **PART THREE: THE CIVIL AVIATION SAFETY AND SECURITY OVERSIGHT AGENCY**

#### **Meeting with CASSOA Management**



The Committee met with the Technical Director who represented the Executive Director. In attendance was the visiting Internal Auditor from the EAC Secretariat.

The Committee briefed the technical Director on the purpose of the activity as a review and assessment of the internal audit systems of CASSOA. While doing so, the Committee sought to understand manuals and other matters that impact on the internal audit systems of CASSOA.

The Technical Director gave an overview of CASSOA history, its objectives and the achievements so far registered. The technical Director also briefed the Committee on the challenges faced by the Agency.

The CASSOA came into existence following the recommendations from the International Civil Aviation Organization (ICAO) to pull the regional resources together to create safe and orderly development of international civil aviation.

The major achievements of CASSOA since its establishment have been the harmonization of regulations and development of guidance materials, which have been promulgated in the Partner States. CASSOA has also trained inspectors in Partner States to oversee the aircrafts. Each aircraft has an inspector despite the challenges of new aircrafts whose technological knowledge is limited to supervisors. CASSOA requires more funds for continuous training of inspectors to catch up with the emerging new technology. However, inspectors are shared among the EAC Partner States.

The Technical Director further informed the Committee that an audit of civil aviation was carried out in the Republic of Rwanda in 2007 and followed by the Republic of Uganda, the Republic of Kenya, and the United Republic of Tanzania in 2008. The Republic of Burundi was audited in 2013. Shortcomings have been identified and collective action plans have been undertaken. The Republic of Kenya and the United Republic of Tanzania went through a second audit and performance has since been declared good.

In addition, the Technical Director informed the Committee that despite success and achievements, there has existed challenges of staffing, funding, Board composition that creates conflict of interest, issuance of the land title and tax exemptions among others.

### **Structure of the Internal Audit Unit**

CASSOA has an established Internal Audit Unit in its Organogram but has never recruited the officer. CASSOA depends on External Auditors who carry out the audit on a quarterly basis. At the time of assessment, the Agency had borrowed an Internal Auditor from the EAC Secretariat.

### **COMMITTEE FINDINGS AND RECOMMENDATIONS**

1. The Committee observed that in accordance with the Organogram of CASSOA, the Board should report to the EAC Council of Ministers but the Board has never reported to Council. It is only the Executive Director who reports to and attends Council meetings yet there are matters that concern the Executive Director and the ED cannot report against himself.

*The Committee recommends to the Assembly to urge the EAC Council of Ministers to ensure that CASSOA Board of Directors submits its reports to the Council regularly.*

2. The Committee observed that CASSOA board is composed of the Directors of CAAs of EAC Partner States who draw recommendations to be implemented by themselves in the Partner States. The Committee noted that the Directors could not direct themselves to implement their own recommendations. This has created conflict of interest and may not be viable for CASSOA.

*The Committee recommends that the EAC Council of Ministers revise the composition of CASSOA Board of Directors to ensure accountability and implementation of recommendations of the Board in the EAC Partner States.*

3. The Committee noted that the Agency has had a problem of understaffing for a very long time. To be effective, the Agency requires a number of technical staff. CASSOA has only two technical staff, who perform administrative roles as well. There is need for a technical person to take care of Aerodromes, Airworthiness and Air navigation.

The problem has been attributed to the salary sealing imposed on CASSOA, yet aviation personnel are highly paid. The Human Resource Officer has since resigned, following her appointment as Principal Human Resource Officer at the EAC Secretariat but the Agency has no intention to recruit. The position of the Internal Auditor has also never been filled.

*The Committee recommends to the Assembly to use the EAC Council of Ministers to waive the salary sealing on CASSOA to attract the technical staff. The Agency should also fill the vacancy of the Internal Auditor and recruit for replacement of the Human Resource Officer.*

4. The Committee further noted that CASSOA has been under funded for a very long time yet its responsibility and budget have all grown. To make matters worse the CAAs of Partner States who fund CASSOA are constrained and as a result, have put a ceiling.

The Agency technical team proposed an alternative funding of levying 70 cents on every passenger but the Partner States with bigger volumes of passengers have since refused to implement the proposal.

*The Committee recommends to the Assembly to urge the EAC Council of Ministers to engage Civil Aviation Authorities in EAC Partner States to waive the budget ceilings and implement the proposal to levy 70 cents on every passenger.*

5. The Committee noted that CASSOA has never been issued with the Land Title. The Committee was informed that the process had started but taking very long. It is risky to erect buildings on the land that the Agency does not own.

*The Committee recommends to the Assembly to urge the EAC Council of Ministers to ensure that land titles are issued to all Organs and Institutions of the Community at their Head quarters as required by the Head quarters Agreement.*

6. The Committee also noted that the Agency has never secured an Exemption Certificate. To this end, the Agency has always paid VAT and claiming it back is always difficult. At the time of the assessment, the Agency had managed to collect only 45 million Uganda shillings.

*The Committee recommends to the Assembly to urge the EAC Council of Ministers to ensure that exemption certificates are issued to all Organs and Institutions of the Community.*

### GENERAL RECOMMENDATIONS

1. The Committee recommends that the Secretary General appoints a representative to attend Board meetings of EAC Institutions.
2. The Committee recommends to the Assembly to urge the EAC Council of Ministers to increase the budget of EAC Institutions affected by the problems of underfunding and understaffing.
3. The Committee recommends to the Assembly to urge the EAC Secretary General to commence a capacity-building program for Internal Auditors of the EAC Organs and Institutions.

### CONCLUSION

The EAC Institutions' Internal Audit System is compromised because it cannot perform its function, as it should, reasons being; Lack of independence, limited staff or no staff at all in the case of LVFO and CASSOA hence compromising International Audit Standards benchmarks. It is however imperative to note that the Committee did not manage to visit other EAC institutions like LVBC because it lacked enough resources. To this end, time and funds should be availed to the Committee to carry out the exercise in order to have a comprehensive picture of Internal Audit Units/systems for all EAC Organs and Institutions.

### ACKNOWLEDGMENTS

The Committee on Accounts wishes to thank the Rt. Hon. Speaker, the Clerk and the entire administration of the Assembly for allowing it to carry out its oversight function. The Committee further appreciates the valuable time accorded to it by the Institutions visited.

Madam Speaker, I beg to move. **(Applause)**

**The Speaker:** Thank you very much, hon. Straton Ndikuryayo, the Chairperson of the Committee of Accounts for that comprehensive report. It is gratifying that we had an opportunity as the whole House to visit some of these institutions so as you went through the report, we were able to relate properly with these institutions.

Hon. Members, the motion on the floor is that the report of the Committee on Accounts on internal audit systems of East African Community institutions be adopted. Debate is open.

**Mr Celestin Rwigema (Rwanda):** Thank you, Rt. hon. Speaker for giving me the floor. As it is my first time to be given the floor, I want to add my voice to the voice of my colleague to express my condolences to hon. Chris Opoka and Loice and their families because of the loss of their loved ones.

I want to thank the Committee of Accounts and the Chairperson for the good report. As you said, it is very comprehensive. It is not easy to go through what you had done because a number of these committees - And then get a very comprehensive and very detailed report which is understandable.

When you read the correspondence between Prof. Mayu, the Executive Secretary of the Inter University Council and Mrs Lutaaya, the internal auditor, it is really very hard to understand how institutions and organs are working, because on one hand, I think they do not understand the importance of the internal audit, or the role of internal audit, which is, for me, to provide independent insurance...organisation risk management and internal control process are operating effectively.

If you do not allow the internal audit to function, that means you can even expect to fix it because it is to help the institution or organ to operate regularly and successfully.

Internal auditors usually – Madam Speaker, I will try to speak in general. They deal with issues that are fundamental importance to the sovereignty and prosperity of the organisation or the institution. They go beyond what the external auditor does because external auditors are concerned with the accuracy of the financial report or with the financial statements only but internal auditors are concerned with the important matters of the organisation like its interpretation. How employees are treated and how environment is visual in the area in which the organ is working.

In fact, they are very different. Internal and external are different because the way they report is different, the coverage is different, and the objectives are different.

In this report, when you read you find where they borrow the internal auditor somewhere even in the Secretariat. When you borrow someone to come in another institution, it is not really playing an internal auditor's function because he has to be someone who works with management regularly and then he can advise, he can quote, he can try to make and improve the organisation.

I think this is an important step because if the recommendations as mentioned by the chair of the Accounts Committee can be implemented, I think we can correct many things.

My second point, Madam Speaker concerns CASSOA. Imagine a situation where the Board is composed of members who draw recommendations and are asked to implement the same recommendation themselves. It cannot work, this is impossible. I think the Council of Ministers can rectify those kinds of doings and see how to make things happen and be corrected efficiently.

Lastly, I want to say something about all the Boards of EAC organs and institutions. I think the Secretary General must be represented in EAC institutions of follow up. Without that, he cannot really know what happens. Someone can be appointed and then he can get easy follow up. Thank you very much, Rt. hon. Speaker.

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

**Mr Celestin Kabahizi (Rwanda):** Thank you, Madam Speaker for giving me the floor. Let me also present my condolences to our colleague member of Parliament and our staff who lost their loved ones.

I take the floor to support this report to be adopted for many reasons as a Member of Parliament for oversight functions mainly financial functions towards our institutions of the Community. I have two examples where I need to emphasise and to let people know exactly how this mission was conducted.

If you look at how the report was conducted, for Lake Victoria Fisheries Organisation, we have said that two other countries also need to join that institution as members of the Community mainly Rwanda and Burundi. That requires among the convention to increase to the two other countries but it is not only among the convention, it is also to make some analysis on benefits meanwhile you know. It does not mean we are going to benefit because the location of the entity or the lake is near us or in our countries but to see exactly how all countries can benefit somehow to that institution.

