



**REPORT OF THE SECOND ANNUAL GENERAL MEETING AND CONFERENCE OF
THE AFRICAN ORGANIZATION OF PUBLIC ACCOUNTS COMMITTEES
(AFROPAC)**

THEME: CURBING ILLICIT FINANCIAL FLOWS IN AFRICA

29th August – 2nd September, 2016

SAFARI PARK HOTEL, NAIROBI-KENYA

AFROPAC

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ABBREVIATIONS/ACRONYMS

AFROPAC	African Organization for Public Accounts Committees
AFROSAI	African Supreme Audit Institutions
APNAC	African Parliamentarians Network Against Corruption
ATAF	African Tax Administration Forum
AU	African Union
CABRI	Collaborative Africa Budget Reform Initiative
CPA	Commonwealth Parliamentary Association
DRM	Domestic Resource Mobilization
EAAPAC	East African Public Accounts Committee (EAPAC)
EU	European Union
EAC	East African Community
IFF	Illicit Financial Flows
GIZ	Gesellschaft für Internationale Zusammenarbeit
GOPAC	Global Organization of Parliamentarians Against Corruption
INTOSAI	International Organisation of Supreme Audit Institutions
PAC	Public Accounts Committee
PIC	Public Investments Committee
SADC	South African Development Community
SADCOPAC	Southern Africa Development Community Organisation of Public Accounts Committees
UNECA	United Nations Economic Commission for Africa
USD	United States Dollar
WAAPAC	West African Association of Public Accounts Committees

1.0 EXECUTIVE SUMMARY

The African Organization of Public Accounts Committees (AFROPAC) Second Conference and General Meeting was opened by H.E Hon. Uhuru Kenyatta, EGH, President of the Republic of Kenya on 29 August 2016 in Nairobi.

AFROPAC is a Pan-African network of parliamentary committees dealing with the state budget and public accounts. It promotes continental peer-exchange on accountability and legislative oversight and fosters cooperation of member states' institutional and political system from East to West Africa and North to South Africa. Approximately 160 participants from more than 14 African countries, mainly Members of Parliament (MP) dealing with budget oversight, attended the conference.

The objective of the AFROPAC conference was to raise awareness of and discuss possible ways on how African legislators can contribute towards reducing Illicit Financial Flows (IFFs) on the African continent. The Thabo Mbeki Report on IFFs, launched by the High Level Panel on Illicit Financial Flows at the beginning of 2015, has reaffirmed that African nations are losing more than 50 billion USD per year due to illegal and illicit financial flows. Although IFFs is not only an African problem, the resulting loss of revenue is especially harmful to the economic development of African countries.

The range of IFFs is wide-spread. It reaches from clearly illegal activities like money laundering, terror financing and tax evasion to illicit matters like tax avoidance and abusive transfer pricing. These actions undermine taxation and erode the revenue base of government, which could be used for poverty alleviation.

At the conference particular aspects of IFFs were discussed during three breakaway sessions which resulted in the following outcomes:

- strong parliaments, independent supreme audit institutions, well trained and skilled personnel are crucial for the combat of IFFs and efficient enforcement of regulations
- to successfully close illicit loopholes, a change in only one law will not be sufficient, but rather a coherent approach to legislation on financial matters is needed along with a strong political will

- the call for accountability and transparency of governments needs strong support from civil society and outspoken and engaged legislators.

The AFROPAC Annual General Meeting (AGM) resulted in a newly elected Executive Committee and an Agreement that a strategic partnership between AFROPAC as a continental network and the regional South, East and West African parliamentary networks are necessary for the fight of illicit financial flows.

The next General Meeting takes place in 2018 in Ethiopia.

2.0 INTRODUCTION

The 1st AFROPAC Conference held in 2013 in Arusha, Tanzania launched the continental body AFROPAC to serve as an umbrella body for Public Accounts Committees of African national legislatures, with the chief aim of deepening and entrenching the culture of accountability and transparency in the use and management of public resources.

The Kenyan Parliament hosted the 2nd Annual Conference and General Meeting held from 29th August to 2nd September, 2016 at the Safari Park Hotel, Nairobi, Kenya.

The Conference theme was “*Curbing Illicit Financial Flows*” and brought together leaders, representatives and legislators from 14 countries including Botswana, Ethiopia, Ghana, Kenya, Liberia, Malawi, Namibia, Sierra Leone, South Africa, Sudan, South Sudan, Swaziland, Tanzania, Zambia and Uganda. Delegates from the civil society, Supreme Audit Institutions and the German Agency for International Co-operation (GIZ) were also present in the Conference.

The Conference was held against the background of the Mbeki-Report on IFFs which highlighted the enormous resources the continent loses in illicit financial flows. The different stakeholders presented and discussed their unique perspectives on the current and potential gaps that are impairing their ability to curb the unchecked outflow of money from the continent.

2.1 AIMS AND OBJECTIVES OF AFROPAC

The aims and objectives of AFROPAC, as set out in its Constitution, are as follows: -

- Promote Good Governance, Accountability and Transparency in the continent;
- Encourage and strengthen the relations among the Parliamentary Oversight Committees in the continent;
- Promote free flow of information particularly amongst Parliamentary Oversight Committees in the continent in order to enhance public sector accountability.

2.2 AFROPAC STAKEHOLDERS

AFROPAC is evolving into a unique platform for networking and collaboration across Africa, with the goal of raising the bar in oversight and accountability on the continent. AFROPAC's stakeholders include the following:

- Members of Public Accounts Committees in African Legislatures, or their equivalents;
- Auditors General in African Countries;
- African Union;
- SADC Community;
- EAC Community;
- Pan African Parliament;
- SADC Parliamentary Forum;
- Executive (Ministers) and Public sector management (also publicly funded institutions);
- AFROSAI-E / AFROSAI;
- Other Members of Parliament's;
- National Treasuries;
- Media;
- Investigating agencies;
- Inter Parliamentary Union;
- ACPAC, CCPAC, CPA, INTOSAI, EU, AU, CABRI, ATAF, GOPAC, APNAC;
- Transparency International;
- The World Bank Institute;
- Donor Community and Development Partners;
- Swiss Agency for International Development and Cooperation;
- South African Speakers Forum;
- GIZ;
- SADCOPAC;
- EAAPAC; and

- WAAPAC

2.3 RATIONALE FOR THE CONFERENCE

The 2nd AFROPAC conference and General Meeting held at Safari Park Nairobi set out to raise awareness of and discuss possible ways on how African legislators can contribute towards reducing Illicit Financial Flows (IFFs) on the African continent.

Illicit Financial Flows (IFF) is defined as illegal movements of money or capital from one country to another. This movement is considered an illicit flow when the funds are illegally earned, transferred, and/or utilized.

The Mbeki-Report on IFFs, launched by the High Level Panel on Illicit Financial Flows at the beginning of 2015, has reaffirmed that African nations are losing more than 50 billion USD per year due to illegal and illicit financial flows. Although IFFs is not only an African problem, the resulting loss of revenue is especially harmful to the economic development of African countries.

