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EAST AFRICAN COMMUNITY SECRETARIAT



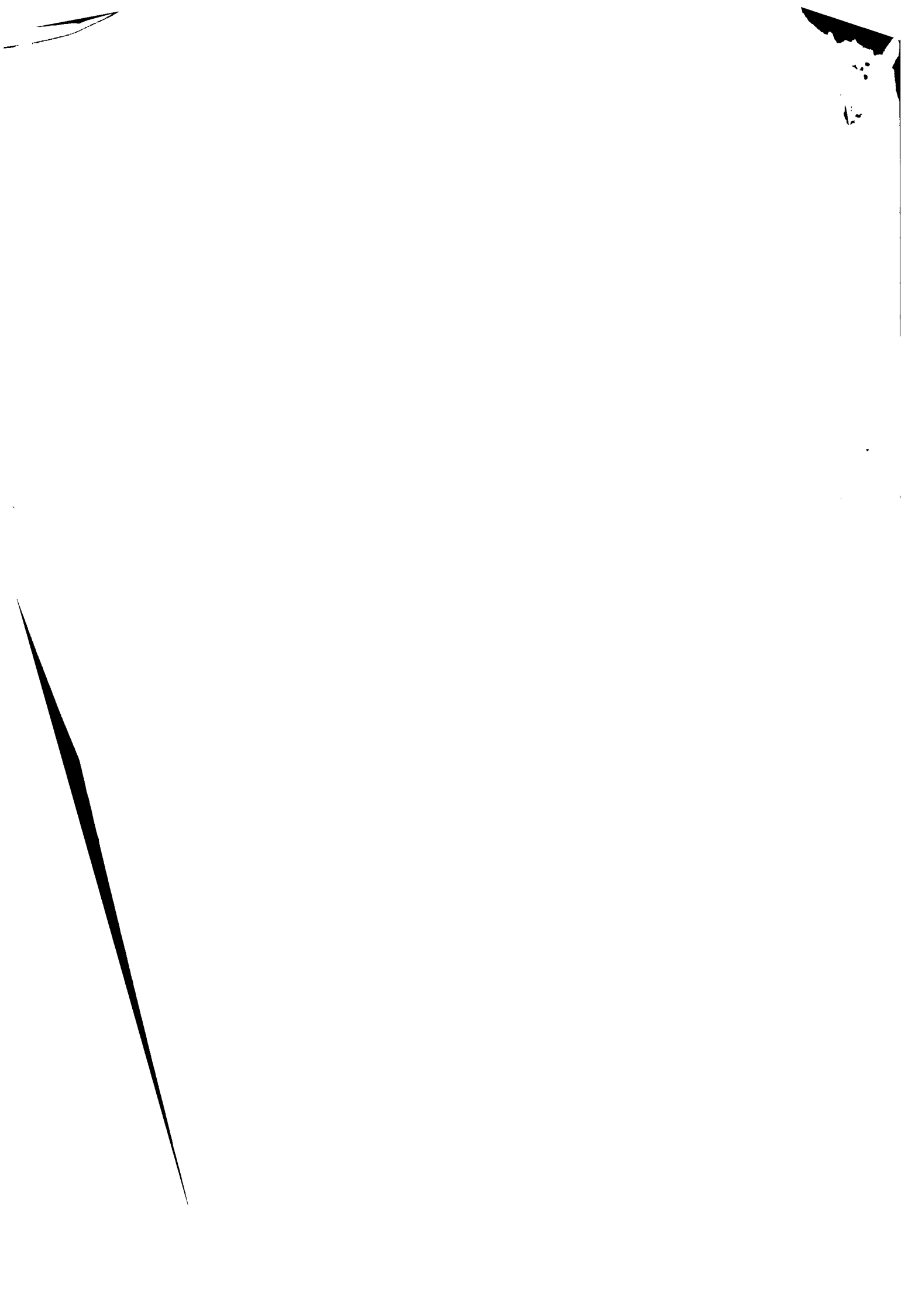
**REPORT OF THE FINANCE AND ADMINISTRATION
SUB-COMMITTEE MEETING**

3RD - 7TH JUNE, 2002
AICC, Arusha, Tanzania

(REF: EAC/SR/12/2002)

**EAC Secretariat
P.O. Box 1096
Arusha, Tanzania**

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**REPORT OF THE FINANCE AND
ADMINISTRATION SUB-COMMITTEE MEETING
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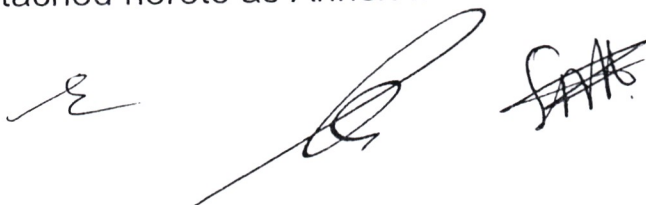
1.0 OPENING OF THE MEETING

1.1 Introduction:

The Finance and Administration Sub-Committee met from 3rd to 7th June, 2002 pursuant to the Council directive during its 3rd Extra-Ordinary Meeting held from 16th to 17th May, 2002. The Council had decided, that:

- (a) Consideration of the Consultant's Report on the Organisation Structure of the East African Community Secretariat be deferred;
- (b) A Sub-Committee made up of three representatives from each Partner State be formed to study the Consultant's Reports on EAC Organizational Structure, Terms and Conditions of Service, Staff and Financial Rules and Regulations in depth; the Sub-Committee should meet for five days during the first week of June, 2002;
- (c) The Secretariat looks into the possibility of facilitating the Sub-Committee meeting;
- (d) The consultant be present when the Sub-Committee meets;
- (e) The Finance and Administration Committee meets during the fourth week of June, 2002 to finalise the Report on the Consultancy Study with a view to submitting it to the Council for consideration at the Council's fourth regular meeting.

The list of the Sub-Committee members who attended this meeting is attached hereto as Annex I.



1.2 Constitution of the Bureau

Tanzania assumed the Chairmanship and Uganda was Rapporteur.

1.3 Opening Remarks by the Chairman

The Chairman opened the meeting by welcoming all the participants. He reiterated the importance of the Sub-Committee in fulfilling the task given to it by the Council. The Chairman invited Dr. Kipyego Cheluget, Deputy Secretary General (P&P) to make some opening remarks.

1.4 Remarks by Dr. Kipyego Cheluget, Deputy Secretary General, (Projects and Programmes)

The Deputy Secretary General welcomed the members of the Sub-Committee to the Secretariat. He emphasized the importance of finalizing the assignment given by the Council of Ministers so that the study on the EAC Organisational Structure, Terms and Conditions of Service and Staff and Financial Rules and Regulations for EAC which has taken long, be concluded.

He conveyed to the Sub-Committee the Consultant's apology who was unable to attend the meeting because he was indisposed. However, he assured the Sub-Committee that the Secretariat will do all in its ability to facilitate the meeting to successfully fulfill its work as tasked by the Council.

1.5 Adoption of the Agenda

The proposed agenda was adopted with minor amendments and is attached as Annex II.

1.6 Work Programme

The Sub-Committee before starting considering the Reports of the Consultants discussed and agreed on its work programme attached hereto as Annex III.