Also that means that we need to see if other lakes could not be included and the name be changed because as it is, it is Lake Victoria Fisheries Organisation so if we include other countries, we can see if other lakes could not be included.

For the second part of the report where we have been at the Inter University Council, I need to draw the attention of my colleague members of Parliament to highlight some five issues we have seen. The Council has taken three and a half years without meeting. The management review internal report is submitted to the administration to be reviewed. Third, there are some missing documents, which were used for double payment. Four, there is lack of teamwork. Five, there is absence of records.

So we can see how our institutions are not well managed and our recommendation goes to the Council of the ministry to urge the EAC and whoever is in charge to review the structure and to correct these errors, which are known without being a technician or going into the whole report. The five must take a lot of mismanagement of funds or mismanagement of functions. Thank you, Madam Speaker.

**The Speaker:** Thank you very much, hon. Kabahizi.

**Mr Christophe Bazivamo (Rwanda):** Thank you, Rt. hon. Speaker. I rise to support the report. First of all I do thank the chairperson of this committee for a report well presented but also the committee for what they have done which is appreciable.

Rt hon. Speaker, we have visited CASSOA as an Assembly. We have been discussing with them and we have understood the big challenge they have of being underfunded and also being under staffed, this being a problem originating from how this organ is financed.

This is our original EALA industry oversight organ. It is really requested to make sure the approaches are harmonised. It is requested to coordinate and make sure that all standards are respected and you know this industry has very important standards to be respected especially when it comes to security matters.

So having such an organ being under capacitated, not having enough capacity to fulfil its mandate, I do think it is not wise for our Community.

Rt. hon. Speaker, as Rwanda chapter, some of us participated in the CASSOA conference organised this month in Kigali, and the same challenge has been raised and actually, the workshop noted it as a very serious one.

Some alternatives of funding have been proposed and the most appreciated one as discussed in this workshop and may be highlighted by the committee is this way using the approach of taking almost 70 cents on each air passenger ticket. This has been proposed and has been appreciated. It could be a good alternative but it is challenged by the fact that some Partner States are hesitating to approve this alternative saying that they will pay more than others but here we understand that it is not the Partner State who is paying but the air passenger and we

know that air passengers do not necessarily come from our Partner States. So considering this and having or keeping in mind that air security is very important and each passenger will be attracted to pay for his own security and to make sure he is travelling safe, not depending in which country or Partner State he is but he or she wants to be safe everywhere in our region, he or she is, I think that it is very important to strengthen this alternative and to support it making sure that all Partner States understand the concern and appreciate the solution which is proposed and adopted.

For that, I also take this opportunity to request the Council of Ministers to take this as a very important matter, to follow it and to mobilise everywhere where it is possible to make sure this alternative is adopted and to make sure that CASSOA as an oversight body in the region for our airline industry is well operational.

Madam Speaker, I support the report and I thank you.

**The Speaker:** Thank you very much, honourable.

**Mr Jeremie Ngendakumana (Burundi):** Thank you, Madam Speaker for giving me this opportunity to contribute to this report. As has been highlighted in this report, one of the objectives of this assessment was to make sure that the EAC institutions are equipped with internal audit units or not.

Where it exists, it was to appreciate how it is performing its duties. One can ask himself, why does the Committee of Accounts was so focused on the internal audit unit in these institutions? We can say that while someone is doing his business on his part, he thinks that he is doing well. There is need for someone else to come, see what he is doing, and maybe if necessary, provide the advice as to how to improve the following steps by learning from your mistakes.

The internal audit unit has the responsibility to conduct an independent and objective assessment and overview of the accounting. The financial control, the set management and then come up with the recommendations and observations that can help management of these institutions to improve and achieve their mandate efficiently.

A Madam Speaker and hon. member, the internal audit unit is supposed to do a day-to-day business. Therefore, all the issues that can make an impact on the institutions are recognised as timely and addressed in an appropriate manner to the management by detecting the weaknesses of the institutions or the irregularities. By recommending the necessary measures to be taken, the management gets the assistance that it needs to achieve these objectives with effectiveness.

Madam Speaker, an internal audit unit is like a tool of prevention that can enable the management to adjust the way he is doing things to minimise the errors when it is still possible. That is why there is need for the Secretariat and for the Council of Ministers to ensure that all our institutions are equipped with an internal audit by providing the necessary budget. When it does exist, to ensure that it is performing its duties well.

Madam Speaker, with those few observations, I support the motion.

**Ms Shy-Rose Sadrudin Bhanji (Tanzania):** Thank you, Madam Speaker for giving me the floor so that I can also contribute to this report. Madam Speaker, when I was reading this report, I was caught up with the words of the deputy executive secretary who said the Lake Victoria Fisheries Organisation is faced with serious financial challenges due to delayed

contributions from the three founding member countries and as a result, the institution is under budget with regard to their activities.

Madam Speaker, while I agree that founding member countries have to give contributions on time, I am very sad to note that Lake Victoria Fisheries Organisation is not being accountable in its financial system.

Madam Speaker, we are told in the report that the committee got information from the internal audit and external accountant that they recently failed to accomplish their work because of missing vouchers and they were used for double payment while the accountant was on leave.

Madam Speaker, in the beginning of this report, we are reading that over the last couple of years, the Accounts Committee has expressed its disappointment on weak internal control and poor resource management. The committee took note and wished to strengthen the internal audit function, which was seen as a major entity impacting negatively on the internal controls.

Madam Speaker, when you read this report throughout, you just raise your eyebrows. What are these organs doing? Do East Africans know their little pennies they are contributing in this Community but there is no proper accounting system? There is no proper record. Somebody is going on leave and is not leaving somebody to act behind? There is nothing in writing that somebody else will act on my behalf!

Madam Speaker, I am standing here and I am requesting my fellow members of Parliament to task the Chair, Council. We want all those who were responsible with this lack of record keeping to be punished. We are coming to pass the budget next week. We want accountability from all these institutions. We should not be sitting here passing the Budget, no. Let us be serious. You know East Africans are watching us. Let us be serious in every institution in East Africa and anyone who is not serious, let us be serious with them. Honestly, this is not the way to go. First East Africans do not even know what is happening in East Africa. Secondly, because maybe they do not know, some people take advantage and they do what they want. We should not...Chair, Council, you should not be sitting there and smiling. You should be crying – *(Interruption)* -

**The Speaker:** Hon. Shy-Rose, let me protect the Chair, Council. Address the Speaker.

**Ms Bhanji:** I am sorry, Madam Speaker. It pains me to see Chair Council with a smile on his face. He should be crying. Again, when you look at all these institutions, honestly we should not be passing their budget so easily. Let them be accountable for all the money they want.

That is my number one point- *(Interruption)*-

**Mr Nsabimana:** I want to give the information that the Principal Accountant in this institution was on leave but had time to sign cheques. The double payment was done when she was on leave. Thank you.

**Ms Bhanji:** Thank you for the information.

**The Speaker:** Further information from hon. Kessy.

**Dr Nderakindo:** Thank you, Madam Speaker, I think the institution that hon. Shy-Rose Bhanji is referring to is the IUCEA, and not Lake Victoria Fisheries about the double

payment and the accountant was not there. It is about the IUCEA. Thank you, Madam Speaker.

**The Speaker:** Hon. Shy-Rose you can clarify.

**Ms Bhanji:** Thank you, Madam Speaker, and while I agree with *Mheshimiwa Kessy*, when you read this report, it is not a clean report. Even Lake Victoria Fisheries Organisation, when you read in the report, they also have an explanation to make.

My last point is with regard to the shortage of funding in all these institutions. We are always talking about over 70 percent budget of EAC is coming from the donor partners while 30 percent is coming from contributions from Member States. I want to ask the Chair, Council. What strategies do we have in place? Are we always going to be complaining, one institution after another for lack of funding? Then why are we even sitting here if every day there is no funding? Madam Speaker, I want an explanation from the Chair, Council. What strategies are in place so that all these institutions can run smoothly to conduct their activities and at the end of the day we can achieve our goal because East Africa is there for one reason, to enable all East Africans to have a better income in their pocket but when you look at the majority of East Africans, they are poor.

**The Speaker:** Proceed and conclude hon. Shy-Rose.

**Ms Bhanji:** I think he is agreeing with me that most East Africans are poor. So let us feel something for our people. Let us not just come in this Assembly well dressed, looking nice but we have to feel something. For me I genuinely feel something for our people.

**The Speaker:** Hon. Shy-Rose, the rules demand that you should come smartly dressed.

**Ms Bhanji:** Thank you, Madam Speaker, anyway, I support the report, but please let us be very serious with this Community. Thank you.

**Ms Susan Nakawuki (Uganda):** Thank you very much, Rt. hon. Speaker. First Madam Speaker, allow me to convey my apologies to my colleagues for my utterances on 1<sup>st</sup> April. I would like to assure my colleagues that I did not in any way hope that any of them could do as I had said but I apologise with all sincerity and I want to assure them that I do not intend to do that to anybody other than in self-defence.

Madam Speaker, allow me to declare that I am a member of the Accounts Committee. I would like to appreciate my chairperson so much for this wonderful report. Madam Speaker, also allow me to add my voice in supporting this report. Nonetheless, I would like to make a comment on a few issues starting from page seven where the report talks about independence of the audit function in the Inter University Council of East Africa. I would like to put it clearly on record that the internal audit unit at the Inter University Council of East Africa is not enjoying any independence.

The Principal Internal Auditor informed us that on several occasions she has been threatened to be fired by the Executive Secretary of this institution. Strongly worded letters have been written to her every time she made reports contrary to what is desired by the Executive Secretary. She also informed us that any internal audit unit report that has to be presented to the audit committee has to be edited or cleaned up by the Executive Secretary so that he gets rid of whatever he does not want to be given to the audit committee.