On 18 February 2012, the United Nations Economic Commission for Africa (UNECA) established a High Level Panel to examine what it referred to as ‘the debilitating problem of illicit financial outflows from Africa’. In a statement issued a day ahead of the launch of the panel, UNECA asserted that: *Illicit financial outflows constitute a major source of resource leakage from the continent, draining foreign exchange reserves, reducing tax collection, dwindling investment inflows, and worsening poverty in Africa. The methods and channels of illicit financial outflows (IFFs) are many and varied including tax havens and secrecy jurisdictions, over-invoicing, under-pricing, and different money laundering strategies.*

It is worrying that close to USD 500 Billion has flown out of Africa over the last 10 years from the years 2002 to 2011. The trend of the illicit financial outflows has been increasing averagely by 10 percent, for example from USD 832.4 Billion to USD 946 Billion in 2010 and 2011 respectively (Global Financial Integrity Report, 2013)

Illicit financial flow is not only an Africa problem, but also a global problem. There have been many cases reported in Africa, North and South America, Australia among many other continents. Illicit financial flow is experienced in all the sectors of the economy from mining,

foreign investments, natural resources extraction among other sectors. This has commonly been displayed in form of tax evasion among many other forms.

IFFs pose a huge challenge to political and economic security around the world, particularly to developing countries. Corruption, organized crime, illegal exploitation of natural resources, fraud in international trade and tax evasion are as harmful as the diversion of money from public priorities.

Illegal logging, fishing and mineral extraction are strongly connected with deforestation, the depletion of fishing stocks and environmental degradation as well as the impoverishment of individuals and communities who rely on those resources to sustain their existence. Drugs counterfeiting can have even more dire consequences, such as the thousands of preventable deaths from malaria and tuberculosis due to sub-standard counterfeit drugs.

Domestic Resource Mobilization (DRM) and IFFs are closely linked, as tax evasion – the practice of illegally hiding income from tax authorities and sending it abroad -- hampers government efforts to mobilize domestic resources.

The integrity, dedication and professionalism of the Public Accounts Committees in Africa and globally are pivotal in curbing illicit financial flows. Similarly, the successful implementation of the rule of law and other laws related to curbing illicit financial transactions and activities depends on the ability of the outstanding legislations from Parliaments globally to curb the vice.

Public Accounts Committees oversight mandate needs to be complemented with the mandate of law enforcement agencies to discharge the onerous duties of upholding the rule of law. As Public Accounts Committees, let's take up the challenge of collaborating with the police, the public and complement international Government efforts in curbing illicit financial inflows. In this regard Public Accounts Committees in Africa and elsewhere therefore ought to play a frontline role to curb illicit flows of financial

The Second Annual Conference and General Meeting therefore presented a platform for Members States of the Public Accounts Committees to share experiences and explore ways of tackling illicit financial flows in Africa. The meeting was a platform to look into the linkages and

roles of other institutions such as the private sectors and supreme audit institutions in curbing illicit financial flows in Africa.

As AFROPAC is still evolving into a unique platform for networking and collaboration across Africa, with the goal of raising the bar in oversight and accountability on the continent, it was also an avenue of putting in place structures that will enable the organization achieve its mandate.

2.4 Expected Outcomes

This 2nd AFROPAC Conference and General Meeting had the following expected outcomes.

- i) Enhanced awareness and coordinated approach among members of AFROPAC in tackling Illicit Financial Flows;
- ii) Strong parliaments, independent supreme audit institutions, well trained and skilled, are crucial for the combat of IFFs and efficient enforcement of regulations;
- iii) To successfully close illicit loopholes, a change in only one law will not be sufficient, but rather a coherent approach to legislation on financial matters is needed along with a strong political will;
- iv) The call for accountability and transparency of governments needs strong support from civil society and outspoken and engaged legislators.

3.0 SUMMARY OF OPENING SESSION AND OVERVIEW OF THE CONFERENCE

3.1 Welcome and Introductory Remarks

The Conference officially began on 29th August 2016 at the Safari Park Hotel. Several speakers gave welcome and introductory remarks before the Summit was officially opened by H.E Uhuru Kenyatta, the President of the Republic of Kenya.

The Session was chaired by Hon. Nicholas Gumbo, who is also the Chairperson of the Public Accounts Committee of the Kenya National Assembly and head of AFROPAC Secretariat.

3.2 Remarks by Hon. Nicholas Gumbo – Chairperson, Public Accounts Committee, Kenya

Hon. Gumbo recounted the journey of launching AFROPAC in September, 2013 at the Arusha International Conference Centre (AICC) in Tanzania, in a ceremony attended by 400 delegates from across Africa. He stated that Parliamentary oversight is the last line of defense for citizens who would otherwise resign to excesses of states.

He noted that there was no better theme to kick off the conversation of self-emancipation of Africa than curbing illicit financial flows. He made reference to H.E. Thabo Mbeki's report which estimates that Africa has lost over \$1 Trillion in capital flight in the last 50 years, roughly the same amount that it has received in donor aid.

He emphasized the need to stop poaching and smuggling, transfer pricing and tax evasion, organized crime, trade imbalances and conflicts fanned by enemies of Africa's progress and posed the question; *"How can our legislatures play their role of oversight effectively in a fast changing global and fluid environment?"*

Hon. Gumbo explained that state and non-state actors are instrumental in combating Illicit Financial Flows in Africa. Collaborative measures and protocols need to be developed to ensure proper and targeted efforts towards eradicating this vice. This synergy is what will concert efforts and seal these loopholes.

Regional and international agencies have been vocal in designing and formulating specific measures to tackle IFFs without clear coordination by the originating and recipient countries. To

reverse this trend, it is imperative to forge a positive engagement among these institutions and governments to amplify the fight against Illicit Financial Flows in Africa.

Hon. Gumbo urged the participants to leave the conference with a decisive voice that says “enough is enough!”, that says “we can do it!”, a Nairobi declaration that will turn the ‘dark Continent’ to the ‘glowing Continent’, because Africa is the richest continent.

He further expressed his sincere gratitude, as Chairman of PAC Kenya, and on behalf of EAAPAC, to all delegates for coming from all corners of the continent to seek ways of freeing Africa from the shackles of illicit financial flows. He also thanked the National Assembly of Kenya for hosting the event, and partners and sponsors, GIZ and Safaricom for the technical and financial aid towards the conference.

He wished everyone fruitful deliberations and good stay in Nairobi.

3.3 Remarks by Mr. Hendrik Linneweber - Country Director, GIZ Kenya

Mr. Linneweber, Country Director, GIZ Kenya welcomed the delegates to the conference and stated that there can be no development or poverty alleviation without good financial governance. He noted that economic growth is key in Africa and it cannot be achieved without financial growth.

He further reiterated the AFROPAC objective of strengthening technical competence of financial oversight stakeholders.

He noted that pan-African networks promotes the continent’s peer exchange which should result in:

- Good understanding of the systems;
- Fundamentals of influencing systems of oversight;
- Members identify their demands;
- More national stakeholders;
- Budgetary and financial matters; and
- Support successful exchange.

In conclusion, he also appreciated the Government of Kenya for hosting the conference and that GIZ was honoured to support the event and wished the delegates fruitful deliberations.

3.4 Remarks by Sen. Edward Dagoseh (Liberia)- Vice-Chairman, AFROPAC

Hon. Dagoseh gave his welcoming remarks and noted that illicit flows act as an impediment to national development. He observed that the solutions to this may differ per country but that collective collaborations are important if African countries are to stem the flows out of the continent.

Hon. Dagoseh noted that transparency and accountability in governance are key pre-requisites to curbing illicit financial flows. He expressed his gratitude on behalf of AFROPAC to Kenya for hosting the conference and the warm welcome extended to the delegates.