2.0 CONSIDERATION OF THE CONSULTANT'S REPORT ON THE ORGANISATIONAL STRUCTURE FOR THE EAST AFRICAN COMMUNITY

2.1 In considering the above report the Sub-Committee recalled the guidelines of the Council at its 3rd Extra-Ordinary Meeting held on 17th and 18th May, 2002 that:

- (i) The Organisational structure of the Secretariat should not be top heavy and that the present structure of two Departments and one Office of the Secretary General should be studied very carefully in order to see if they meet the Secretariat's staff needs;
- (ii) The Staff of the Secretariat should be lean, efficient and effective because the Secretariat essentially coordinates EAC activities and the main players remain the Partner States themselves in the names of Committees, Sectoral Councils, and the Council meetings;
- (iii) That the East African Legislative Assembly and the East African Court of Justice should be responsible and accountable for their own activities. The Secretary General is, however, the over all accounting officer of the Community;
- (iv) That any further cost implications of the recommendations of the Consultant's report will not be accommodated in the Budget for financial year 2002/03;
- (v) The Partner States decided to consult on the fast rate at which the cost structure of the EAC is expanding considering that the main sources of EAC financial support remain the Treasuries of the Partner States.

During their informal discussion on 17th and 18th May, 2002 the Ministers expressed concern regarding the high salary scales of the EAC Staff.

2.2 The Sub-Committee considered the Consultant's report in depth and noted as follows:



(i) Terms of Reference

The Consultant did not address the Terms of Reference satisfactorily.

(ii) Job Descriptions

The consultant has attempted to write job descriptions for each and every job he proposed but there were inaccuracies in the job requirements that needed streamlining. For example, all the jobs cannot have the same job qualification requirements.

The Sub-Committee recommends that the Secretariat:

- (a) Studies the Job Descriptions and specifications and prepares comments to facilitate their finalisation.**
- (b) Puts in place Human Resource Management Instruments such as Establishment Control Register and Job Description/Specification Manual, for effective decision making.**

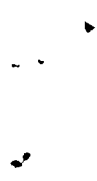
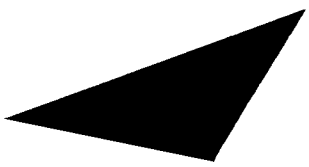
(iii) Organisational Structure

The consultant made good recommendations in some areas but there were some duplications and in some cases omissions in functional descriptions, which might have led to inaccurate conclusions thus affecting his recommendations.

The Sub-Committee recommends that:

- (a) The present structure of the Community be maintained.**
- (b) The provisions of the Treaty as provided for under Articles 66 to 69 should be maintained when referring to the entities headed by the Secretary General, the Deputy Secretaries General and th Counsel to the Community.**

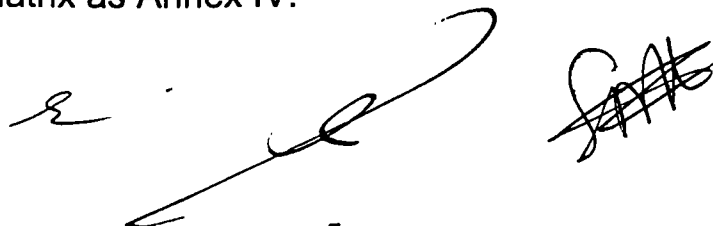




- (c) The present office of the Deputy Secretary General (Finance and Administration) be renamed Deputy Secretary General (Support Services) since the scope of the office goes beyond just finance and administration.
- (d) EAC should have a flat rather than a pyramidal structure. The creation of positions like Director, Chief and Principal are ingredients of a pyramidal structure.
- (e) There should only be three(3) levels of professional officers:
- Senior Officer level
 - Desk Officer level
 - Officer level
- (f) A mechanism to monitor (M&E) the implementation of projects and programmes be introduced.

(iv) **Job Grading**

- (a) The Consultant should have made a counter comparison with the present grading to ease cross-referencing.
- (b) The Consultant in many instances over-stated qualifications and experience in his job descriptions.
- (c) The inversion of the grading structure makes comparison with the previous grading and assimilation during implementation very difficult.
- (d) Though the Consultant identified the principles he claims to have used in evaluating jobs, he did not show how he arrived at the final grading. The Sub-Committee using the Consultant's job descriptions came up with a grading matrix as Annex IV.

The block contains several handwritten marks. On the left, there is a small, simple signature. In the center, there is a long, sweeping signature that extends across the page. On the right, there are initials that appear to be 'SAA' with a large, stylized flourish.

The Sub-Committee recommends that adjustments be made to make the Community's job grading more rational.

(v) **Salary Structure**

(a) The present salary structure of the EAC has many distortions. The Consultant imported all the distortions in the present salary structure into his recommended options, see Annexes V(a) and V(b). He should have first corrected the present structure as appears in Annex VI. It does not follow the conventional principles of a well-designed salary structure and reflects very little of the ideal salary structure curve depicted in Annex VII.

(b) The salary structure for the EAC Secretariat should be symmetrical so as to be predictable, ensure equity and facilitate rational review when necessary; see Annex VIII.

(c) The salary structure should have meaningful salary differentials. See Annex IX.

(d) The comparison with other organizations like IGAD, COMESA and SADC does not serve much purpose. The consultant should have come up with **comparable** as opposed to **equal** rates.

The Sub-Committee recommends that bridging grades be created where large differentials exist in the present Salary Structure, as proposed in Annex X.

(e) **Scope of Responsibility**

The scope of responsibility as described under the sub-heading "Production sectors and Natural Resources Division" have large elements of duplication and therefore likely to lead to wrong conclusions.

The Sub-Committee recommends that duplication of these responsibilities be avoided.



(vii) **Performance Management Strategy**

The Sub-Committee concurs with the consultant that this is long overdue and should be introduced at EAC as a matter of urgency.

The Sub-Committee recommends that the Results-Oriented Management System be introduced in the Community as a starting point.

(viii) **Monitoring and Evaluation**

There is need to introduce a mechanism to monitor the implementation of projects and programmes.

The Sub-Committee recommends that such a mechanism be established.

(ix) **Defence Liaison Office**

The Consultant recommended that within the Defence Liaison Office a post of Political and International Relations officer be created and graded at P5, and that the Unit be upgraded to a division level. The Sub-Committee did not concur with the Consultant.

The Sub-Committee recommends that the Defence Liaison Office can adequately handle the functions relating to article 124 and 125 of the Treaty in its current structure.

2.3 **Recruitment of Staff**

The Sub-Committee observed that the Consultant had proposed establishment of several posts. After consideration of the Organisational Structure of the Community, the Sub-Committee agreed that creation of some posts will contribute to the better performance of the mandate of the Community and to enhance its efficiency.





The Sub-Committee recommends that the following posts be established:

- (i) One post of Public Relations Officer at G1 level, in financial year 2002/03.
- (ii) One post of Conference Coordinator at G1 level, in financial year 2002/03.
- (iii) One post of Procurement Officer at G1 level, in financial year 2005/06.
- (iv) One post of Statistician at P3 level, in financial year 2005/06.
- (v) One post of Librarian at P3 level, in financial year 2005/06.
- (vi) One post of Accountant at P3 level, in financial year 2005/06.
- (vii) One post of Systems Analyst at P3 level, in financial year 2006/07.
- (viii) One post of Environmental Officer at P3 level, in financial year 2006/07.