She has been tasked to do that every time. She has even been criticised of fist keeping aside some information as she is forwarding the audit report to the Executive Secretary for review. So, really, she finds it so hard. In fact, when we were having an interface with her as a committee, she broke down and started crying because of the way she is being demonised by the Executive Secretary. One of the letters has been provided as an attachment. I wish members could have time to go through it.

Madam Speaker, she also confirmed to us that there is a problem with implementation of issues raised in her reports. She makes recommendations but they are never taken seriously. I think it is very pertinent for the Council of Ministers to intervene because the situation in the Inter University Council of East Africa is heart wrenching and needs immediate attention.

In fact, I think all of us members received a whistle-blowers email from Inter University Council of East Africa where people were alleging that on several occasions, the Executive Secretary has conspired with the accountant to eat money belonging with the institution. I do not think anything should be taken for granted. It is a call for us to wake up and take action.

Madam Speaker, about the issue of missing supporting documents; the vouchers, actually I remember we were asking the accountant to clarify on how the vouchers went missing and all she had to say was, well I kept all the vouchers in my drawer as I was going for leave and when I came back and they asked for them, I could not find them and that is it. I cannot get them from anywhere and she was so casual about it. She was not even remorseful and to me, it indicated *mens rea* that she had an intention to hide information from the internal auditor and it was deliberate. Actually the principal internal auditor said that it has been recurring on different occasions that anytime they have to come up with a report, either documents are missing or it is alleged that they were not given including bank slips which are never available to the principal internal auditor.

About records, Madam Speaker this is the only institution I know of where a new officer is coming in and there is no file handed over to them. When this principal internal auditor came into office, she was not given a single document. She even tried to look around in the archives of the institution to see if she could get anything from the internal audit unit and there was none. When we were talking to the deputy executive secretary, he was also casual and said, well we apologise that she did not find anything but in future, we will make sure that everyone who comes in finds a file. Simple. No remorse. So it is like "To Whom It May Concern"! No one is concerned about anything in this institution.

Madam Speaker, in the report there is an issue of segregation of duties in all the reports of the audit commission that we have received, the audit commission has recommended that the accountant should not be a signatory to the bank accounts of the institution in particular Inter University Council of East Africa. Despite those constant recommendations, and the recommendations of his august House, Inter University Council of East Africa has refused to implement the recommendations. In fact when we make them, the accountant justifies that the rules and regulations of the Inter University Council of East Africa gives her power to be signatory to all accounts. So we were wondering what happens to the recommendations made by both the audit commission and this august House.

Even when they came to defend their budgets before the General Purpose Committee, we put the same thing to them and they did not show any sign of implementing that. This is something that we should take seriously and handle with urgency.

Madam Speaker before I conclude, there is also a recommendation by this very committee about the forensic audit of this institution. It is evident that a lot of money is going to unknown accounts; a lot of money has been unaccounted for. Even when you look at the audit reports of the previous financial year, a lot of money has been unaccounted for but when we looked at the budget for this financial year, there is no budget for a forensic audit of the Inter University Council of East Africa. There is one for LVFO but as far as I am concerned, the condition in LVFO is not even 10 percent as the condition in IUCEA. So, Madam Speaker, we should take this urgently, look for money from wherever we can get it to make sure that the forensic audit is conducted.

Madam Speaker, also allow me to add something about the LVFO – (*Interruption*) -

**The Speaker:** ...as you try to conclude.

**Ms Nakawuki:** As I conclude about underfunding. Madam Speaker, we got information from LVFO that for this financial year where we are now in the last quarter, they have not even received 50 percent of the Partner State contribution. In fact, the worst-case scenario is the fact that all the employees of the Lake Victoria Fisheries Organisation have not received salary since February. No salary for March, April and May. I think this is very bad for the image of this Community. I have heard that members are even planning to go to court because they feel they cannot survive without their salaries and precisely, right now they are trying as much as possible to look for meetings where they can go, attend, and maybe get a small allowance to fund themselves in terms of transport.

So I would like to beg the Chair, Council of Ministers to fight hard and ensure that at least money is found to pay these people's salaries because I feel it is their entitlement, it is a right. They need the salaries because they work for it.

Madam Speaker, I beg to support the report.

**The Speaker:** Thank you very much, hon. Nakawuki.

**Ms Judith Pareno (Kenya):** Thank you, Rt. hon. Speaker. I rise to support this motion and actually, the committee so much for having done a very good job to be able to unearth what has been happening with these institutions.

Madam Speaker, from the report that we have before us, I see very ailing institutions. Actually, they are barely surviving from this report. I was just wondering whether these are some sort of forgotten institutions. Is it that we are not paying much attention to our own institutions because when you look at what they are saying, apart from the rot that is within, they also have external issues! Why are we not budgeting or giving them enough funds? Because the root cause is under funding! So I think it is also the Community to blame. You create institutions, some of them even survived the earlier Community, and instead of appreciating and strengthening these institutions, we underfund them and do not give them the necessary attention they deserve.

So, to me, I see two things. I see the larger issue of a Community that has institutions that we are not giving due attention to. I also see that leading into the rot within the institutions.

Madam Speaker looking at what we have gotten from this report, if you have institutions, not one or two that do not have internal audit systems, what are we saying? The purpose of this committee having gone to look at what these institutions are doing and specifically focusing on the auditing systems is to assess how efficient they can be, how they can perform. So how

do you access and how do you expect them to perform when they do not have funding so they cannot then put in the necessary structures that are required. So to me I see the root cause as not being given attention and enough funding for what we expect these institutions to perform.

You find they are talking about lack of funding and then they talk about delayed programs then they say they are now borrowing personnel from other institutions. Why when we are talking about fisheries, which is a major resource for this region. We are talking about education, which is everything to the success of this region, and we are talking about air safety and here we are, having all these problems with our institutions.

Madam Speaker, when I hear from the report that a Council does not meet until after three and a half years, is this institution alive? It is as good as dead. So, I think we really have a challenge, and I really thank this committee for showing us what we have. Even though we visited these institutions, they have gone deeper to get the nitty-gritty that we need to speak for them and actually oversight and ensure that the right thing is being done.

Madam Speaker that is why you end up having infighting. If you see the communication in some of the annexure to this report, there is so much infighting because this is an institution that has lacked direction. You would not have this if we really had an institution that is performing.

I am wondering, we are talking the 70 percent funding from donors. Which donor will fund an institution that does not even audit its performance, or does not even audit or do anything? How can you get funding? It means that we really have a serious problem. You cannot sell these institutions as they are; you cannot fundraise for them because the first thing that one would look at is the systems that are in place in an institution before you can spend your money on it. You cannot spend on something that is barely breathing. So, I think we really have a challenge here and it has come out so well in this report and I think for us as an Assembly, the best we can do is to ensure that we implement these recommendations and be able to actually help them. No wonder the officers are resigning. How do you expect it to run? They are resigning, they do not have money, and they do not have salaries so it is a problem.

Madam Speaker, while I agree with hon. Shy-Rose. Let us not punish the institution by denying it funding. Let us reform this institution by giving it funding and following up to sack those who are involved and put in the necessary structures. Thank you, Madam Speaker.

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

**Ms Valerie Nyirahabineza (Rwanda):** Thank you so much, Rt. hon. Speaker for giving me the opportunity to contribute to this important motion. On the onset, let me add my voice to those who spoke before me and express my condolences to the families of hon. Chris Opoka and Loice who lost their beloved ones.

Rt. hon. Speaker, back to the report we are debating, first let me congratulate the committee for coming up with a wonderful report. This report is well developed, well elaborated; it is clear enough for us to know exactly what is happening on the ground.

Allow me to start with a humble plea to the Council of Ministers. I do respect them very much. I know for a fact that you have seriously and you are still discharging your functions very competently but my humble plea is in line with the very strong and valid recommendation that are being expressed for very many years.

It is clearly stated in the report that over the last couple of years, the Accounts Committee has expressed its disappointment on weak internal controls and poor resource management. During the review and consideration and this is just an example of EAC audited financial statements for the year ended 30<sup>th</sup> June 2012, a number of queries were reported especially in the institution of the EAC namely LVFO, CASSOA and IUCEA.

Madam Speaker, the recommendations were clearly stated in the report. The Assembly expressed its wish to see them implemented, but up to now, I think we are experiencing the same mistakes. My plea to the Council of Ministers together with the Secretariat is to ensure that at least something is done in line with this.

My discussions will mainly focus on IUCEA. Madam Speaker, I do not know, maybe I have to apologize because I will have to allude to some aspects that appeared when we were discussing or considering the budget. I know for a fact that the report is not out yet but allow me to refer to some aspects that transpired during the meeting we had with IUCEA.

What is stated here in this very report is true. First, as you see on page six, the objectives of IUCEA, allow me to read them.

1. First of all, to facilitate networking among universities in East African Community and with universities outside the region.
2. To provide a forum for discussion on a wide range of academic and other matters relating to higher education in East Africa.
3. Facilitate maintenance of internationally comparable education standards in East Africa to promote the region's competitiveness in higher education.

I wonder, maybe we will have time to tackle this issue seriously when we are considering the budget as it is going to appear in the report which is yet to come. I wonder whether the budget given to this institution is used in line with the set objectives. My answer is no. we will have time to come back to it but coming back to the structure of this report and regarding the reporting system, the recommendation of the audit commission in this Assembly, which I mentioned, has been ignored. The executive committee seems to be supervising everything and threatening people.

Recently when we discussed with the executive secretary together with the accountant, the accountant was in tears because she did not want the rules and regulations of the said institutions to be amended but if you see that nothing is moving, why don't you allow these rules to be amended? However, this woman was against. When we were asking her questions, she was only crying. I do not think this fair.