3.5 Remarks Hon. (Dr) Joyce Laboso, MP, Deputy Speaker of the Kenya National Assembly

The Deputy Speaker reiterated the important role that AFROPAC plays as stipulated in the organization's objectives, which are:

- *Promote Good Governance, Accountability and Transparency in the continent;*
- *Encourage and strengthen the relations among the Parliamentary Oversight Committees in the continent; and*
- *Promote free flow of information particularly amongst Parliamentary Oversight Committees in the continent in order to enhance public sector accountability.*

She also informed the delegates that the Kenya National Assembly Speaker presided over a ceremony to officially commission and hand over the "Accountability Centre" -the unique secretariat housing the African Organization of Public Accounts Committees (AFROPAC) alongside Accountability Kenya (AK) and the Eastern Africa Association of Public Accounts Committees (EAAPAC), both of which are hosted by PAC Kenya.

She reiterated that as AFROPAC seeks to provide a unique platform for networking and collaboration across Africa, with the goal of raising the bar in oversight and accountability on the continent; the enormous outflow of money as Illicit Financial Flows (IFF) is of global concern

and is therefore also a high priority on the African agenda. This therefore informed the choice of the theme in 2016's AFROPAC Conference theme: curbing illicit financial flow in Africa.

She noted that issues of illicit financial flows are not just a technical issue but are political issues which also require political will. Members of Parliament have a responsibility through the legislature to push for the enactment of policies and laws that support effective domestic resource mobilization in Africa.

In concluding her remarks, she recognized the critical task of the Second Annual Conference and General Meeting of bringing together members of the Public Accounts Committees in member states, to share experiences and explore ways of tackling illicit financial flows in Africa; and invited the President to make his remarks and officially open the conference.

3.6 Opening Remarks By H.E Hon. Uhuru M. Kenyatta, EGH, CGH, President of the Republic of Kenya and Commander-in-Chief of the Kenya Defence Forces

The 2nd Annual General Meeting and Conference of the African Organization of Public Accounts Committees kicked off with a Speech and Welcoming Remarks by H.E Hon. Uhuru Muigai Kenyatta, EGH, CGH, the President of the Republic of Kenya and the Commander in Chief of the Kenyan Defence Forces. He reiterated that democracy and accountability is critical in management of public resources. All Public Accounts Committees (PACs) in Africa need to strengthen cooperation and create independent synergies across Africa.

He also noted that the theme “*Curbing Illicit Financial Flows (IFFs) in Africa*” for the conference is appropriate since Africa loses 50 billion dollars and 1.6 trillion dollars are flown outside Africa annually. IFFs are more than (four) 4 times Africa's foreign debt. This comes through capital flight from Africa, economic crimes which accounts for 30-35 percent, corruption related activities such as tax evasion (3-5percent) which undermines trade and investments.

President Kenyatta also expressed the need for PACs to come up with legal mechanisms to ensure public officers are accountable to citizens. He reiterated that Africa is a land of plenty and the richest continent in the world. The conference served as a platform to solve cross-cutting issues that affect the continent.

The President also urged members of PACs to rise above partisan considerations while discharging their duties. The work of PACs is not for the benefit of the opposition but citizens of their respective countries.

He challenged the delegates as follows *“Upon your work rests the hopes, dreams and aspirations of Africans across the continent. Your work must be above reproach. You must be reasonable servants led by the laws of your respective lands.”*

He further challenged PAC Members to:

- Effectively oversight cross border projects, accountability of foreign financial aid and donations, and the relationship between PACs and Supreme Audit Institutions.
- Oversight foreign financial aid and donations;
- Provide an effective process of public financial accountability, a strong tool of quality financial governance that would ensure proper utilization of aid resources.

He also noted that development partners demand compliance with separate, ‘external’ accountability processes. This is a risk that the requirements of the foreign governments and partners may usurp domestic accountability processes. The President further noted that there has always been an issue of whether foreign governments and development partners would trust domestic accountability mechanisms and provide support for the strengthening of local institutions charged with the responsibility or not.

The President further urged the delegates to foster the relationship between PACs and their respective Supreme Audit Institutions. He further called for the strengthening of the mechanisms of interaction which have a strong bearing on accountability issues.

Africa needs to move to deepen integration for socio-economic objectives and keep close watch on resources spent across border as PACs reflect on the role of Public Private Partnerships in Africa’s endeavour.

In conclusion, the President wished all the delegates a fruitful exchange to produce practical action points for Africa, as he declared the Conference officially opened.

3.7 Remarks by Rt. Hon. Raila Odinga, former Prime Minister of the Republic Of Kenya

The former Prime Minister paid tribute to President Thabo Mbeki, one of the most eminent sons of Africa, for his bold leadership on the issue of illicit financial flows over the last several years, starting with his chairmanship of the High-Level Panel on Illicit Financial Flows in 2011.

He also emphasized that IFFs epitomize what is currently wrong and unjust in the international commerce: Africa has not done enough to address the issue. IFFs are the monies that international corporations and their partners in Africa should have paid to governments in Africa as taxes, but evaded doing so through irregular accounting practices thereby leaving Africa poorer.

IFFs out of Africa amount to more than \$50 billion per year, which is about double the official development assistance that Africa receives.

He informed the Conference that, it is in the illicit financial flows that it is clear how corruption and weak governance structures undermine the fabric of society in Africa; yet African governments and international institutions have given scarce attention to illicit financial flow, certainly far less than its importance demands.

It is not true that African governments lack the capacity and collaborative networks necessary to identify and reduce illicit financial practices. They say that it is difficult for African governments to thwart the efforts of those who evade taxes and engage in other illegal activities, because African governments do not have a means to exchange financial and tax information among themselves. African countries should, therefore, develop adequate technical capacity to tackle complex financial and legal issues. This will enable Africa to find ways of dealing with overpricing of imports and under-pricing of exports for decades now.

Africa should also develop the capacity to take tough actions that would substantially curb illicit financial flows. This can be achieved through political accountability noting that Parliament also has the jurisdiction and duty to oversee performance of the revenue authorities of the respective countries.

He observed that although the technical capacity of revenue authorities has been substantially strengthened over the last decade or two, revenue collection has been inadequate in many African countries. Africa must, therefore, pay attention to the building of professional bureaucracies and autonomous and professional agencies capable of auditing government accounts and prosecuting corruption.

He proposed the following Way Forward for Africa:

- i. Africa should cut dependency on foreign aid through curbing IFFs. This involves international cooperation that ensures there is no tax evasion through IFFs;
- ii. Africa should work towards provision of better social services and create facilities for its population to improve the social welfare of its people to stop migration in form of looking for better life;
- iii. Africa should enhance its capacity and collaboration mechanisms to prevent corruption, reduce tribalism and improve on good governance;
- iv. Africa should be able to solve its own problems including dealing with IFFs that come with complex legal and financial issues;
- v. Political accountability should also be encouraged in Africa;
- vi. Assembly of African Union should also endorse the position of H.E Mbeki on IFFs;
- vii. PACs have to be more vigorous and persistent and defenders of prudent public financial management;
- viii. The opposition should improve its role as a watchdog on utilization of public resources and oversee the performance of government revenues and expenditures;
- ix. Global issues on IFFs should be incorporated in the relevant legislations to curb issues such as trade mispricing, exchange of tax information, tracking and seizing of illicit wealth. Partnership with the developed countries should be encouraged to enhance efforts to identify stolen assets and prosecute those found culpable;
- x. Professional bureaucracy on auditing should be built and be used as an avenue to fight corruption;

- xi. Transparency, accountability, good governance, competition that is created to open democracy; and
- xii. Sufficient political good will is needed to strengthen institutions that ensure there is good governance.