3.0 CONSIDERATION OF THE CONSULTANTS REPORT ON THE STAFF RULES AND REGULATIONS FOR THE EAST AFRICAN COMMUNITY

The Sub-Committee considered the Consultant's Report on Staff Rules and Regulations for the East African Community and found that the consultant had not addressed the needs of the Court and the Assembly as directed, except that he had re-organised the provisions.

The Sub-Committee, therefore, decided to use the draft Rules and Regulations as drafted by the Sectoral Committee on Legal and Judicial Affairs in May, 2001.



8



The amended draft Staff Rules and Regulations are attached as Annex XI.

The Sub-Committee recommends that:

- (i) Education allowance for members of staff at G2 level and below be considered in the Financial Year 2005/06.
- (ii) Spouse allowance be deleted from the Staff Rules and Regulations and Financial Rules and Regulations as recommended by the Consultant. However, its removal should not affect the current contractual obligations between the Community and its staff.

4.0 CONSIDERATION OF THE CONSULTANTS REPORT ON THE FINANCIAL RULES AND REGULATIONS FOR THE EAST AFRICAN COMMUNITY

The Sub-Committee considered the Consultant's Report on Financial Rules and Regulations for the East African Community and found that the consultant had not addressed the needs the Court and the Assembly as directed, except that he had re-organised the provisions.

The Sub-Committee, therefore, decided to use the draft Financial Rules and Regulations as prepared by the EAC Finance and Administration Committee in April 2001 and approved by the Council for legal drafting by Sectoral Committee on Legal and Judicial Affairs.

The amended draft Financial Rules and Regulations are attached as Annex XII.

5.0 General Recommendation

The Sub-Committee recommends that:

Partner States consult further on the Report of the Sub-Committee on Finance and Administration.



6.0 ANY OTHER BUSINESS

6.1 Engagement of Consultancy Services in the Community

The Sub-Committee recalled that the decision to commission a study on the Organizational Structure of the then Secretariat was made in August 1997. Since then the study was awarded to a number of consultants who have not performed to the expectations of the Community.

The Sub-Committee recommends as follows:

- a) When hiring consultants to carry out studies within a given sector, first consideration should go to getting a composite team of experts, from each of the Governments of the Partner States to undertake such studies.
- b) The Community will resort to hiring private Consultants only when this option is found and proven unfeasible.

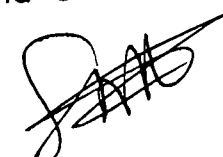
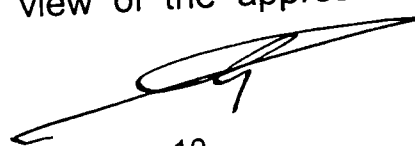
6.2 Facilitation of the experts from the Partner States

The Sub-Committee noted the important and frequent use by the Community of the expertise from the Governments of the Partner States.

The Sub-Committee recommends that per diem for the experts from the Partner States be at US\$ 200 per day (equivalent to what is paid to the Community Professional Staff).

6.3 Next meeting of the Finance and Administration Committee

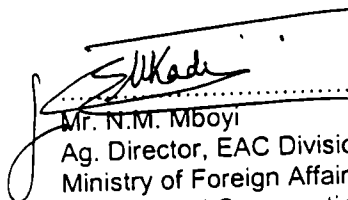
The Sub-Committee noted the need for the Secretariat to indicate the specific dates for the meeting of the Finance and Administration Committee to enable the Partner States to budget for the meeting in view of the approaching end of the current financial year.

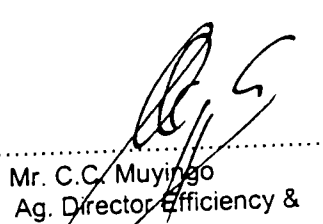


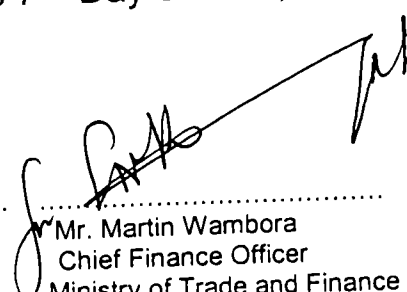
The Sub-Committee recommends that:

- (a) The Secretariat indicates the specific dates for the meeting of the Finance and Administration Committee during the 4th week of June 2002.
- (b) The Sub-Committee recommends that the Finance and Administration Committee meets for at least four(4) days to finalise its work.

Signed by the Leaders of the Delegations on this 7th Day of June, 2002.