Secondly, I thank the committee for having recommended that the reporting structure be streamlined as per practice requirement in the internal and that the internal audit be upgraded as per the recommendations. This needs follow up so that it is really implemented.

Number 3, regarding the independence of internal audit unit and its report, the committee observed that the unit is not as independent as required, especially in reporting to the audit committee. One thing that came out when we were discussing with people is that the management reviews the internal audit report before submission. This is lack of independence. There is nowhere you can put something regarding the institution for it to execute or discharge its mandate when the executive secretary is supervising you.

Number four, the proper functioning of the audit and risk committee has to be ensured and we have to ensure that the independence of the internal audit unit is guaranteed as provided for in the charter. I think many people came back to the charter. The charter states that that person has to work independently but the practice is being done contrary to what is stipulated in the charter. I think something should be done in that line is that we can assure the smooth independence of the internal audit.

**The Speaker:** Try to wind up.

**Ms Nyirahabineza:** I know many other points I wanted to come back to have been highlighted but I urge my fellow colleagues in supporting this report, to also insist on the fact that a forensic audit be carried out as recommended by the Assembly. I know that we came back to this issue when we were discussing the budget and we will probably come back to it when the report is being presented but a forensic audit must be done.

Even members of General Purpose Committee, before this budget is passed, should go and look deep into the set objectives and activities for the implementation of these objectives for us to see whether the budget allocated to these institutions are being used properly and in line with the set objectives.

For this matter, I support the report.

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

**Mr Yves Nsabimana (Burundi):** Thank you, Madam Speaker for according me the opportunity to speak. Before I would like to extend my sincere condolences to our colleague hon. Chris Opoka and to our member of staff Ms Loice Ampaire for the loss of their beloved parents. For us Christians, we believe that those who die rest in Christ who takes them to be with Him. This is to say that the parents of hon. Chris Opoka and Ms Ampaire are with angels in heaven. We thank God for the life He has given to them in this world.

Coming back to our subject, I confirm I am a member of this committee and I do strongly support this report in the following way. We have realized that there is absence of a direct link between institutions of the Community, the EAC Secretariat and the Council of Ministers the consequence is that there is no follow up on the decisions made by the governance board of those institutions and it has brought weak performances in the management. This is why I insist that this Assembly requests the Secretary General to be represented in all governance boards of all institutions of the Community.

Madam Speaker, I want to add that this includes the bank also. We are so lucky to have this report during the period when we are going to analyse and vote the budget of the Community. In this report, there are many recommendations seeking financial support from the Council of Ministers like the staffing, like some systems, like institutional review, like forensic audit. I would like to request the Council of Ministers to look at it, read it and solve those problems and next time we come to this House, in this report we do not find anything about these problems.

This is why I would like to request this Assembly to recommend to the Council of Ministers to analyse the content of this report and solve the problems of finance that are in this report for the coming budget so that it will help us to work better for the Community.

In conclusion, I declare that I fully support this report and I thank my chair and I thank you, Madam Speaker for the floor. Thank you.

**The Speaker:** Thank you very much, hon. Yves Nsabimana. I invite hon. Kaahwa, Counsel to the Community.

**The Counsel to the Community (Mr Wilbert Kaahwa) (Ex-Officio):** Thank you very much, Madam Speaker. I have no cause not to support the motion because the report of the committee is well structured and elaborate and has been ably tabled by the chairperson of the committee, hon. Straton Ndikuryayo.

Madam Speaker, I rise to address the House on a matter reflected in paragraph 3.3 of the report. This is on page 4. This is with regard to the possible membership of the Republic of Rwanda and the Republic of Burundi in the Lake Victoria Fisheries Organisation.

The committee noted that the Republics of Burundi and Rwanda are yet to become members of the Lake Victoria Fisheries Organisation yet the Republics of Rwanda and Burundi are members of the Community. The committee, in my observation, was informed by the fact that the convention for the establishment of the Lake Victoria Fisheries Organisation 1994 was concluded in 1994 between the Republic of Uganda, the Republic of Kenya, and the United Republic of Tanzania. It entered into force on the 24<sup>th</sup> day of May 1996, long before (a) The East African Community was established, as we know it today and long before the Republic of Rwanda and the Republic of Burundi joined the East African Community.

It is ostensibly against that background that the committee made this observation and made the recommendation, which follows to the effect that the instruments of amendment of the Lake Victoria Fisheries Organisation convention be expedited to include the two other EAC Partner States and expedite Council directive to fast track the process.

The issue, Madam Speaker is whether this august House should be urging for expediting of the amendment of the Convention or rather for a faster process enabling Rwanda and Burundi to accede to the convention.

Madam Speaker, the convention for the establishment of the Lake Victoria Fisheries Organisation, 1994, is recognised under the Treaty under Article 9 paragraph 3 and both the Republics of Rwanda and Burundi acceded to the Treaty for the Establishment of the Community, which includes the LVFO convention.

Madam Speaker, the convention provides for amendment in its Article 21 whenever any of the contracting parties in this case Tanzania, Kenya, and Uganda deem amendment necessary. But like all other international agreements, it also takes cognisance of the fact that parties other than Tanzania, Kenya and Uganda may be able to accede to the convention and this is what I am addressing the House on. Should we be pursuing amendment of the convention or accession?

According to Article 20 of the Convention for the Establishment of the Lake Victoria Fisheries Organisation, 1994, any riparian state may accede to the convention. The convention does not define the term “riparian state” but in legal terms, the term or adjective “riparian state” refers to a geographical relation to, among others, a water body, like a lake.

Since both the Republics of Rwanda and Burundi are within the catchment area of the Lake Victoria basin, as defined under the protocol for the sustainable development of Lake Victoria, they are in my humble opinion riparian states so for purposes of acceding to the convention, they meet the basic criteria.

Madam Speaker, secondly, in acceding to the Treaty for the establishment of the Community, both the Republics of Rwanda and Burundi acceded, as earlier alluded to, to the Community's *acquis communautaire*, which recognises the existence of the Lake Victoria Fisheries Organisation as an institution of the Community.

If you allow me very quickly to read through the Treaty of Accession, the Republic of Rwanda hereby becomes a member of the East African Community and a party to the Treaty, all protocols of the Treaty, tripartite agreements, memorandum of understanding by which the Treaty is supplemented. In other words, the Treaty and all its supplements, all the integral parts, including the convention, are part of the *acquis communautaire*, to which Rwanda and Burundi acceded.

Taking that into account and taking into account the fact that the procedure for amendment is quite lengthy involving consultations, whereas the process of accession is easier, I would urge that this Assembly considers the report of the committee but amends its slightly to urge the Council of Ministers to expedite to enable Rwanda and Burundi expedite their accession to the convention.

Let me give you an example, Madam Speaker I am about to complete. When it became necessary in the opinion of the Republic of Burundi to join the East African Development Bank in particular the East African Development Bank's B-membership like the other Partner States, there was no need in the opinion of the board of directors of the East African Development Bank to amend the Treaty establishing the bank. All they did and all they have done is to enable the Republic of Burundi to seek accession and the Republic of Burundi has so far made steps towards accession rather than causing amendment.

Having said that, Madam Speaker, if it may please the Committee on Accounts, I propose an amendment to the recommendation under paragraph 1 of part 3.3 of the report. Instead of recommending that instruments of amendment of the LVFO convention be expedited to include the two other EAC Partner States and expedite Council directive to fast track the process, we seek a better fast tracking mechanism through this House recommending to the Council of Ministers that the accession of the Republic of Burundi and the Republic of Rwanda to the convention for the establishment of the Lake Victoria Fisheries Organisation, 1994 be expedited. I thank you, Madam Speaker.

Madam Speaker, I have prepared a text, which I will pass over to hon. Straton Ndikuryayo.

**The Speaker:** Okay and to the Clerk. Thank you very much, Counsel to the Community. I think that was very informative and we have learnt the way we have to make our recommendations sharper. Chair, Council, many concerns were raised and I think it is proper for you to make a comment.

**The Minister of State for East African Community Affairs, Uganda (Mr Shem Bageine) (Ex-Officio):** I thank you very much, Madam Speaker and I would like to thank the Committee on Accounts for this very elaborate report that contains a lot of information about activities, omissions, commissions and to a certain extent, allusions to abuse of office and mismanagement of funds of the organisations that the committee has reported upon.

Madam Speaker, this report comes at a very opportune time for the Council of Ministers because it gives us information that will help us to interface with the management of the subject institutions in our next quarterly meeting of the Council of Ministers responsible for East African Community affairs.

As members will recall, I have previously reported here that the Council set up a new *modus operandi* in order to find adequate time to address issues such as these contained in this report. The previous operations of the Council of Ministers were such that the Council never had time to interface with management of the organs, institutions and even the Secretariat to address some of these very serious issues.

I want to assure this august House that the next meeting of the Council that I have referred to will meet management of these institutions and will raise these pertinent issues and take decisions including where necessary, to discipline those who are culpable. I am concerned, and I am talking with the confidence and support of the members of the Council that we will definitely clean up all these misgivings.

Madam Speaker, concern has been raised about the funding, the structures of these institutions. I would like to inform this august House that in the recent meetings, the Council addressed the issue of the institutional review and a sustainable mechanism of funding the Community. Members will recall that previously we used to refer to this as alternative financing. During the discussions, it became apparent that there was need to look at both the institutional review and financing because of the financial implications that will come along as a result of the proposed institutional review.

For example, it is proposed to elevate the Secretariat of the Community to a commission and this has very large financial implications if it is accepted and I hope that it will be accepted because when we do so, we will be in a better position to monitor, evaluate, and follow up the activities of these institutions.