2.1.3 Remarks Hon. (Eng.) Nicholas Gumbo, MP, Interim Secretary-General of AFROPAC

The Interim Secretary General of AFROPAC, Hon. Nicholas Gumbo, MP welcomed all the delegates to the conference.

He also gave an organizational overview of AFROPAC, which was officially unveiled on 2nd September, 2013 at the Arusha International Conference Centre (AICC) in Arusha, Tanzania in a ceremony attended by 400 delegates from across Africa.

He reiterated that democracy and the growth of public participation in Africa have seen the role of legislatures become more important than ever. Parliamentary oversight is the last line of defense for citizens who would otherwise resign to excesses of states. Public Accounts Committees and Supreme Audit Institutions have since developed a symbiotic relationship towards this end, precisely what our objectives capture by seeking to strengthen the independence and cooperation amongst Africans.

He also gave a brief on why the theme for the conference was a better kick off due to self-emancipation of Africa than curbing illicit financial flows.

As stipulated in H.E. Thabo Mbeki's report that estimates that Africa has lost over \$1 Trillion in capital flight in the last 50 years, roughly the same amount that it has received in donor aid. Africa continues to haemorrhage \$50 Billion annually. This is more than twice Uganda's GDP, almost four times that of Namibia, more than ten times that of Sierra Leone!

The future of Africa as a continent is in the hands of Africans and Africans clearly do not need aid. Africa only needs to stop poaching and smuggling, transfer pricing and tax evasion, organized crime, trade imbalances and conflicts fanned by enemies of Africa's progress. It is important to reflect how African legislatures can play their role of oversight effectively in a fast changing global and fluid environment.

He also pointed out the role of State and non-state actors as instrumental in combating Illicit Financial Flows in Africa. Collaborative measures and protocols need to be developed to ensure proper and targeted efforts towards eradicating this vice. This synergy is what will concert our efforts and seal these loopholes.

Regional and international agencies have been vocal in designing and formulating specific measures to tackle IFFs without clear coordination by the originating and recipient countries. To reverse this trend, it is imperative to forge a positive engagement among these institutions and governments to amplify the fight against Illicit Financial Flows in Africa.

He also urged the delegates to have a decisive voice that says “enough is enough, that says we can do it, a Nairobi declaration that will turn the ‘dark continent’ to the ‘glowing continent’, because Africa is the richest continent.”

He wished everyone fruitful deliberations that will turn will into way and a warm stay in Nairobi and express his sincere gratitude as the Chairman of PAC Kenya, and on behalf of EAAPAC, to all delegates for coming from all corners of the continent to seek ways of freeing Africa from the shackles of illicit financial flows.

He also thanked H.E Hon. Uhuru for gracing the occasion and demonstrating his commitment to leading from the front. He extended his gratitude to the National Assembly of Kenya for hosting the event, and AFROPAC partners and sponsors, GIZ and Safaricom for technical and financial support of the conference.

3.8 Remarks by Chairperson of Regional Bodies of PACs

3.8.1 Remarks by Hon. Aggie Manu, Chairperson, WAAPAC

Hon. Manu informed delegates that WAAPAC is categorized in to two; i.e. Anglo and Franco speaking countries but it is one Association. It also works through economic commissions in the respective member states’ parliaments.

He emphasized that WAAPAC is committed to the ideas, vision and objectives and aims of AFROPAC and will continue to be members of AFROPAC;

3.8.2 Remarks by Hon. Nthabiseng Khunou representing, SADCOPAC

Hon. Khunou emphasized the strategic role of AFROPAC in the adoption of the United Nations Sustainable Development Goals. This should be integrated in the African Union Agenda for Sustainable Development, Agenda 2063.

She also reiterated the following:

- AFROPAC should aid in fulfilment of the critical strategic programs that will remain a dream if it is not pursued as a matter of agency;
- The structure of AFROPAC should be formed. This will enable legislatures to play their critical role in parliamentary democracy on oversight over the use of public resources;
- AFROPAC to play the critical role of facilitation, where Regional PACs will see the need and get the incentive of their roles;
- Africa to secure the peaceful resolutions of conflicts in the continent. Africa to bear in mind that people not fighting for ideas but material benefits. To what extent has Africa succeeded on the people to win the ideas?

3.8.3 Remarks by Hon. Adan Keynan, CBS, MP, Chairperson of Public Investments Committee (PIC), Kenya

He informed the delegates that the conference was a platform for members to share best experiences and practices from the continent. He distinguished the different mandates of PIC and PAC in the Kenyan scenario as follows: PIC oversights state corporations, quasi-public investments while PAC is charged with oversighting ministries and constitutional commissions.

PACs used equated to the voice of opposition but is now the changing voice of accountability, public interest due to public confidence.

He also reiterated on the President's speech and encouraged delegates to employ the spirit of Pan Africanism and work together as regional parliaments.

He also advocated for a proper linkage between Supreme Audit Institutions and respective committees in reconciliation of reports from the audit institutions.

He concluded his remarks by welcoming all delegates to the Conference and encouraged benchmarking visits among African countries and exchange of brilliant ideas as an African brand.

3.8.4 Remarks by Sen. Edward Dagoseh, Liberia, Vice Chairperson, AFROPAC

Sen. Dagoseh welcomed members to the conference and gave an overview of the tasks ahead and objectives of the conference.

He informed members that the main objective of the conference was to:

- Agree on how AFROPAC can stop the illegal flow of funds as a common enemy to the continent.
- To relook into the structure of AFROPAC, functions and connections to regional bodies.

3.9 Overview of the Conference Programme by Hon. Nicholas Gumbo, MP

Hon. Gumbo gave an overview of the Conference Programme and introduced the theme of the conference, which was Curbing Illicit Financial Flows in Africa. He encouraged members to appreciate the extent of the problem in Africa and gave an understanding of its gravity.

He also took the delegates through the larger concept of public finance cycle and the importance of PACs in the entire process, from the role of Parliament in the Budget process to budget implementation and eventually to oversight of the use of the allocated resources through audit reports by the Auditor General.

Parliament makes enabling legislations so that the budget item provided for can be executed according to the law. This also is reflected in how the government raises revenue as IFF affect revenue side of public finance.

Members should be able to plug out channels of IFF through various activities by Multinational Corporations through transfer pricing, piracy, corruption, smuggling human commodities, money laundering, offshore banking, tax havens among others.

It is critical for AFROPAC to look at the supply and demand side and how countries can collaborate to fight IFFS. There is no need of complaining about lack of accountability in Africa; instead, Africa is supposed to be a creditor to the world.

AFROPAC needs to give the agenda of regional PACs/bodies and build synergies that allow common issues to have a platform to address them.

4.0 SUMMARY OF PRESENTATIONS

4.1 Presentation by FCPA Edward Ouko, Auditor-General (Kenya)

IFF is crucial illegal capital flight illegally earned, transferred or spent. The main intention is for it to disappear. This is through generated ways not revealed in accounts by auditors.

IFFs are illicit, intended to be hidden from where they are coming from/ going to. Forty-five (45) percent of illicit flows end up in offshore financial centres and fifty-five (55) percent of offshore accounts are in developed countries.