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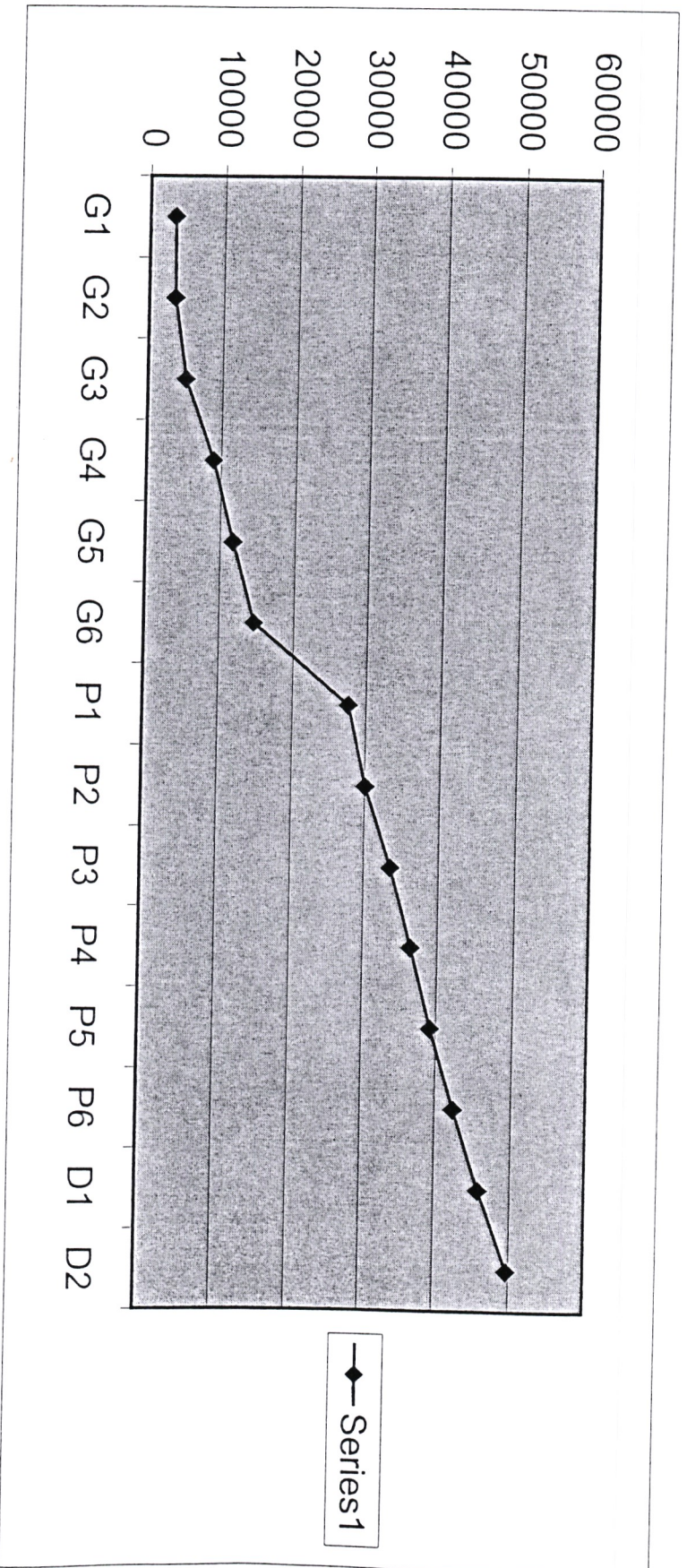
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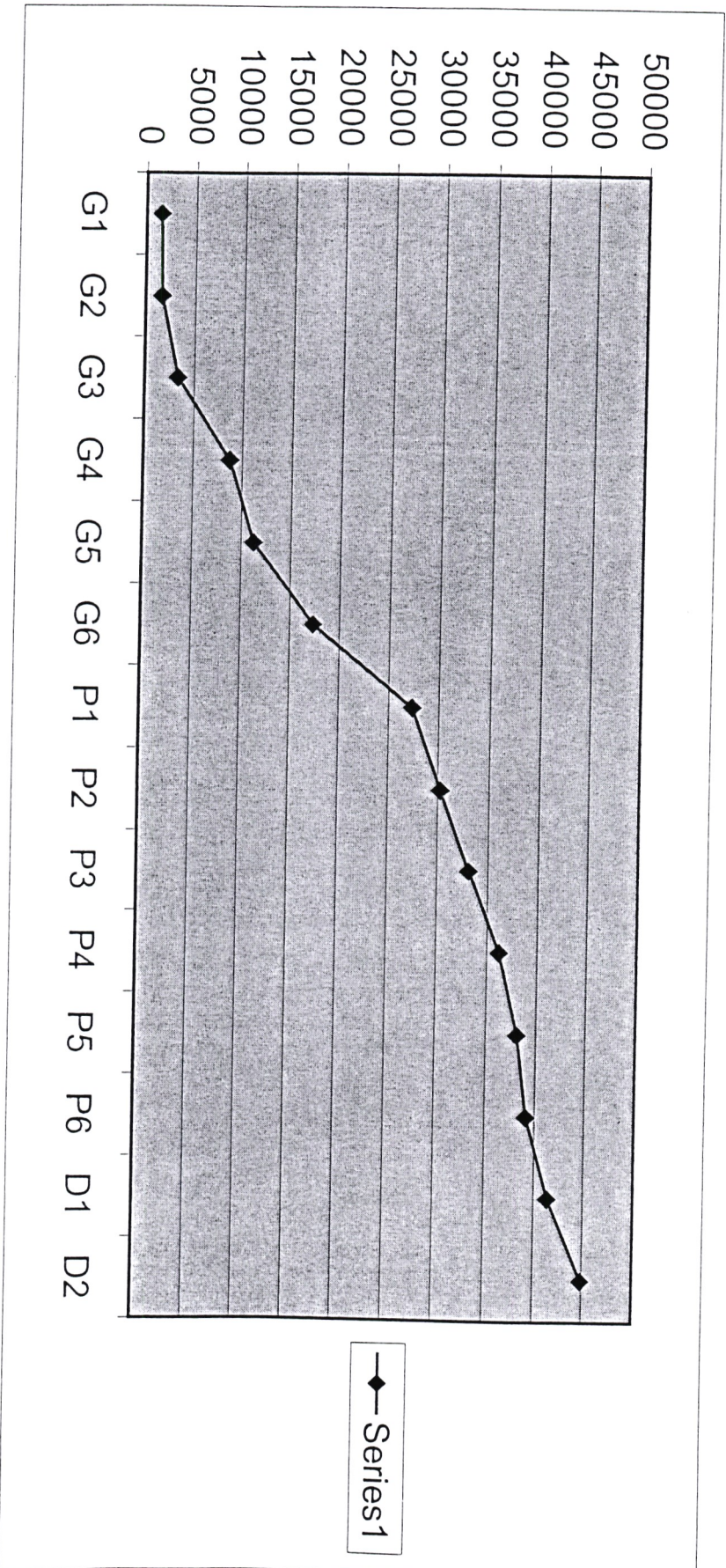
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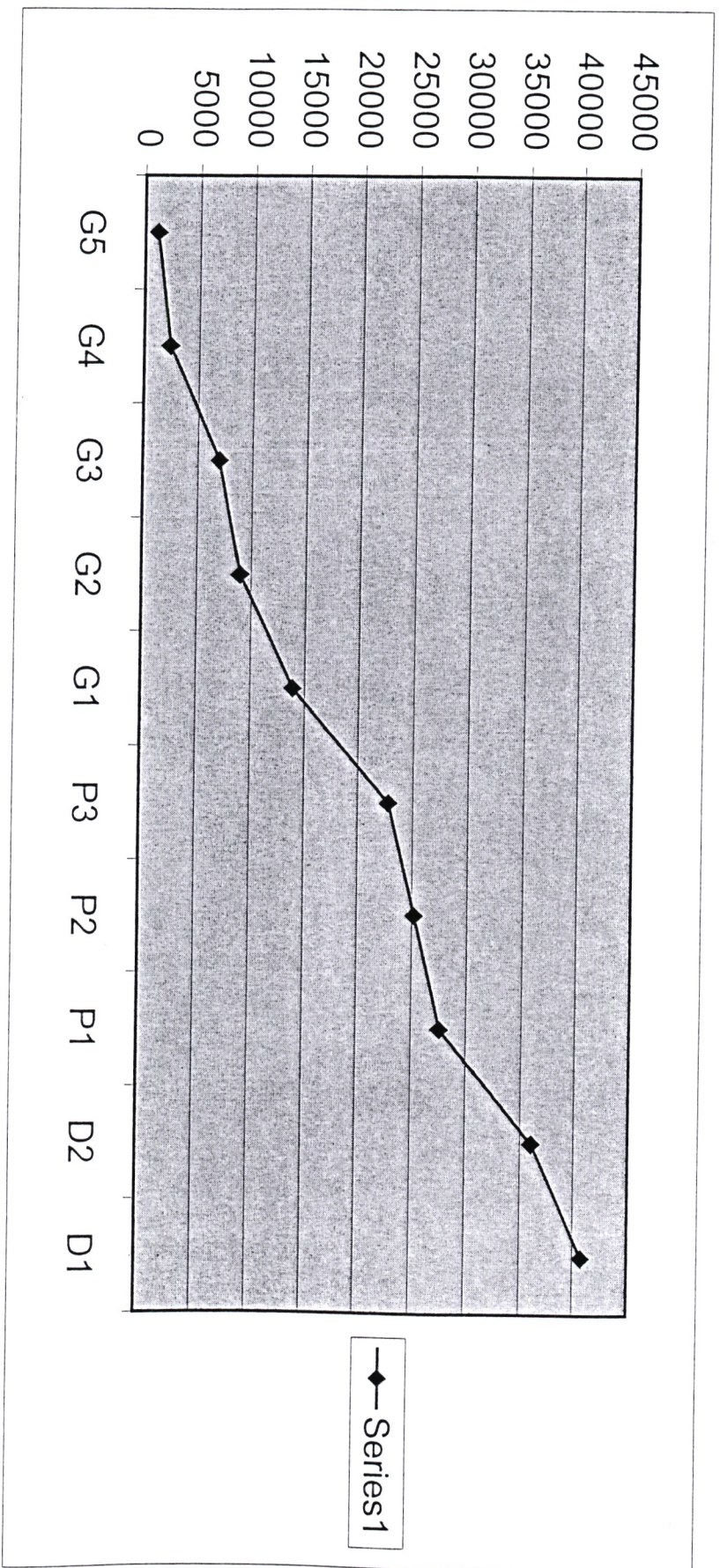
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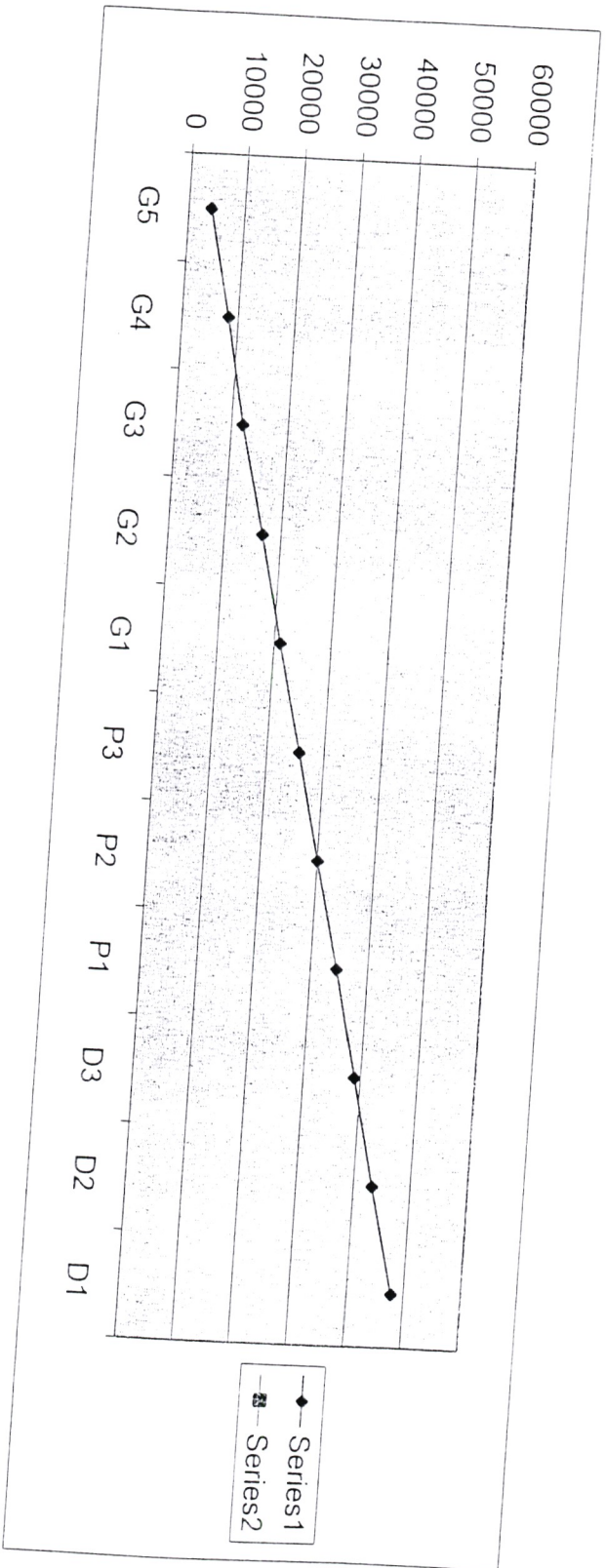
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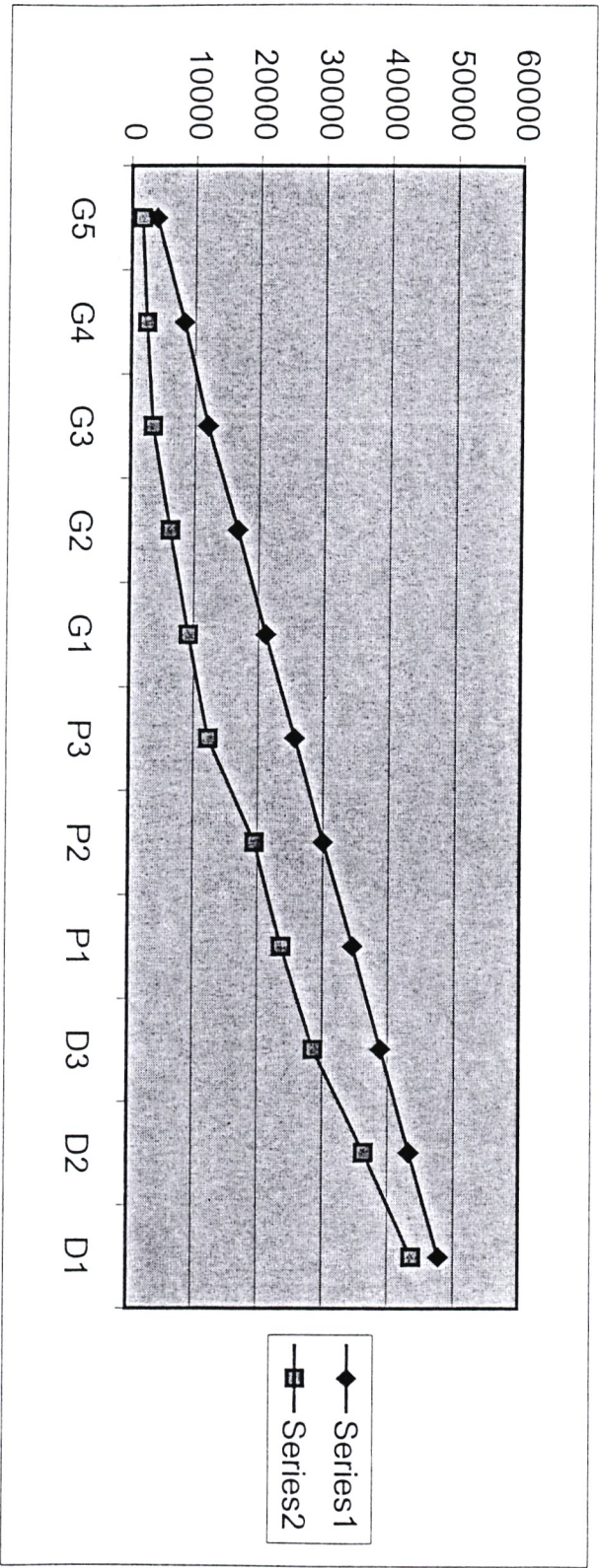