Madam Speaker, I know that the issue of institutional review has been on for years but I want to assure this House that this time round, there is definite commitment to have this institutional review completed, and we as a Council will be reporting to the Summit in November to take the final decisions.

Madam Speaker, the issue of funding, as I said, has been considered, and proposals have been made to look at alternative methods of funding the Community in order to move away from the heavy dependence on donor funding and the delayed remittance of funds to the organs of the Community to enable them do their work. Several proposals have been made and teams have been set up to look into these and the necessary report will come to the Council in its meeting in August during which decisions will be taken for further reference to the Summit for final decision.

Madam Speaker, I am aware of the delayed remittance of Partner States contributions and during last Council meeting, this matter was discussed exhaustively and all the Partner States agreed and gave a time scale within which the arrears of contributions will be remitted and I am pleased to report that some of them have since remitted the necessary funds.

Madam Speaker, the issue of funding the committee to carry out its oversight function has been noted and, indeed, in the proposed budget, some amount has been provided to enable the committees of this House to carry out their mandate of oversight function, as we believe this is a very crucial and important aspect of the work of this Assembly.

Madam Speaker, I noted the comments by various members and in particular my friend hon. Shy-Rose. I wish I had tears in my eyes, I would have wept for the misdeeds of our people but I can tell you I cried at heart. That cry will not go in vain because we are determined to



ensure that our organs and institutions operate in accordance with acceptable standards of financial management and other methods of work.

Madam Speaker, with those few remarks, I support the motion and I look forward to continued working with the committees of this House in order to improve our efficiency in the organisation. I thank you.

**The Speaker:** Thank you, Chair Council. I want to appreciate that you joined the Assembly when they visited some of these institutions and you can now appreciate and I thank you for that very important commitment you have taken on behalf of the Council. I invite the chairperson to wind up debate.

**Mr Ndikuryayo:** Thank you, Rt. hon. Speaker, first of all I would like to thank the members who have contributed to this report. Most of them have supported it, no one was against the report mainly hon. Rwigema Pierre Celestin, hon. Kabahizi Celestin, hon. Christophe Bazivamo, hon. Jeremie Ngendakumana, hon. Shy-Rose Bhanji, hon. Susan Nakawuki, hon. Judith Pareno, hon. Valerie Nyirahabineza, hon. Yves Nsabimana, hon. CTC and hon. Chairperson of the Council of Ministers and also the information given by hon. Kessy Nderakindo.

Hon. Speaker, I have a few comments. I would like to start with the one from hon. Shy-Rose on the issue of double payments, missing vouchers and records. She raised a serious issue that we urge the Council to see how they can take a decision on how those people responsible can be held accountable.

She has made an issue of punishment but accountability includes several things not only punishment but they should be held accountable and that is the responsibility for the Council of Ministers.

Hon. Susan raised the issue of whistle blower documents. I do not know whether all members have those but we saw several documents from the Inter University Council for East Africa. The second one was even signed by several staff of the IUCEA. I would like to request the Council that those documents, even if they are not legal documents but they are information which can be utilised together with these two annexes for carrying out the forensic audit.

Hon. Speaker, hon. Yves has mentioned an issue of the lack of linkages between the EAC Council of Ministers and the governing board of EAC institutions and I would like to request the Council of Ministers that this was a recommendation for the accounts report for the previous- It was in Bujumbura I think. There is an issue of lack of linkages between the board of directors for those institutions and the Council of Ministers in terms of reporting.

Madam Speaker, the issue raised by hon. CTC I totally agree with him so that before the Partner States access the Lake Victoria Fisheries Organisation, there are some requirements or criteria to be fulfilled. That is agreeable. I totally agree with the proposed amendment of the recommendation 3.3 paragraph 1. We will delete this recommendation, and it will then read, *“The committee recommends to the Council that the accession of the Republic of Burundi and the Republic of Rwanda to the convention for the establishment of the Lake Victoria Fisheries Organisation, 1994 be expedited.”*

Madam Speaker, on issues raised by the Chairperson of the Council of Ministers, I want to put this on record that the Chair, Council of Ministers has been frank with us. Even last year in Bujumbura for his commitments but now he said that they did not have time to interface with the management of the EAC organs and institutions but we appreciate the commitments

taken as the committee. We also appreciate that you are saying that you are going to table the institutional review in the coming Summit in November for final decision. I think this will be a solution of underperformance and understaffing of these EAC organs and institutions.

Madam Speaker, with these few remarks, I also want to finish saying that there is an issue for the supervisory role for the secretary General. It is better to say that the Secretary General should exercise adequate supervision over all EAC institutions in terms of strategic plans, review of quarterly, periodic, and annual reports as raised by other hon. members.

Hon. Speaker, with these few remarks, I beg to move that this report be adopted. Thank you.

**The Speaker:** Thank you very much, Chairperson of the Committee on Accounts. Hon. Members, the motion on the floor is that the report of the Committee on Accounts on internal audit systems of the East African Community institutions be adopted. I now put the question.

*(Question put and agreed to.)*

### MOTION

#### **FOR THE CONSIDERATION AND ADOPTION OF THE REPORT OF THE COMMITTEE ON GENERAL PURPOSE ON THE EAC ANNUAL REPORT FOR THE PERIOD 2011/2012**

**The Chairperson, Committee on General Purpose (Dr Martin Nduwimana) (Burundi):** Rt. hon. Speaker, I beg to move that *The Report of the Committee on General Purpose of the EAC Annual Report for the Period 2011/2012* be adopted.

**The Speaker:** Seconder? Hon. Nancy Abisai, hon. Ussi Yahya, hon. Dr Odette Nyiramilimo, hon. Susan Nakawuki, hon. Dr James Ndahiro. Proceed, Dr Martin.

**Dr Nduwimana:** I thank you so much, Rt. hon. Speaker. Before I go through the report, I wish first to express two things, which are deep in my heart. One is to join the House to condole with our colleague hon. Chris Opoka and Miss Loice Ampaire who recently lost their beloved parents. My committee and I are in solidarity with those two friends and their respective families. We pray for them so that God supports them and blesses them abundantly.

Secondly, I want to express my better feelings and my joys for finally having heard the apology from our sister hon. Susan Nakawuki who sits in my committee. There is a comment or saying in our native language, which says as follows, and I quote, "There is no shame to fall down. The worst is to stay lying on the soil." Thank you Susan for standing up, and I hope that now your nickname of honey will come back again in our mouths.

Madam Speaker, in accordance with Article 48 (3) and 49 (2) of the Treaty for the Establishment of the East African Community and Rule 79 (ii) and (2) of the Rules of Procedure of the Assembly, the EAC Annual Reports are considered by the Committee on General Purpose and adopted by the Assembly.

The mandate of the Assembly is to consider the EAC Annual Reports in accordance with the Treaty which empowers the Assembly to establish Committees to look into matters of legislation, budgeting and oversight over Projects and Programmes of the EAC. The Committee on General Purpose is mandated, among others, to carry out oversight on the

progress made in the implementation of provision, which address matters of general applications on the EAC in relation to its role and functions.

The Annual Report of the EAC for year 2011/2012 was tabled before the Assembly by the Hon. Chairperson of the Council of Ministers on 23<sup>rd</sup> January 2014 in Kampala, Uganda and consequently committed to the General Purpose Committee of EALA for consideration.

The Committee on General Purpose met in Arusha from 2<sup>nd</sup> to the 7<sup>th</sup> of March 2014 to consider the Annual report.

### **Methodology**

Following the consideration of the Annual Reports of the years 2009/2010 and 2010/2011 and the adoption of the same by the Assembly on 23<sup>rd</sup> April 2013, the Committee sought to ascertain whether the 2011/2012 Annual report had taken into consideration the Assembly's recommendations and general inputs in the preparation and submission of the report.

The Committee particularly wanted to establish whether the standards and expectations as recommended while considering the 2009/2010 and 2010/2011 reports on 18 April 2013 in Kigali, Rwanda were met. These standards and expectations include, among others the following:

- A Report that includes challenges met and future outlook in the implementation of EAC Activities and programmes;
- A Report that reflects qualitative and quantitative outputs and presentations on the status of the Community;
- A Report that contains instructive statistics, financial statements and summaries relating to the EAC Development Strategy.

The Committee considered the undertakings made by the Chairperson of the Council before the Assembly during consideration of the EAC Annual Reports 2009/2010 and 2010 /2011 from the Hansard of 23 April 2014.

The Committee also considered the EAC Cumulative Implementation progress Reports for 2011/2012, and finally met with the EAC Deputy Secretary General in charge of Planning and Infrastructure, together with the Senior Monitoring and Evaluation Officer from EAC, to analyse the aspect of consideration of the EAC Annual Report in line with the provision of the Treaty.

The Committee set up a sub-committee to prepare technical input to analyse the aspect of consideration of the EAC Annual Report in line with the provisions of the Treaty. The sub-committee was also expected to define the objectives, criteria and content of the report to be delivered to the Assembly, since all the reports tabled before the Assembly were not appropriate for the parliamentary functions.

### **Findings and Observations of the Committee**

It is the considered view of the Committee on General Purpose, that most of the recommendations of the Assembly made previously were not reflected in the Annual Report of the year 2011/2012. All of the recommendations and observations concerning the 2009/2010 and 2010/2011 are still pertinent for the report under review. Reference can be

made to the previous reports of this Committee on this matter as annexed hereto as *Annex I*.

The Committee on General Purpose, while observing a general attempt to improve the quality of Annual Reports, finds that the Report submitted does not meet the statutory obligations of accountability required by the Assembly. The Committee is of the opinion that, although the report submitted may be useful to other audiences and purposes, it does not have sufficient depth and detail to be useful to the Parliamentary function of the Committee and the Assembly.