Forms of IFFs

There are three main forms. They include:

- **Commercial practices** which occur as companies operating in one or two countries that seek to conceive wealth or dodge custom duties through transfer pricing through big multinationals. Commercial practices include under-pricing or overpricing in one ne jurisdiction to benefit other companies. To prevent IFFs from commercial practices it requires many auditors/ two auditors working together.
- **Money laundering** which includes profits made through drug trafficking and trade. Governments are grappling with this problem globally.
- **Corruption and Bribery** which forms financial core component of IFFs.

Examples of money from IFFs include:

- Money from drug trafficking
- Money funding terrorism

- Transfer pricing issues

Reasons why IFFs Occur

- Poor resource governance models;
- Weak tax administration coupled with multinational tax avoidance skills;
- Tax heavens beyond the legal influence; and
- Lack of/ weak money laundering legislations.

Effects of IFFs

IFFs encourage transnational organized crimes and corruption through governance systems that undermines tax revenue to development.

In conclusion, IFF is a shared agenda for both developing countries and developed countries. Symptoms of deeper governance failures are portrayed through IFFs.

4.2 Presentation by African Organization Of Supreme Audit Institutions (AFROSAI-E)

AFROSAI-E is the English language subgroup of AFROSAI, the African branch of the International Organization of Supreme Audit Institutions. After existing as an informal association since its inception in 1998, AFROSAI-E was formally established on 1st January, 2005 by the adoption of a set of statutes and regulations by the heads of its twenty-three member SAIs. The Southern African Development Community Organization of Supreme Audit Institutions (SADCOSAI) was incorporated into AFROSAI-E at the same time.

Objectives of AFROSAI-E

With the current membership of 24 English and 2 Portuguese-speaking SAIs the objectives are as follows;

- Enhance audit performance of member SAIs;
- Develop and share resources on regional and local levels;
- Professional and technical development and co-operation;

- Sound relations with local and international institutions; and
- Support regional institutions that promote good governance.

AFROSAI-E is seeking to create an inclusive process to support efforts of individual governments to professionalize through:

- Exploit as far is possible what is currently available;
- Develop new ideas and approaches where needed; and
- Work at international/regional/sub-regional levels.

Competence Framework of AFROSAI

Five areas of competence required. Based on IFAC educational standards and other international practices. They include:

- Professional context;
- Accounting;
- Auditing;
- Raising revenue; and
- Information and computer technology.

Conclusion

- i. The professionalization initiative of AFROSAI is still in the conceptual stage. In the near future, AFROSAI-E will require a buy-in by AFROPAC.
- ii. It is the vision of AFROSAI that IFFs will not thrive if there are transactional records for audit trails, for example money that comes from terrorism. The two organizations that is AFROPAC and AFROSAI should strategize on how to curb IFFs.
- iii. It is also important to recognize the role of legislature to curb IFFs which should go beyond PAC and the relevant stakeholders.
- iv. All individuals should be patriotic especially when signing contracts on the behalf of the state, for example in extractive industries to protect resources.

4.3 Summary of Resolutions From Group Discussions on Curbing IFFs

4.3.1 Group 1: Linkages Between Public Accounts Committees and Supreme Audit Institutions in Curbing IFF - Presenter: Hon. (Prof). Ahmed M. Ahmed, MP

In order to enhance the linkages between PACs and SAIs in curbing IFFs, AFROPAC and SAIs should:

- i. Reinforce financial integrity and transparency (full disclosure in income declaration and institutional & legislative frameworks)
- ii. Increase systemic audits to address loopholes in taxation;
- iii. Enhance the role of ethics/religion/attitude in curbing IFF. Is there need to introduce matter of financial management, corruption, IFF in the school curriculum?
- iv. Try to analyse if Parliament abet IFF? Parliamentary vs Presidential systems of government. The issue of independence of Parliaments/PACs when ruling parties dominate membership in parliamentary committees;
- v. Appreciate the need for roundtable discussions with other countries to share experiences;
- vi. Strengthen donor relationships to ensure transparency and accountability;
- vii. Value for money audits to check performance of government departments;
- viii. Strengthen internal audit units in all government ministries and departments
- ix. Strengthen forensic and IT auditing;
- x. Play a key role in ensuring that SAIs have full access to all information;
- xi. Appreciate the need for legislation to ensure SAIs have access to information from private companies;
- xii. Enable SAIs to undertake risk analysis specific to their countries;
- xiii. Demand focus on audit of revenues;
- xiv. Review legislation governing the working of PACs;
- xv. Ensure enforcement of SAIs recommendations;

- xvi. Be more proactive in making legislative recommendations to seal loopholes;
- xvii. Appreciate the need for roundtable discussions with other countries to share experiences;
- xviii. Strengthen donor relationships to ensure transparency and accountability;
- xix. Enhance/strengthen revenue authorities to keep private companies in check; and
- xx. Involve civil societies in curbing IFF.

4.3.2 Group 2: The Role of Banks and Stock Exchange in Deterring IFF presented by Dr. Patrick Njoroge – Governor, Central Bank of Kenya

The role of Banks and Stock Exchange should be recognized such that:

- i. There is close collaboration with Financial Reporting Centre to foster culture of compliance in banking sector. Emphasis on preventive measures e.g. reporting suspicious financial transactions. Inter-agency collaboration in the financial sector has a positive effect in stemming IFF. Sophisticated money launderers who take advantage of any loopholes in financial system. Need to have all stakeholders joining hands to address this;
- ii. There is need for regular interaction with international bodies that fight money laundering. This enhances ability to combat money laundering by sharing information and expertise;
- iii. There is need to strengthen preventive measures and ensure there is surveillance, detection and recovery;
- iv. Systematic on-site inspections in banks (AMSFT) are undertaken;
- v. Greater transparency on banks is achieved to ensure public confidence. Corporate governance and risk management practices put in place. Banks required to disclose significant shareholders who hold more than 5% shareholding;
- vi. There is clarity on guidelines in financial transactions. Ensures paper trail of large financial transactions; and
- vii. African countries have transparency. Urge legislators to implement laws to enhance national registries vis-a-vis beneficial ownership information. Shell companies or Special

purpose vehicles whose owners are not known can cause mischief. Registries should be clear and veils of secrecy unshrouded.

4.3.3 Group 3: Revenue Legislations in Sealing IFFs Loopholes: The Case of Petroleum and Mining Sector - Presenter: Dr. Mohamed Amin Adam – Executive Director, ACEP, Ghana

In order to enhance revenue legislations in sealing IFFs loopholes AFROPAC should:

- i. Support PACs with the capacity on doing independent assessment of variables in resource revenues and cost auditing;
- ii. Work for a transparency regime about licenses and beneficial ownership and tax payment;
- iii. Forge partnership/ Collaborations with international community to develop global frameworks for combating IFFs;
- iv. Limit tax exemptions by broadening resource tax regimes to cover taxes such as capital gains tax and thin capitalization rules;
- v. Be consistent in all legislations that address illicit financial flows: revenue, tax, petroleum, mining, maritime and money laundering legislations; and
- vi. Lobby for African countries to work together to develop a continent wide framework on illicit financial flows and to share lessons and expertise among themselves.