EXISTING SALARY STRUCTURE CURVE



AN IDEAL SALARY STRUCTURE



Owing to the exaggerated distortions in the present structure it was not possible to entirely bring the P2 salary point under control hence the kink at that point

SUB-COMMITTEE PROPOSED SALARY STRUCTURE (lower curve) PLOTTED

AGAINST THE IDEAL (lower) CURVE

		G3		G2		G1	
G5		G4					
			5304	9768		11988	
			4860	8892		11052	
			4416	8016	8016	11052	11052
2556		3732	4860	8016	8016	10116	
2340		3420	4416	7140		9204	936
2124	2124	3108	3108	6300	876		
1908		2796	3540	444			
1704	216	2484	312				

Sub-Committee proposed Salary Schedule

Annex X

Sub-Comttee		Sub-Comttee		Difference P'CENTAGE OLD			
NEW GRDE	IDEAL	PROPOSED	EXISTING	Difference	Grade		
G5	4000	1704	1200	504	42.0	G5	
G4	8300	2484	2400	84	3.5	G4	
G3	12000	<u>New Grade</u>	3540				
G2	16700	6300	6996	-696	-9.9	G3	
G1	21700	9204	9000	204	2.3	G2	
P3	25600	<u>New Grade</u>	12336	12336			
P2	29997	19476	14400	5076	35.3	G1	
P1	34600	23664	22800	864	3.8	P3	
	38060		26700			Abolish P2	
D3	38900	<u>New Grade</u>	27684	27600	84	0.3	P1
D2	43300	36372	36000	372	1.0	D2	
D1	47800	43680	40800	2880	7.1	D1	

Table depicting the rationale for creating 3 new grades and abolishing one Old grade.