During the meeting between the DSG Planning and Infrastructure, and the Committee, the Committee recommended that the EAC Annual Report 2011/2012 be tabled with the necessary information and details to inform the requirements of East African Legislative Assembly. This recommendation was agreed upon.

The Committee further observes that an Annual Report should be timely, whose form and content should be satisfactory to the Assembly. In broad terms the report seeks to recommend the time frame, form and content of any future Annual Report submitted to the Assembly. The Committee is of the view that an Annual Report to the Assembly ought to meet the specific needs of the Assembly's given roles that is representative, legislative and oversight roles.

Future EAC Annual Reports to the Assembly must move away from a template of a general report intended to serve many purposes and many stakeholders and adapt an approach of a different reported suited to the Assembly.

On the nature and/or form of the Annual Reports, the Committee is of the opinion that Article 49 (2) and Article 132 when read together with the reporting requirements of the East African Community Budget Act, 2008 forms the legal basis for the preparation and tabling of the Annual Reports to the Assembly. Article 49 (2) (c) provides -“The Assembly shall consider annual reports on the activities of the Community, annual audit reports of the Audit Commission and any other reports referred to it by the Council.” - It is the estimation of the Committee that the import of Article 49 (2) and Article 132 and bearing in mind the representative, legislative and oversight roles of the Assembly, the primary purpose of the Annual reports is accountability.

### **Recommendations**

The Committee is of the view that the Annual Reports should consider the following requirements:

1. The Committee is agreeable to the current approach of a consolidated report comprising reports of the Organs or Institutions of the Community. Whichever approach is undertaken, the Report to the Assembly should provide the necessary details that reflect the correct picture of the Community in a given year.
2. The Annual report should be written in simple language and provide sufficient information, detail, and analysis for the Assembly to make a fully informed judgment on the performance of the Organs and Institutions as well as the status of the Community.
3. The Annual Report should indicate priorities set during the planning process and the level of implementation to determine achievement of specific goals and objectives and utilisation of resources that were earmarked.

4. The Annual Report should indicate monitoring and evaluation systems and monitor performance of internal and external reporting systems and provide indicators used in both periodic and annual reporting as well as establish their linkages.
5. The Annual Reports should indicate policies and procedures used in the management of financial, human and information resources for a given year.
6. The Annual Reports should have an ethical framework and standard from which to base policies and standards, findings of both internal and external reviews including among others gender equity and budgeting, anti-corruption measures, etc.
7. Annual Reports should match the allocation of resources in the budgetary process with the achievement of outcomes. It should provide detailed information about performance of Organs, Institutions, Projects, and Programmes as well as forecast future needs and expectations.
8. Annual reports should also have the risk assessment for the given year being reported on including the measures undertaken to mitigate against those risks.
9. The Annual Reports should be submitted to the Assembly in a timely fashion and within a timetable agreed upon between the Council of Ministers and the Assembly.
10. The Committee recommends that the Assembly should consider reviewing and proposing amendments to various legal instruments including the East African Community Budget Act, 2008 the Administration of the East African Legislative Assembly Act, 2012 in order to improve the budgeting process, its implementation, assessment, and audit as well as reporting.
11. The Committee recommends to the Assembly to consider strengthening of the General Purpose Committee and the Accounts Committees to perform effectively their statutory obligations, including provision of adequate facilitation in terms of working days, training, and the development of requisite competencies, adequate research, equipping the office of Clerk to the Committee with adequate resources etc.
12. The Committee urges the Council of Ministers to consider increasing the number of Committee activities. Currently, the Assembly is only able to budget for two activities and the Partnership Fund funds an additional one.
13. The Committee recommends that a provision be made in the budget for the establishment of Select Committees, under Rule 80, for the consideration or investigation on any matters referred to it by the House. This mechanism is designed to enhance the Assembly's ability to perform the function of inquiry and accountability. Given that the Assembly does not have any resources set aside for this important function, the Assembly's capacity is undermined.

### **Acknowledgements**

The Committee would like to acknowledge and express appreciation to the office of the Rt. Hon. Speaker of EALA for granting leave to the Committee to consider the EAC Annual report 2011/2012, the office of the Clerk, EALA for facilitating the work of the Committee, the office of the DSG Planning and Infrastructure and officers of the Secretariat for the discussions held on 4<sup>th</sup> March 2014, and finally, appreciation goes to the EAC Partnership Fund for funding the activity.

### **Conclusion**

The Committee on General Purpose believes that in order for the Annual Reports to serve the primary function of accountability to the Assembly, their form and content need to change.

The Committee recommends that the Council of Ministers give the necessary attention to the recommendations contained in this report.

The Committee therefore recommends to the Assembly to adopt the Report of the Committee on the EAC Annual Report 2011/2012, and urges the Council of Ministers, going forward to table the EAC Annual Report to the Assembly according to the recommendations herein.

Madam Speaker, I beg to move. (*Applause*)

**The Speaker:** Thank you very much, chairperson of the Committee of General Purpose, hon. Dr Nduwimana. I just noted that there was an attached report, but I think this is part of what you have presented.

Hon. Members, the motion on the floor is that *The Report of the Committee on General Purpose on the EAC Annual Report for the Period 2011/2012*, be adopted. Debate is open.

**Dr Odette Nyiramilimo (Rwanda):** Thank you, Rt. hon. Speaker. As you have heard, Madam Speaker and hon. members, the proposals of this committee are simple because they are very similar to the recommendations we made last year and the year before. What we observed in the Annual Report of the Community, which was also agreed by the Deputy Secretary General in charge of planning, is that the document we received in this Assembly was not a document meant for our duty as an Assembly, but a document meant for either donors or other institutions and organisations for publicity purposes, but not for the EALA oversight function, legislation, and representativeness. It does not contain what we wanted to be included in that report document.

Therefore, we do not know what to do because we have been talking about this. I was in the Second EALA, and from 2009, we have been talking of these reports. How can we today be still discussing the same and give the same recommendations and still we have the same result? We asked the DSG to explain to us because he came during the committee meeting. We asked him that question and he seemed surprised. He said, of course this is not for your use. We asked, why do we then receive it? He was of the idea that institutions and organs do not care. He was like, “who cares; the summit does not care, the Council does not care, you parliamentarians do not care; so who cares? We give these. Therefore, we were shocked. He said that and that is why I take the liberty to quote what he told us in that meeting.

Madam Speaker, we wish to request the Chair, Council of Ministers who is here and who has shown the ability to change the *modus operandi* of this Community of this institution. We urge the Council to change the situation. As an Assembly, we need a report and this is not the report we have been requesting for. Thank you, Madam Speaker.

**The Speaker:** Thank you, hon. Dr Odette.

**Ms Nancy Abisai (Kenya):** Thank you, Madam Speaker for giving me the opportunity to contribute to this motion. I want to thank my chair and declare that I am a member of this committee. Madam Speaker, I just want to ask the Council, how seriously do they take our recommendations from this Assembly? The recommendations made by the committee and resolutions of the House? From time to time, we have been looking at resolutions and recommendations. If you look at this report, of course there are some of those things that maybe we obtained as is highlighted in the report, but there are so many recommendations that we made in the previous report and if you look at this report, the same recommendations have not been adhered to. So, I ask myself, why should we also have the same exercise next

year, to have the same observations and the same recommendations and we do not see an improvement.

Madam Speaker, one of the things we need to ask then is what is the purpose of this annual report? Why do we have an annual report? If the report highlights the achievements and challenges of the various organs and institutions and gives key strategic direction, does the report present this in the layout and format as given to us? There is need to ensure that even as we look at it, if someone reads this report, are the challenges coming out? Is it supposed to be actually one of the things that we did mention in our committee, we wondered whether it was a marketing document. I think we even thought it was just a marketing report.

I think there is need for us to look at many things and this report even had some figures that were not right so there is need to have proper statistics and financial statements and summaries in this report, given and highlighted in the right format. Also, the right picture of the report of the Community and its activities presented. We also talked about the timeliness of the report. I am not so sure that this is being adhered to. We mentioned it in the last meeting on the last annual report, again it is being highlighted in this report. So, Madam Speaker, I think without belabouring the point, there is just a lot and I am glad that we have an attachment as an annex of the previous report of the committee with the recommendations. This will provide a good opportunity for members and anybody else to look at those recommendations and observations and see that they are still in tandem with the same observations and recommendations made for this annual report of 2011/2012.

Madam Speaker, I support the motion, thank you.

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

**Dr Perpetua Kessy Nderakindo (Tanzania):** Thank you, Madam Speaker. I would also like to declare that I am a member of the committee and I thank my chair for doing a great job for us. Madam Speaker, after hon. Odette talked about the fact that this report is not meant for this Assembly, maybe it is meant for something else. Also, hon. Abisai said that we first thought it was for marketing purposes but going into reading the report, I would first want to give a new word for this Assembly in Swahili, which is called *madudu*. It is full of - excuse my language - it is full of garbage; the pennies that the hon. Shy-Rose was talking of.

Our poor people are being used to produce this report and it has been photocopied for us so I ask the members present to open the annual report 2011/2012 on page 13. In the introduction on the second column first paragraph it is written, "The report highlights the achievements as well as the challenges encountered. The innovative solutions the various organs and institutions adopted in order to overcome those challenges." That statement means that the organisation in the institutions does not have any more challenges. That is what the sentence means here because the organisations were able to come out with innovative solutions to overcome these challenges.

What have you heard from the report of the Accounts Committee about LVFO, about IUCEA, about all the organs not having enough funds but here it is written that the organs have been able to come with innovative solutions to overcome the challenges. So there are no problems in the organisations. This is what I call *madudu*.