WAYFORWARD

AFROSAI and AFROPAC should:

- i. Work together to protect African resources through intra-Africa cooperation in curbing corruption and IFFs;
- ii. Guard the governance institutions that work towards changing procedures that have been put in to curb IFFs;
- iii. AFROSAI should start recognizing the new challenges that are in place with the consciousness of the African people;

- iv. AFROPAC in collaboration with other international partners such as Interpol should enact laws that will require all countries to ascend to in order to curb IFFs;
- v. Africa through AFROSAI should also think of developing common audit procedures and effective audit methods that will trail activities that encourage IFFs such as funding terrorism and money laundering and also compel multinationals to adhere to the procedures;
- vi. Auditors should undertake audits beyond financial statements, look at cross border transactions and collaborate with regional bodies such as AU, UN among others to curb IFFs;
- vii. The capacity of the members of PACs should be enhanced and more resources put to curb IFFs;
- viii. Africa should be able to monitor the forms of IFFs to come both IFFs within and outside Africa through looking at
 - Legislative issues;
 - Policing;
 - Tax authorities forge partnerships with key stakeholders in relation to disclosing IFFs and tax heavens;
 - Improving financial intelligence and transparency systems;
 - Monitoring trade and investment activities; and
 - Behavioural phenomena and dealings of both private and public issues.
- ix. Individual countries should take action and also forward the challenges of IFFs as an agenda item at African Union(AU);
- x. Judiciary should also increase partnerships and also look at treaties that have been signed with strategic partners are implemented to curb IFFs; and
- xi. Africa should speak with one voice and put political pressure at international level on individuals and countries that propagate IFFs to be brought to book.

2.5 Presentation on Political Accountability: Pre-Conditions of Good Financial Governance by Hon. Nthabiseng Khunou, APAC Chairperson

Accountability is the obligation a person, group or organization assumes for the execution of authority and/or fulfilment of responsibility. This includes: The liability one assumes for ensuring that an obligation to perform – a responsibility – is fulfilled. The right to act without prior approval from higher management. Authority is assigned. Responsibility is delegated.

Political accountability is the accountability of the government, civil servants and politicians to the public and to legislative bodies such as a parliament. In parliamentary systems, the government relies on the support of parliament, which gives parliament power to hold the government to account. For example, some parliaments can pass a vote of no confidence in the government.

Purpose and Key Aspects of Political Accountability

- Accountability is a relationship, a contract between two parties;
- Accountability is results-orientated, it focuses on outcomes and impact;
- Accountability requires reporting, reporting is the backbone of accountability;
- Accountability is meaningless without consequences obligation indicates liability and liability comes with consequences; and
- Accountability improves performance; the goal is improving performance and be proactive in dealing with challenges.

Understanding Political Accountability

- Machinery of government is a game between: A principal – the public and an agent – the politician or policy maker;
- The public delegates to the policy maker a set of instruments to execute certain goals;
- Regular elections are established as a control mechanism to ensure that policy makers do not pursue their self-interest; and

- The effective of the control mechanism vary with: The type of political regime, Level of information amongst the public and the types of assets that prevail in the economy.

Conclusion

- i. The challenge of IFF is a huge one. It requires that a clear framework for political accountability be established. It also requires that three elements of the State – The Executive, the Legislature and the Judiciary be strengthened to execute effectively on their responsibilities.
- ii. It requires that there be an integrated system that allows for multi-stakeholder engagements at policy making, planning, implementation, monitoring & evaluation and reporting stages.
- iii. The approach to dealing with IFF needs to be undergo the same stages of policy development, planning, implementations, monitoring & evaluation and reporting.

5.0 ORGANIZATIONAL DEVELOPMENT OF AFROPAC

5.1 Organization Structure of AFROPAC – Presented by Prof. Ahmed Magzoub, Chairperson of Financial, Economic & Investment Affairs Committee, National Assembly of the Republic of Sudan

Introduction

An organization structure is way of grouping and organizing an entity's functions to make sure they all get done efficiently and well. The way that an organization arranges people and jobs so that its work can be performed and its goals can be met.

Importance of Organization structure

To ensure that:

- A hierarchy of people and job functions of an organization is achieved whether it is organic or intentional. For a business to operate efficiently and systematically, it needs a planned structure that fits the style, size, and operations of the organization;
- Organizational structure is particularly important for decision-making;

- The organization cannot achieve its goals without adopting an organizational structure;
- Everyone determines how the roles, power, and responsibilities are; assigned, controlled, and coordinated;
- Information flows between the different levels of management;
- There is a structure that depends on the organization's objectives and strategy;

The impact of organization structure

Organizational structure

- Affects organizational action in two big ways;
- Provides the foundation on which standard operating procedures and routines rest;
- Determines which individuals get to participate in which decision-making processes, and thus to what extent their views shape the organizations.

AFROPAC Goals, Functions, Roles, Aims and Structure and Regional Bodies

AFROPAC shall strive to work with parliaments in AFRICAN countries in meeting the peoples' expectations of sound and accountable governance, through best practice, sharing of information and experiences, and to continuously facilitate the efficiency of spending by promoting sound management practices.

Objectives of AFROPAC

The aims and objectives of AFROPAC, as set out in its Constitution. They include:

- To promote Good Governance, Accountability and Transparency in the continent;
- To encourage and strengthen the relations among the Parliamentary Oversight Committees in the continent;
- To promote free flow of information particularly amongst Parliamentary Oversight Committees in the continent;

In order to enhance public sector accountability, AFROPAC will strive to achieve the following objectives to:

- Enhance Parliamentary oversight over financial accountability in Africa;
- Share experiences amongst its Members;
- Promote professional and technical development and co-operation amongst its Members and other bodies such as the African Parliament and AFROSAI;
- Promote and maintain relations with national, regional and international institutions promoting transparency, accountability and good governance of public resources;
- Support the independence of Supreme Audit Institutions (SAIs); and
- Build institutional capacity of AFROPAC member countries.

The role of AFROPAC

They include:

- i. Promote mutual support;
- ii. Foster the exchange of ideas, knowledge, and experiences;
- iii. Act as a recognized voice of Public Accounts Committees with other similar organizations; and
- iv. Promote accountability, good governance, and transparency among the state members.

Aims of AFROPAC

- Good Governance;
- Accountability;
- encourage and strengthen the relations among the Parliamentary Oversight Committees in Africa; and
- Promote free flow of information particularly amongst Parliamentary Oversight Committees in the African Continent Organization structure of AFROPAC and other regional bodies.

AFROPAC will be able to champion the following programs to achieve its aims:

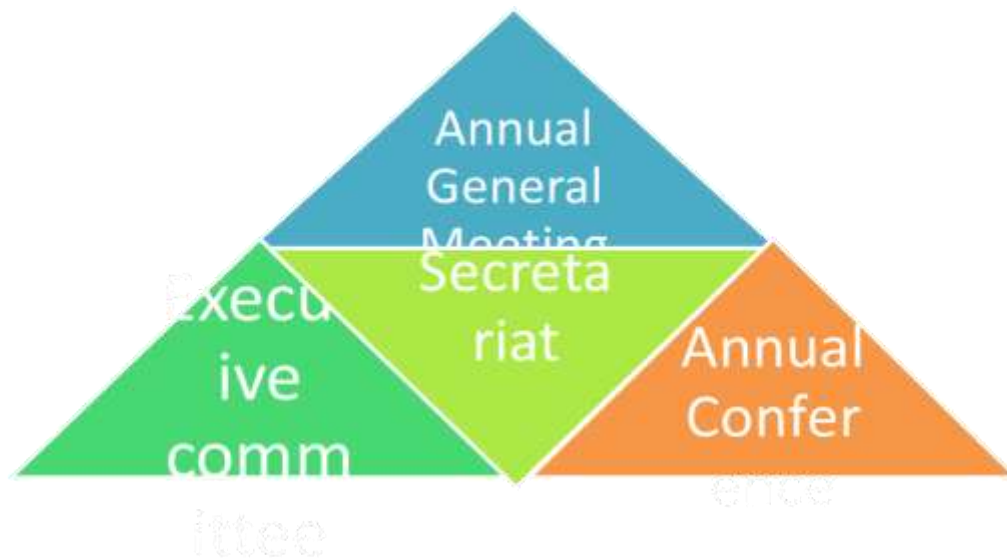
- Governance activities of AFROPAC.
- In-country annual training programs.