Annex

**STAFF RULES AND REGULATIONS OF EAST
AFRICAN COMMUNITY**

**Sub-Committee on Finance
and Administration**

JUNE 2002

Restricted circulation

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Staff Rules and Regulations of the East African Community

Staff Rules and Regulations

In exercise of the powers conferred on the Council of Ministers by Article 14(3)(g) of the Treaty for the Establishment of the East African Community, the Council hereby makes the following Staff Rules and Regulations of the East African Community.

PART I

Rule 1

Application

- (1) The provisions of these Rules and Regulations shall apply to all staff members of the Community.
- (2) The Secretary General, as the chief executive, shall interpret and enforce these Staff Rules and Regulations

Rule 2

Interpretation

The interpretation of these Rules and Regulations shall rest with the Secretary General subject to Reference to Court by any aggrieved and dissatisfied staff member established under these Rules and Regulations.

Rule 3

Delegation of authority

The Secretary General is empowered to delegate his/her authority under these Rules and Regulations to the Deputy Secretaries General and where applicable to the Clerk and the Registrar.

Rule 4

Definitions

For the purpose of these staff rules and regulations: -

“Allowances” means monetary benefits a staff member is entitled to receive *such as education allowance, housing allowance, subsistence allowance, settlement allowance, acting allowance, travel allowance and fuel/transport allowance;*

“Appointing Authority” means the powers and authority bestowed on *the Council or the Secretary General as the case may be* by the Treaty to make decisions and manage as well as co-ordinate the activities of the Community;

“Assembly” means the East African Legislative Assembly established by Article 9 of the Treaty;

"Casual Employee" means an employee of the Community who is employed on a *temporary basis for periods not more than three months and earning wages;*

"Community" means the East African Community as *defined* in the Treaty for the Establishment of the East African Community;

“Clerk of the Assembly” means the Clerk of the East African Legislative Assembly appointed under Article 48 of the Treaty;

"Counsel to the Community" means the Counsel to the Community as provided in the Treaty;

“Consultant” means a specialist engaged by the Community to carry out a specific assignment within a specified time period for a fee;

“Co-ordinating Ministries means the Partner States Government Ministries responsible for East African Community Affairs.

“Court” means the East African Court of Justice established under Article 9 of the Treaty;

“Dependant child” means a staff member’s *biological* child or legally adopted child if residing with the staff member and is below twenty one years of age or up to twenty four years of age and is attending school/college on a full time basis *up to* undergraduate level;

"Deputy Secretary General" means a Deputy Secretary General of the Community as provided for under Article 68 ;

“Disciplinary Board” means *the Board established under these Rules and Regulations;*

“Duty station means the assignment location on appointment or re-assignment;

“Family member” means *one* spouse and four children below twenty one years of age or up to twenty four years of age and is attending school/college on a full time basis up to undergraduate level;

"General Staff" means an employee of the EAC Community other than the *Secretary General, Deputy Secretaries General, and the Professional Staff;*

“Gratuity” means the terminal benefit a staff member on a contract will receive upon completion of *his/her* respective *contract* period of service;

“Home leave means leave taken by a Staff of the Community in his country once in two years, the travel expenses of which are paid by the Community;

“Interdiction” means temporary termination from employment until a hearing by the Disciplinary Board;

"Internal Auditor" means the Internal Auditor of the Community.;

"Leave" means the official time off *duty* in the form of annual leave, home leave, special leave, sick leave, maternity/paternity leave **and compassionate leave;**

"Misconduct" means a breach of the Staff Rules and Regulations;

"National days" means Union Day in the Republic of Tanzania, the Independence day in the Republic of Uganda and Jamhuri day in the Republic of Kenya;

Official Holidays" shall include the national days of the Partner States as well as New Year's Day, Idd-el-Fitr, Idd-el-Haj, Good Friday, Easter Monday, Labour Day, Christmas and Boxing Day;

"Overtime" means any additional hours worked in a day over and above the **official working** hours;

"Privileges and immunities" means special arrangements agreed and made with the respective governments for specific categories of staff;

"Professional Staff" means a category of staff members of the Community other than the Secretary General and the Deputy Secretaries General, with a special knowledge or professional qualification and specifically recruited for a particular job;

Registrar means the Registrar of the East African Court of Justice appointed under Article 45 of the Treaty;

"Salary" means basic salary paid to staff on a monthly basis for services rendered to the Community;

"Community" means the Community of the *East African* Community;

"Secretary General" means the Secretary General of the Community as provided for under Article 67 of the Treaty;

"Selection Panel" means the Panel established to decide Professional and General staff appointments;

"Spouse" means the *husband or wife* of a staff member;

"Staff Member" means the Secretary General, the Deputy Secretaries General, Professional and General Staff of the Community;

"Termination" means disengagement of staff from the services of the Community;

"Wages" means payment made on a daily or weekly basis to a casual employee;

"Secretariat" means the Secretariat of the Community;

"Court " means

"Legislative " means

PART II

Appointment

Rule 5

Staff categories

The staff of the Community shall comprise the following categories:

- (1) Secretary General
- (2) Deputy Secretaries General
- (3) *Counsel to the Community*
- (4) *Clerk*
- (5) *Registrar*
- (6) Professional Staff
- (7) General Staff

Rule 6

Vacancy announcements

- (1) All vacancies with the exception of the post of Secretary General the Deputy Secretaries General shall be advertised in the major *circulating newspapers in the Partner States*.
- (2) The advertisement(s) shall state the level of the position, required qualifications as well as position specifications, conditions of service and the respective remuneration.
- (3) *Applications for advertised positions should be submitted directly to the Community by the applicants with copies to the Co-ordinating Ministries of the Partner States.*

Rule 7

Recruitment process

- (1) Following the advertisement deadline an equal number of candidates shall be shortlisted from each Partner State by a Committee which should include two members from each Partner State. The Community shall pay travel expenses, accommodation and meals for the shortlisted candidates.