I asked my colleagues to look at page 17, there is a table, which is talking about the total intra-EAC trade, and it is written from the year 2006 to 2010. This is contained in the report of 2010/2011. It has not that for 2010/2011 and sadly I would say that this same table was in

the annual report of 2010/2011 and they repeat it for 2011/2012. Worse on this, I would ask my colleagues to look at the first column under the percentage changes. Under the total, you find that in the year 2006, it is written that the total percentage changes were 7.5 while in that column, the minimum change was 13.7 and the maximum change was 48. For heaven's sake, even standard five students could tell you that that column is wrong. It was given in the previous annual report, and it was cut, pasted, and put in the wrong place where we have already given recommendations that they are wrong, there are mistakes running there. They still cut the same wrong table and put it in there.

Madam Speaker, it means that as the deputy secretary general said, they do not care in the sense that they have no respect for this Parliament. They cannot produce such kind of *madudu* for us to read for this Parliament.

Madam Speaker, I will ask my colleagues to go further on page 64. These are little examples to see how much they have no respect for this Parliament. Under the East African Court of Justice, under the cases, I think it is paragraph four, the sub title cases. If you go to the third sentence, it says that, "The number of cases filed every year drastically increased in 2010 and 2011." What do they mean by drastically increased? What they mean there is that the number changed from seven cases to 14, an increase of seven cases in a year of a region of more than 130 million people, they consider it a drastic increase of cases. What else can you say except we call it *madudu*, Madam Speaker?

This is what hon. Odette and the previous second EALA was saying that this report is not fit for this Assembly. They have given so many recommendations but what we get when we invite the Secretariat, they say that is not what you should be doing. We talk about the cut and paste and the format, we got literally...it sounded so obnoxious in front of us that we do not know what we are doing. This is not what we should be. They are saying that we should receive the report but do not care what is in it. Do we really mean such kind of report could even be used for marketing? I say no. is it useful for the students of secondary school, for the awareness of what is going on in East Africa. It is not even fit to sue by secondary students to read it to know what is happening in this Community.

Madam Speaker, we ask and urge the Council of Ministers to take this matter very seriously. Thank you, Madam Speaker.

**The Speaker:** A lot of passion. Hon. Kessy, thank you. The last will be hon. Shy-Rose on this and then I will invite the Chair, Council.

**Ms Shy-Rose Sadrudin Bhanji (Tanzania):** Thank you, Madam Speaker for once again giving me the opportunity so that I can also contribute to this report. Madam Speaker, first I wish to declare that I am also a member of the General Purpose Committee and I fully agree and commend our chair for presenting this report very well.

Madam Speaker, given what has been discussed in this report; I also have strong convictions and feelings on the following. Number one, I feel there is lack of an accountability system in as far as writing, preparing, or publishing this annual report. These annual reports do not meet the statutory obligations of our Assembly and given our role of representation, law makers and doing our oversight activities, I strongly feel that this annual reports do not meet the required acceptable level of standards and very sadly, this is not the first time. We have been debating these issues but year-in-year out, the same substandard quality of work is reflected in these annual reports.



Madam Speaker, in other words, this Assembly has been taken for a ride. In other words, the General Purpose Committee is being taken for a ride, and very sadly, it is the East Africans who have been taken for a ride.

Why have these shortcomings been prevailing all the time? When we meet as the Committee of General Purpose and other committees for that matter, we get paid and when we get paid, it is unfortunate that I keep repeating about how much money we are spending on Community work but at the end of the day, we do not see any improvement. A very good example is this annual report.

Hon. Members, if you read this report, it is not only substandard, it is not only copy and paste but also it lacks clarity. Even the kind of information, which is availed in this report, leaves a lot to be desired. What I am trying to say is that we as an Assembly, our role has been diluted and we have been taken for granted. This has to end because we have a very good Chair Council *emeritus*, but now you are acting. I have always been very impressed by the way he works, and by the way he delivers when he gives a promise. He delivers his promise but when you have other departments or when they do not deliver their work, this is not good for our Community.

Maybe once again I should ask our Chair, Council. Can you please look into this issue of preparation of annual reports? Can we know, maybe those who are responsible for writing or sub editing these reports, are they qualified personnel? These reports are going out there to our donors, because they are the ones who are funding these reports, but when the reports are sub-standard, do you really expect them to give you money? Because this is supposedly- we are asking our donors for money to fund different projects but when I read this report, it does not inform anything. There is nothing newsworthy in this report.

So for me to be honest I am saying that we have been taken for a ride. Madam Speaker, while I fully agree that this report should be in simple language, customer friendly, I also wish to add one provision that Kiswahili language translation should also be given priority. The Treaty says the official language will be English but the *lingua franca* is Kiswahili. When the majority of East Africans are reading this report, this is *lingua franca*. Let us have two versions, one for English, and one for Kiswahili. (*Loud consultations*)

Madam Speaker, please protect me.

**The Speaker:** Hon. Members, hon. Shy-Rose has the floor and you should address the chair, address the Speaker.

**Ms Bhanji:** Thank you, Madam Speaker. I wish that this annual reports should also target the majority of East Africans who speak Kiswahili.

In my view, so far this report has been dedicated to the monitory stakeholders, the donors, we as an Assembly, members of the EAC Secretariat, Council of Ministers and a few sections of EAC but please, let us take this issue of Kiswahili language very seriously. All our heads of state are always advocating for us to make sure that Kiswahili is also given priority in this Community. So Kiswahili should also be given priority when it comes to our annual report.

Madam Speaker, finally as a way forward, let us have an effective management information system where in monitoring and evaluation, there will be-

**The Speaker:** Hon. Kidega, let hon. Shy-Rose be heard in silence. Proceed, hon. Shy-Rose.

**Ms Bhanji:** He is jealous because Ugandans do not speak Swahili.

**The Speaker:** You may be put to task, hon. Shy-Rose on that statement. Proceed.

**Ms Bhanji:** Madam Speaker, I was saying that let us make sure as a way forward that we spend donor money wisely. Let us make sure that we spend Community money wisely, let us make sure that whatever recommendations we come up with are implemented. Otherwise, like I said we are being taken for a ride and for me, I am not going to accept it. Even if it reaches a point, I will go and tell the East Africans, this is what is happening in the Community. So please, we do not want to go to that direction. Let us be very serious. The Secretary General unfortunately is not here but I am sure he will read the *Hansard*-

**The Speaker:** The deputy Secretary General, Finance and Administration is-

**Ms Bhanji:** But I am sure the Chair, Council will also take note and I am sure he will have a one on one with our SG and try to advise him please that this report should to be taken so simple. We are going to become a laughing stock by our donors. Thank you very much, Madam Speaker and I second the report. *Asanteni*.

**The Speaker:** Thank you very much, hon. Shy-Rose. Hon. Dr Nduwimana, before you come in let me invite Chair, Council. So many comments have been made.

**The Minister of State for EAC Affairs, Uganda (Mr Shem Bageine) (Ex-Officio):** Thank you very much, Madam Speaker. I wish to profusely extend the Council's apologies for having allowed the annual report for the year 2011/2012 to be submitted to the Assembly in the form and with the contents therein, contrary to the earlier recommendations by the General Purposes Committee, and if I recollect, the discussions held during which an undertaking was given to ensure that future reports following the 2009/2010 and 2010/2011 reports were submitted that these shortcomings therein would not be repeated.

I also wish to apologise to this House for comments that have been reported here coming from a senior member of the Secretariat. This is not how things should be done.

Madam Speaker, it seems to be a practice and I am saying this with the experience that I have gone through since I became a minister in the Republic of Uganda. The practice of writing speeches that involves cutting and pasting, and to a certain extent, if, as a Minister, you do not read those speeches, you will be embarrassed when you address an audience on a theme that is very irrelevant. I have seen this; fortunately, I have had to take it as a policy to read these speeches before I make them.

Madam Speaker, it is a bad work culture and reflects laziness on the part of staff because writing a report should be based on factual information on what happens in that particular year in which the report is based. But this does not seem to be the case as a series of quotations was read here by members who contributed showing serious lack of care in executing their work.

Madam Speaker, I spoke earlier on in response to the report from the Accounts Committee wherein I stated that the Council of Ministers responsible for East African Community Affairs together with the respective permanent secretaries have started quarterly meetings during which issues of this nature would be discussed. I want to assure this House once again that in view of what has happened since the last meeting when we agreed on how to proceed, this should be the last time that a report of this nature is circulated. And I want you to mark my words that I will definitely take time, along with members of the Council of Ministers, to

ensure that we first look at these annual reports before they are published in order to avoid a repetition of what has come up, which has actually been described by one of the members here as *madudu* and I do not take offence because you must call a spade a spade. If things are wrong they are wrong and they must be addressed so. (*Applause*)

But I once again want to apologise to this august House. We take, and we will continue taking seriously, reports and resolutions of this august House, and to this effect, I have requested - or the Council has requested - a list of all resolutions by this august House to look at and see what has happened, and to find out why certain things have not been done, and find a way of implementing and if it is not possible to implement, come back and report to the Assembly giving reasons why certain resolutions have not been implemented or certain recommendations have not been complied with.

Madam Speaker, I feel let down, the Council feels let down by this kind of work but we are going to ensure that this kind of work is not repeated - (*Interjection*) -

**The Speaker:** Hon. Shy-Rose has information. Will you take it, Chair, Council?

**Mr Bageine:** Yes, I will.

**Ms Bhanji:** Thank you Madam Speaker. I just wanted to give information with regards to some of the resolutions that have not been implemented. During the on-going budget session in Tanzania, one of the members of Parliament was going through the resolutions we had passed and he across the resolution on sanitary pads to be given to young girls in our countries. He was shocked to learn that EALA has passed this resolution but Tanzania Parliament was not aware about this. So as a way forward, I was suggesting that it is very important to establish a mechanism to enable our Partner States to receive all the resolutions that are being passed in this House for implementation. Thank you, Madam Speaker.