- Research studies & Information sharing.
- AFROPAC Annual Conferences.
- Participation in Global Conferences (workshops, conferences and trainings) Workshops and seminars.
- Study tours.
- Exchange programs (members and support staff).

Organization Structure of AFROPAC and other Regional Bodies

The organizational structure of AFROPAC is shown in figure 1 below:

Figure 1: Organization structure of AFROPAC



The organizational structure of AFROPAC is shown in table 1 below and other regional bodies are shown in table 1 below:

Table 1: Organizational Structure of AFROPAC and Other Regional Bodies

AFROPAC	SADCOPAC	WAAPAC	EAAPAC
Annual General Meeting	Annual General Meeting (AGM).	Annual General Meeting (AGM).	Annual General Meeting (AGM).
	Governing Council (GC).	Governing Council (GC).	

Executive committee			Executive committee
Secretariat	Secretariat.	Secretariat.	Secretariat.
Annual Conference	Annual Conference	Annual Conference	Annual Conference

Regional Bodies

1. West Africa Association of Public Accounts Committees (WAAPAC)

WAAPAC objectives are:

- i. To facilitate the exchange of information, opinion and experience relating to Public Accounts Committees and to discuss matters of mutual interest to the membership.
- ii. To improve the quality and performance of Public Accounts Committees in West Africa to ensure that taxpayers are getting value for money.
- iii. To work with Auditors General so as to improve the effectiveness of both the Auditors and the Public Accounts Committees.
- iv. To work with individuals and organizations knowledgeable about matters of concern to Public Accounts Committees.
- v. To apprise elected Members, the media and the general public as to the purposes and activities of Public Accounts Committees.
- vi. To take all actions needed to facilitate and further attainment of the AFROSAI aims and objectives.

2. Southern African Development Community Organization of Public Accounts (SADCOPAC)

SADCOPAC objectives include:

- i. To work with governments and other relevant role players in meeting the people's expectations of sound and accountable governance.

- ii. To build capacity and expertise among SADCOPAC members to diligently and efficiently carry out their oversight functions and duties.
- iii. To improve the effectiveness of Public Accounts Committees or similar committees in the SADC region.
- iv. To share best practices and innovation, and, where appropriate and possible, harmonize and standardize the work of Public Accounts Committees in the SADC region.
- v. To promote good governance.
- vi. To conduct research and introduce new best practices and innovations to improve and enhance the effectiveness of Public Accounts Committees in the SADC region.
- vii. To communicate and build relationships with individuals and organizations with relevant expertise (nationally and internationally).
- viii. To empower members to disseminate information on the work and activities of Public Accounts Committees among elected representatives, the media and general public, as well as oversight or similar committees.
- ix. To liaise with Southern African Development Organization of Supreme Audit Institutions (SADCOSAI) on areas of mutual concern.
- x. To strengthen relationships with appropriate 'SADC' structures.

3. East Africa Association of Public Accounts Committees (EAAPAC)

Objectives of EAAPAC include:

- i. To improve the capacities of individual members of the Public Accounts Committees to function more effectively
- ii. To improve the effectiveness of PACs in eastern Africa region
- iii. To share the best practices and innovation and, where appropriate, harmonize and standardize the work of PACs in the region.

- iv. To promote accountability transparency and good governors.
- v. To conduct research in new best practices and innovation to promote and enhance the effectiveness of PACs in the region.
- vi. To improve the capacities of individual members of the Public Accounts Committees to function more effectively
- vii. To improve the effectiveness of PACs in eastern Africa region
- viii. To share the best practices and innovation and, where appropriate, harmonize and standardize the work of PACs in the region.
- ix. To promote accountability transparency and good governors.
- x. To conduct research in new best practices and innovation to promote and enhance the effectiveness of PACs in the region.

Strength Weaknesses Opportunities and Threats of AFROPAC

i. Strengthens:

- Representation of all African countries.
- Working in parliamentary oversight agenda.
- Dealing with protecting public interest.
- Support of international community
- Insuring the role of PACs in transparency and good governance

ii. Weaknesses:

- Commitment of members.
- Absence of most of northern African countries.
- Raising funds and financing AFROPAC.
- Lack of recourses and capacity building.
- Lack of information and communication.

- Implementation of recommendation.

iii. Threats:

- Sustainable involvement of the members.
- Coordination between regional bodies and AFROPAC.
- The continuous trends to work with regional organizations.

iv. Opportunities:

- Transformation of Africa towards unified nation and increase of the role of African organization (AU).
- Commitment of African countries towards good governors and transparency.
- The commitment of all African countries to protect public interest.

5.2 Summary of Resolutions by Working Groups on the Organizational Structure, Functions and AFROPAC Constitution

5.2.1 Working Group 1: Functions

Key Aspects and Options on Sustainable Development in AFROPAC

They include:

- i. Membership (All Parliaments in Africa)
- ii. Funding and resources (funded by its own members and donors/sponsors)
- iii. Proper structure (Continental, Regional and National spheres)
- iv. Capacity (Capacity building of PAC members and sharing of information & experiences. PAC Clerks as a possible institutional memory reservoir.
- v. Lobby Parliaments to designate clerks for PACs for
- vi. AFROPAC purposes – where there is high turnover and reshuffling of Clerks)
- vii. Successful programme delivery (Relevance/Reputation)

Interface with Regional Organizations

- i. Coordination and collaboration with regional PAC bodies is necessary to accomplishing AFROPAC's strategic objectives.
- ii. Regional bodies should act as implementing agents for AFROPAC.
- iii. Establish relations with key structures (PAP, APU, AU, Speakers Forums, etc.).

Possible amendment to the Constitution

No proposed amendments relating to functions.

Aims, objectives and functions of AFROPAC

The aims and objectives include:

- i. Standard setting and solution generation (Best Practices for PACs and PAC Clerks;
- ii. Advocacy;
- iii. Compliance with agreed practices;
- iv. Lobby oversight practices (e.g. tracking of PAC resolution implementation);
- v. Identify and advocate for joint audits;
- vi. Strategic debate on IFF at regional and national level (Programme of Action) – guidance, tools and frameworks on IFF (multi-stakeholder approach workshops on IFF);
- vii. Build strategic partnerships;
- viii. Capacity building through regional PAC associations);
- ix. Recruitment and building of regional PAC networks where non-existent (northern and central Africa regions, e.t.c.)

Strategic documents

The strategic documents include:

- Strategic and Business Plan;
- Marketing Plan;

- Financial Regulations; and
- Policies.