(2) Professional staff appointments will be decided by the Council on the recommendation of a Selection Panel established by it. The Panel shall be composed of the following:

- (a) Secretary General - Chairman
- (b) Two representative from each Partner State *knowledgeable in the discipline of the post to be filled* - Members
- (c) The Deputy Secretaries General - Members
- (d) Clerk of the Assembly where applicable - Member
- (e) Registrar of the Court where applicable - Member
- (f) Human Resources Officer - Secretary

(2) General Staff appointments *shall* be approved by the Secretary General following the interviews and recommendations of a Selection Panel composed of the following:

- (a) Deputy Secretary General (F&A) - Chairman
- (b) One representative from each Partner State- Member
- © Clerk of the Assembly where applicable - Member
- (d) Registrar of the Court where applicable- Member
- (e) Human Resources Officer - Secretary

(4) Recruitment of staff shall be reflective of equal representation of the Partner States.

(5) *In the recruitment of staff gender shall be taken into account.*

Rule 8

Appointment procedures

- (1) The appointments of the Secretary General and Deputy Secretaries General *shall* be done in accordance with Articles 67 and 68 of the Treaty respectively.
- (2) Following the recruitment procedures, the candidate selected, except for the post of Secretary General and Deputy Secretaries General, shall be offered the post in writing by the Secretary General acting on behalf of the Council and Assembly.
- (3) The appointment of a staff member shall take effect from the date on which he enters into official travel status to assume duty or, if no official travel is involved, from the date on which he assumes his/her duties.
- (4) All appointments are subject to medical clearance by a physician designated by the Council.

Rule 9

Terms of Appointment

- (1) The Secretary General shall be appointed to serve for a fixed term of five years.
- (2) The Deputy Secretaries General shall be appointed to serve for a three-year term, which may be renewed once.
- (3) All Professional Staff shall be appointed on a five-year contract which may, subject to satisfactory performance, be renewed *once* by the Council.
- (4) All General Staff shall be appointed on a five-year contract which may, subject to satisfactory performance, be renewed *once* by the Secretary General.
- (5) *An offer of employment shall include details of remuneration and terms and conditions of service.*

Rule 10

Acceptance of offer

All acceptances to offers of employment should be communicated in writing to the Secretary General. It will be assumed that the offer has been rejected if it is not accepted within the time specified in the letter of offer. In such a situation, the next qualified candidate may be considered for the post, or the post may be re-advertised.

Rule 11

Probationary period

- (1) The probationary period shall be six months for Professional Staff and three months for General Staff. The contract period will be calculated from the date of commencement of employment inclusive of the probationary period.
- (2) In all cases, if the period of probationary service has been unsatisfactory, it may be extended once for a period of three months, in the case of professional staff and one month in the case of General Staff.
- (3) If the period is extended, the individual's performance shall be reviewed again to determine whether or not performance has improved.
- (4) The holder of a probationary appointment who has completed the normal or extended period of probation satisfactorily shall be confirmed in the post. If his/her probationary service is unsatisfactory after the extended period, the appointment shall be terminated.

Rule 12

Confirmation of appointment

- (1) The Deputy Secretaries General, the Clerk of the Assembly and the Registrar of the Court, shall submit to the Secretary General a written assessment of the professional aptitude and conduct of the appointee. The Secretary General shall assess the *Professional Staff reporting to him/her provided the Deputy Secretaries General may submit additional reports.*
- (2) A staff member, other than the Secretary General and the Deputy Secretaries General, whose performance and conduct fully demonstrates that he meets the high standard of efficiency, competence and integrity, and has also been proved to be medically fit, will have his appointment confirmed after the probationary period.
- (3) *The Secretary General shall consider the assessment reports and recommend confirmation of the Professional Staff to the Council.*
- (4) *In the case of General Staff the Secretary General shall confirm the appointment upon receipt of assessment reports from the Deputy Secretaries General, Clerk or Registrar.*

Rule 13

(Engagement of Consultants)

Engagement of Consultants shall be undertaken with the approval of the Council. The process of engaging Consultants shall be undertaken by the relevant Management Committee with the authorisation of the Secretary General. The engagement shall be done in accordance with guidelines developed under the Financial Rules and Regulations.

PART III

Staff and career development

Rule 14

Performance evaluation process

- (1) Performance evaluations will be conducted on an annual basis for every staff member.
- (2) The assessment of the Deputy Secretaries General, the Clerk and Registrar shall be made by the Secretary General who shall submit recommendations to the Council.
- (3) *In the evaluation the immediate supervisor shall have a discussion with the staff member before finalising the performance evaluation report. The staff member must sign the report and obtain a copy.*

Rule 15

Right of appeal

- (1) A staff member who is dissatisfied with the supervisor's appraisal of his/her performance may make *an appeal* in writing through the supervisor to the Secretary General *or the Council as the case may be* within two weeks after the performance appraisal discussion with the supervisor.
- (2) *Upon consideration of the appeal the Secretary General shall communicate the decision to the aggrieved staff member within one month.*
- (3) *If the appeal is to the Council, the Council shall consider the appeal at its next meeting and communicate their decision there after.*

Rule 16

Salary review

A Salary Review Committee shall be established by the Council to consider reports and recommendations for salary reviews of Professional and General Staff. The report of the Salary Review Committee shall be submitted to the Council for approval.

Rule 17

Staff development

- (1) All professional staff as well as General Staff need to keep abreast with the latest developments in their respective fields, both technical as well as *managerial* skills by undergoing training. *The Community undertakes to facilitate career development of staff through short training programme.*
- (2) For General Staff, training needs should be assessed and discussed with the immediate supervisor. For Professional Staff, all requests to attend professional development courses or continuing professional education courses, seminars and conferences, should be discussed with the respective head of the division.
- (3) The Community shall endeavour to secure funding for short courses/seminars for staff by sourcing donor funding and by meeting some or all of the expenses for some courses/seminars where they directly impact upon the individual's work or specialist area.
- (4) The Secretary General in consultation with the other heads of the respective divisions reserves the right to determine who should attend courses, seminars or conferences and accordingly authorise reimbursement or payment of fees and accommodation expenses.
- (5) Where the course/seminar/conference, is outside Arusha, the Community shall provide an allowance to staff attending the respective courses as follows:
 - (a) Professional and General Staff attending courses, seminars, conferences outside Arusha , will receive 25% of the subsistence allowance *provided for in these Rules and Regulations ;*
 - (b) *If the course is taking place abroad and is fully funded the staff attending shall receive 25% of the subsistence allowance up to a maximum of 15 days.*

PART IV

Obligations, *privileges* & immunities

Rule 18

Obligations

Every staff member of the Community is answerable to the Secretary General for the exercise of his/her duties, his/her overall conduct, his public relations and his/her projection of the good image of the Community at all times. In doing so, it shall be unlawful for any staff member to engage in the following activities in connection with his/her work without approval and clearance from the Secretary General:

- (1) issue statements to the press, radio or other media of public information;
- (2) acceptance of speaking engagements;
- (3) participate in film, radio or television production or interviews; or making of public pronouncements;
- (4) disclose any information, which he/she may have obtained in the course of his/her normal duty;
- (5) accept from any government or any other source external to the Community any honour, decoration, form of remuneration or all sorts of favours incompatible with his/her obligations and duties towards the Community, or likely to compromise his independence. Every staff member of the Community shall be duty-bound to report immediately to the Secretary General any such offer received. Failure to do so shall render him/her liable to disciplinary measures as *provided under these Rules and Regulations*.

Rule 19

Outside activities and interests

- (1) In the performance of his/her duties, a staff member shall neither seek nor accept instructions from any Government or from any other body external to the Community or the Council.
- (2) Appointments in the Community being on a full time basis, staff members shall not undertake paid work or other continuous work with parties outside the Community or except with the express permission of the Secretary General.