**The Speaker:** Thank you, hon. Shy-Rose, for highlighting the importance of the resolution on the education of our girls.

**Mr Bageine:** I thank you very much Madam Speaker, and I thank hon. Shy-Rose for the information. We shall not discriminate among the resolutions that have been passed, we shall look at them in total, and indeed, I think something was raised here yesterday about poor information flow on certain decisions on resolutions by this House not getting where they are supposed to be. I have made a note of all these and during our next meeting, which I am afraid by virtue of all these things that have been brought up, we will have to request for a longer period and I request my friends to do this so that we can exhaustively address these very serious issues because they do not reflect well on the integrity and the stature of our Community.

Madam Speaker, once again, my apologies to members of this House, but I want to give our undertaking that we shall correct the way things have been done. I thank you.

**The Speaker:** Thank you, Chair, Council. Now I invite hon. Dr Martin Nduwimana, the Chair of the Committee on General Purpose to wind up debate.

**Dr Nduwimana:** I thank you so much, Rt hon. Speaker. Mine is first to thank the hon. members who supported and explained more about the content of the report. Those are hon. Dr Odette Nyiramilimo, hon. Nancy Abisai, hon. Kessy Nderakindo, hon. Shy-Rose and hon. Chair, Council.

I have just to say that the whole House has heard the commitment of the Chair, Council. He apologised on behalf of the Council for the lax and errors and faults contained not only in this annual report for the Financial Year 2011/2012, but in all those annual reports as we have been reporting in this House.

We know that hon. Shem Bageine is a respectable person and he always implements what he has promised. So I have nothing to add, I have only to recognise and wish that next year at the same time when the General Purpose Committee will be reporting on the annual reports 2012/2013, we would be presenting a very good annual report.

With those few words, I submit. (*Interjection*)

**The Speaker:** Clarification, hon. Patricia Hajabakiga.

**Ms Hajabakiga:** Thank you, Madam Speaker, the clarification I wanted to know from the Speaker, or probably from the Chair, is what we will be adopting. Are we going to adopt the audited report or are we going to adopt the report of the committee? Because they are two things. If it is the audited report, I would reject it but if it is the report of the committee, we would adopt. I did not hear anybody saying that the annual report is good, so why should we adopt something that is not good? That is what I am talking about.

**The Speaker:** Hon. Martin, you can throw some clarification.

**Dr Nduwimana:** First of all, yes of course we urge the House to adopt our report as a committee report. In the report we said that we do not reject the annual report as it is because it is a report, which is not a report for the House, it is a report for other purposes. That would be the proposal.

**The Speaker:** Okay, hon. Patricia I think you have appreciated what hon. Dr Nduwimana has said. Your concerns have actually be expressed in the report itself and they recommended that let the main report not be rejected but they expressed their concerns. So now, we are going to adopt the report of the committee.

Hon. Members, the motion on the floor is that the report of the Committee on General Purpose on the EAC annual report for the period 2011/2012 be adopted. I now put the question.

*(Question put and agreed to.)*

## QUESTIONS FOR ORAL ANSWERS

**Question: EALA/PQ/OA/3/42/2014**

**Ms Susan Nakawuki (Uganda):** Asked the Chair, Council of Ministers the question:

*As a means of safeguarding the standards of its products in the East African Community Market, the EAC enacted the SQMT Act, 2005. However, a number of counterfeit products usually in the form of imitations have flooded our regional markets. Such products, though cheap, are many at times substandard and environmentally hazardous as well as proven to be harmful to human health.*

*Could the Chairperson of the Council inform this August House:-*

(a) *What the Council of Ministers is doing to ensure higher standards of consumer protection.*

- (b) *Has the Council specifically and practically considered the harmonization of standard of goods entering the EAC Market now that the legislation to support any initiative on standards is in place?*
- (b) *Could she give assurances that some Partner States are not used to convey such goods, which could end up in another Partner States.*

**The Minister of State for EAC Affairs, Uganda (Mr Shem Bageine) (Ex-Officio):** Madam Speaker, consumer protection laws in the Partner States are at various stages of enactment or implementation. At the regional level, the Council of Ministers has considered an EAC anti- counterfeit Bill and referred it to the sectoral Council on Legal and Judicial Affairs for legal input. The sectoral council will handle this at its next scheduled meeting expected to take place in June 2014.

It is hoped that the regional law once enacted will oblige the Partner States to exercise uniform control of counterfeits. The current SQMT laws do not fully address the proliferation of counterfeits.

Madam Speaker, regarding the issue of harmonisation, I wish to state that at the regional level, the national standards institutions have put in place structures for collaborative operationalisation of the EAC standardisation quality assurance, meteorology and testing Act, 2006. Most of the Partner States have approximated and aligned their standard Acts to the EAC Standardisation, Quality Assurance, Metrology, and Testing Act 2006.

Furthermore, recently, the Council made the following regulations:

- (a) EAC SQMT designation of testing laboratories regulations 2013
- (b) EAC SQMT product certification scheduled in the Partner States regulations, 2013
- (c) EAC SQMT enforcement of technical regulations in Partner State regulations

The above regulations will fully operationalise the EAC standardisation quality assurance, meteorology and testing Act, 2006 as required by the Common Market Protocol provisions on movement of goods.

Madam Speaker, the East African standards committee which is charged with handling standardisation, quality assurance, meteorology and testing matters invoked the provisions of the EAC standardisation, quality assurance, meteorology and testing Act, 2006 and formed a technical management board comprising chief executives of national quality institutions as provided for in the EAC standardisation, quality assurance, meteorology and testing Act, 2006.

The role of this Board is to address issues such as the control of substandard goods from crossing borders. The technical management boards meets many times in a year. Furthermore, a mechanism for notification of sub-standard goods among national quality institutions is in place. There is also a mechanism for notification for such goods among the national quality institutions. I thank you.

**The Speaker:** Thank you, Chair, Council. Hon. Nakawuki, supplementary question.

**Ms Nakawuki:** Madam Speaker, I would like to thank the Chair of Council for the elaborate answer. I think this is the shortest answer I have seen in a while during my stay in the

Assembly. Madam Speaker, this menace of counterfeit goods is posing a great challenge to this region. As you are all aware, there are many counterfeit medicines in the market, a lot of counterfeit beauty products- I mean the harmful ones because it has always been alleged that not all counterfeit goods are harmful but now I am talking about the harmful ones.

We have our women with patched faces. Recently in Uganda, we lost a Catholic priest who was injected with expired counterfeit drugs. So, this is a very precarious condition in the region. I would request that we treat it with the urgency that it deserves.

Madam Speaker-

**The Speaker:** Be precise on the question because it is a supplementary question.

**Ms Nakawuki:** The Chair, Council in his answer- yes I was just giving it a background. He has talked about the Anti-counterfeit Bill that is coming. Madam Speaker, this Bill has been pending for quite a long time. It has been on the shelves. East Africans have been promised this Bill and it is not forthcoming. So, I would like to know from Council about the time frame. When will this Bill be completed? When will it be passed so that at least our people have hope for the future?

I also want to know from Council what Council of Ministers is doing in order to help our several manufacturers in the region since the counterfeit goods tend to be so cheap compared to the locally manufactured goods, which have been threatening our local industries and scaring away investors. How are we able to help our local manufacturers so that they remain in business?

I would also like to know other than monitoring by national bureaus of standards, are there any effective counter measures that are in place to curb the issue of counterfeits because it is apparent that it is increasing by the day. I thank you.

**Mr Bageine:** Thank you very much, Madam Speaker. As members are aware, we have been looking at negotiating a protocol on combating and preventing corruption, which is the basic reason for counterfeits finding their way into our market.

I will be detailing some of the measures to be undertaken in order to ensure that the counterfeit Bill is brought to this august House in the coming financial year.

Madam Speaker, we have had some slow ... of the sectoral committee on legal and judicial affairs where a lot of these Bills are held and it is one of the undertakings by the Council to ensure that appropriate pressure is exerted on the sectoral council to finalise their legal inputs so that this Bill and others, there are many, can be brought to this House for finalisation.

I regret that we have had incidences like the one the hon. member has quoted of people dying from use of counterfeits and I think it is a responsibility not only of the Council of Ministers of the East African Community but all the leaders of the Community to ensure that we use all available machinery to prevent an influx of counterfeit into our communities, to protect our businessmen who are manufacturing goods locally and also to preserve the health of the consumer in the Community.

Madam Speaker, I thank you.

**The Speaker:** Thank you very much, Chair, Council.

**Mr Twaha Issa Taslima (Tanzania):** I thank you very much, Madam Speaker. On page 1, the second paragraph from the bottom and the second sentence from the last sentence says, most of the Partner States have approximated and aligned their standards act to the EAC standardisation, quality assurance, meteorology and testing Act. I am asking when he says most of the Partner States, is he in a position to tell us which states are still lagging behind on this factor and secondly, what are they doing about that laxity? Thank you, Madam Speaker.

**Mr Bageine:** Madam Speaker, I cannot recollect which particular state or states have not approximated their laws to the provisions of the standardisation act but I do know that we have received reports that those who have not are in the process of ensuring the approximation so that at the end of the day, we have standard laws within the Community. We are pursuing this as a Council of Ministers so that we are able to move together and fight against influx of counterfeits. I thank you.

**The Speaker:** Thank you very much, Chair, Council. Hon. Members, we have come to the end of today's deliberations. I want to thank you for the commitment and I want to say that as we conclude today, we have exhausted the items of the agenda so House is adjourned to tomorrow 2.30 p.m. House stands adjourned.

*(The House rose at 6.00 p.m. and adjourned until Thursday, 29 May 2014 at 2.30 p.m.)*