5.2.2 Working Group 2: Form and Structure

The group proposed the following amendments to the draft Constitution. They include:

i. Article 4 – Membership

- Membership of AFROPAC be through countries and regional bodies.

ii. Article 10 – Meetings and Quorum

- Proposal to have the AFROPAC GM once every two years.
- Quorum of the GM to be a third of registered membership of AFROPAC.

Article 13 – Composition and term of Office

- Composition of Executive Committee – Chairperson.
- Vice-Chair, Secretary General, Deputy Secretary General.
- Treasurer General and a representative from each of the 4 regions.
- Proposal to have Executive Committee ELECTED to serve for a four (4) year term.
- Name change from ‘Governing Council’ to ‘Executive Committee’.

iii. Article 19 – Secretariat

- Seat of the Secretariat to be hosted permanently in one country (Kenya).
- The Membership shall be for the country not the individual.
- Full time secretariat with permanent staff.
- Positions open competitively to all countries.
- Composition: One senior professional, one junior professional and a Secretary.

iv. Article 23 – Financial provisions

- Secretariat to seek approval from ExCom for any expenditure above the approved budget.

v. Proposed additional article

- Proposal to create provision for amendment of the AFROPAC Constitution – Two thirds of the quorum at GM.

5.2.3 Working Group 3: Stakeholders, Continental and International Partners, Representation, Communication

The Group agreed on the stakeholders who had been agreed upon earlier by the conference and proposed the following amendments to the constitution as shown in table 2 below:

Table 2: Proposals to Change or Amendment to the Draft Constitution

Reference to Existing Constitution	Proposals to Change Or Amendment
Chapter 1 No.15	Delete ‘State’ in Definitions and wherever it appears in the Constitution
Aims	Delete ‘IN’ and replace with ‘ON’ wherever it appears
Chapter 2 No.1	Insert the words ‘in collaboration with Regional PACs” after the word ‘Africa’.
Chapter 2 Article 4	Insert new No.7 after No.6 to read as follows: 7(a) This Constitution recognise Regional association of PACs as strategic partners. 7(b) The AFROPAC roles and responsibilities shall be complementary to the regional bodies.

6.0 ANNUAL GENERAL MEETING (AGM) AND ELECTIONS

6.1 Introduction to the AGM and Elections

Hon. (Eng.) Nicolas Gumbo, interim Secretary General AFROPAC, began by welcoming the delegates back to the last day of the conference. He thanked everyone for the dedication and commitment put through the sessions and in particular the day three (3) of the conference.

He also expressed his gratitude to the technical team, the Conference Sponsors who included, the National Assembly of Kenya, European Union (EU), GIZ and Safaricom Ltd for their commitment and making the conference possible.

He indicated that there were suggestions from the members of AFROPAC to get a country to volunteer to host the next Annual General Meeting in order to avoid last minute rush and to be able to plan in time.

He welcomed the chair of the session Senator, Edward Dagoseh take delegates guide the session on the conference resolutions and recommendations.

6.2 Overview of the Conference Recommendations/Resolutions

The Interim Secretary General, AFROPAC, Hon. (Eng.) Nicolas Gumbo, MP chaired the session that oversaw delegates adopting the conference declaration, resolutions and recommendations.

The Conference declared that:

- i. That all Member countries shall institute processes to take forward the debate on IFFs to increase awareness.
- ii. That AFROPAC prepares a draft resolution on IFF which member Parliaments must adopt.
- iii. That AFROPAC coordinates the development of a continental framework to deal with matters of IFF.
- iv. That AFROPAC engages AFROSAI in developing audit methodology for dealing with IFF.

- v. That AFROPAC and AFROSAI jointly identify possible cross border projects for audit collaboration.
- vi. That all member countries establish and strengthen mechanisms for prioritizing performance audits.
- vii. That all member Parliaments develop legislative reforms that will enhance public financial management systems and enable surveillance, detection and recovery of IFFs.
- viii. That AFROPAC aggressively pursues a recruitment drive to ensure that all Parliaments of Africa become members.
- ix. That AFROPAC produces a progress report advising on progress in implementation of resolutions in six months' time.
- x. That AFROPAC shall establish a permanent Secretariat in Nairobi Kenya.
- xi. That this General Meeting approves and adopts the Constitution of AFROPAC.
- xii. That all member countries of AFROPAC pay an annual subscription fee of USD 5,000.
- xiii. That the next General Meeting be held in Addis Ababa, Ethiopia in August 2018.

The delegates unanimously adopted the resolutions in the AFROPAC, 2016 Nairobi Declaration.

6.3 Elections

The Interim General Secretary, Hon. (Eng.) Nicolas Gumbo, MP declared the interim executive committee dissolved ready for the elections of the new office bearers.

He informed the delegates that the elections would be presided over by the Independent Electoral and Boundaries Commission (IEBC), Kenya's elections management body. He went ahead to declare the following positions vacant: the Chairperson, the Vice-Chairperson, the Secretary General, the Deputy Secretary General, the Treasury General and a Representative from the four regions (EAAPAC, SADCOPAC, WAAPAC and NAAPAC).

The Elections were subsequently conducted pursuant to the AFROPAC Constitution and elected the following office bearers for a four-year term;

- **Chairperson – Sen. Edward Dagoseh, Liberia;**

- **Deputy-Chairperson- Hon. Angelline Osegge, Uganda;**
- **Secretary General- Hon. (Eng.) Nicolas Gumbo, Kenya;**
- **Deputy Secretary General- Hon. Aleki Menyani, Malawi; and**
- **Treasurer General- Hon. Prof. Ahmed Magzoub, Sudan**

The Executive Committee will also comprise of the following representatives of regional bodies. EAAPAC- Ethiopia; SADCOPAC- South Africa and WAAPAC- Ghana. NAAPAC representative was deferred until the body is fully functional.

7.0 CONCLUSION

The Secretary General, Hon. (Eng.) Nicolas Gumbo, MP expressed his gratitude to the Government of Kenya, the Clerk of the National Assembly Kenya, the sponsors, the chair of the organizing committee and all delegates present at the conference. He also appreciated the participation of all the delegates present and the entire African countries encouraged them to continue with the fight against IFF.

He concluded by welcoming the Speaker of the Kenya National Assembly to officially declare the Conference closed.

Closing Remarks by Hon. Justin Muturi, Speaker of the Kenya National Assembly

The Speaker appreciated the work of PACs and SAIs with regards to accountability. He further expressed his pleasure at the closure of the AFROPAC, AGM and the Conference.

He thanked the outgoing leadership for their efforts in steering the organization and seeing it through its infancy period to official launch. He further stated that he is optimistic that AFROPAC will provide the necessary vehicle that the African continent needs for parliamentary peer review, bench making and sharing ideas in an increasingly networked environment particularly in accountability.

He observed that he commissioned the office of the AFROPAC on 26th March, 2014 at the 10th Floor of Harambee SACCO Building within the Kenyan Parliament Buildings.

He concluded his remarks by reiterating the importance of parliamentary oversight. He also noted that it is only through oversight that the public achieves value for money. He urged the

delegates to ensure that the resolutions agreed upon during the conference are implemented. He wished the delegates well, as they go for the excursions and declared the conference officially closed.

8.0 ANNEXES

1. Annex 1: List of Attendance
2. Annex 2: Programme
3. Annex 3: Presentations
4. Annex 4: Working Groups Resolutions
5. Annex 5: Constitution
6. Annex 6: Declaration