- (3) A staff member shall not engage in any private or commercial activities or business, which may affect his impartiality in the performance of his official duties or his undivided loyalty to the service and interests of the Community.
- (4) A staff member who, acting in his/her official capacity in any matter involving a business concern in which he/she holds commercial interest, shall disclose the fact of the interest to the *Secretary General or the Council as the case may be*.
- (5) The holding of shares in a company shall not constitute commercial interest within the meaning of these Rules and Regulations unless such holding constitutes substantial control of the company.

Rule 20

Privileges and Immunities

Staff members shall be entitled to privileges and immunities as stipulated in the Agreements between the Community and the Partner States.

Rule 21

Financial Liability

A staff member shall be liable for loss or damage of Community property or equipment if such loss or damage is occasioned by his/her negligence. Such loss or damage shall be made good in the form of deductions from his/her salary or any other benefits. Where the loss or damage is beyond the staff member's salary and benefits, the Secretary General in consultation with the Deputy Secretary General (Finance and Administration) shall decide on the course of action.

Rule 22

Oath of allegiance

- (1) All staff members shall take the following oath of allegiance:

"I.....*being appointed*solemnly swear (undertake, affirm, promise) to exercise in all loyalty, discretion and conscience the functions entrusted to me as a staff member of the Community to discharge these functions and regulate my conduct with the interests of the Community and not to seek or accept instructions in regard to the performance of my duties from any Government or other authority external to the Community or the Council.

.....

(Signature)

.....

(Date)

In *the* presence of"

- (2) The Secretary General and the Deputy Secretaries General shall make the oath before the Heads of States of *the Partner States*
- (5) The Professional and General Staff shall take the oath by signing the Oath of allegiance before the Secretary General.

PART V

Remuneration and allowances

Rule 23

Salary

- (1) All posts in the Community shall be classified by title and salary scale in accordance with the duties and responsibilities carried by the posts as established by the Council.
- (2) The first appointment to all posts in the Community shall be at step one on the appropriate salary scale except in exceptional circumstances where the Selection Panel *finds* that a candidate has outstanding qualifications and proven relevant experience to warrant placement at a higher entry point. within the salary scale.
- (3) Salaries *shall* be paid on the *twenty fourth day* of each month, unless this falls on a weekend or public holiday in which case the working day immediately proceeding the date shall be the date on which salaries are paid.

Rule 24

Education allowance

- (1)(a) Education allowance shall be paid to staff members G1 and above and whose dependant children are undertaking educational programmes at recognised *education/academic* institutions. Children up to twenty four years of age and who are attending school at a maximum of undergraduate studies on a full time basis should qualify for the Education allowance as stipulated in this *rule*.
- (b) Education allowance shall cover up to a maximum of *four* children, but shall not exceed US \$ 1,500 per annum per child. The education allowance should be used towards tuition, books, accommodation and transport.
- (2) The allowance shall not be paid *in respect of* private tuition.
- (3) The allowance shall only be paid upon submission of a *letter of admission* together with receipts issued by the educational/*academic* institutions.

Rule 25

Housing allowance

Where no housing is provided by the Community, housing allowance shall be granted to staff members. The rates and conditions for receiving housing allowance have been determined as follows:

- | | | | |
|----|-----------------------------|---|---|
| a) | Secretary General | - | Free house or US\$1,800 p.m.
if no house is provided |
| b) | Deputy Secretary
General | - | US\$1500 p.m. |
| c) | Professional Staff | - | US\$800 p.m. |
| d) | General Staff | - | |
| | (Scale G1 – G3 | | US\$300 p.m. |
| | Scale G4 – G5 | | US\$200 p.m.) |

Rule 26

Subsistence allowance

- (1) Subsistence allowance shall be paid to staff members of the Community *while on official* duty away from their duty station *or on mission abroad* at the rates per night provided below:

Secretary General	US\$300
Deputy Secretary General	US\$250
Professional Staff	US\$200
General Staff	US\$120

- (1) A staff member on duty away from the duty station for a period of more than five hours but not amounting to one night, shall be entitled to 25% of the subsistence allowance.
- (2) If a donor is funding the trip/mission *abroad*, the staff member receives 25% of the subsistence allowance limited to a maximum of fifteen days.
- (4) The Secretary General reserves the right to authorise enhanced rates than those indicated under this *rule* exceptional cases, such as if the mission is to a city/country classified as “expensive” by the International Standards Authority.

Rule 27

Settlement allowance

- (1) A recruited staff member whose position is graded G1 and above shall receive, for himself/herself, spouse and four dependants accompanying him/her a settlement allowance to meet extra-ordinary living expenses upon reporting on duty.

- (2) This allowance shall be paid for a maximum period of thirty days, according to approved per diem rates. To this end, the staff member shall be paid 100% of this allowance and 25 % to each of his eligible dependants.
- (3) Beyond thirty days, *the staff member shall be entitled to his* housing allowance.
- (4) During the period the staff member is in receipt of the settlement allowance, he/she shall not be entitled to housing allowance.

Rule 28

Acting allowance

- (1) A staff member may be called upon to assume the duties and responsibilities of a post above his/her own in acting capacity provided he/she has the necessary qualifications for appointment to such a post.
- (2) If a staff member is appointed to assume the duties and responsibilities of a higher post for a minimum of thirty days worked on a continuous basis and performs the duties and responsibilities of a post above his/her own, he/she shall be paid an acting allowance.
- (3) The amount of the acting allowance to be paid shall be equivalent to one half of the difference between the basic monthly salary of the higher post and the basic monthly salary of the acting staff member.
- (4) *Acting position shall not exceed twelve months.*

Rule 29

Travel allowance –initial recruitment

On first appointment, a member of staff may be reimbursed expenses in transportation of self, spouse and family up to a maximum of four dependants, as well as of excess baggage or unaccompanied personal effects and household goods, within one year following the date of appointment, as follows:

- (1) By land and/or by sea up to a maximum of:
One 20 foot container per family
- (2) By air up to a maximum of:
 - (i) 50 kilos unaccompanied baggage; and
 - (ii) 10 kilos excess baggage for each eligible person authorised to travel at the expense of the Community.

Rule 30

Travel allowance on termination from service

On *termination* from service the following entitlements *shall* apply:

- (1) By land and/or sea up to a maximum of:
Two 20 foot containers per family
- (2) By air up to a maximum of:
 - (a) 50 kilos unaccompanied baggage; and
 - (b) 10 kilos excess baggage for each eligible person authorised to travel at the expense of the Community.
- (3) Transportation for self, spouse and family up to a maximum of four dependants

Rule 31

Fuel/Transport allowance

Fuel/transport allowance shall be paid to staff members of the Community at the end of every month. The rates per month are detailed below:

Secretary General	US \$ 450 p.m.
Deputy Secretary General	US \$ 300 p.m.
Professional Staff	US \$ 200 p.m.
General Staff	
(Scale G1 – G3	US \$ 100 p.m.
Scale G4 – G5	US \$ 60 p.m)

PART VI

Salary advances

Rule 32

Salary Advances

- (1) Salary in advance may be granted to cover periods of approved local or official travel if the staff member is expected to be away from the duty station on the pay day.
- (2) In exceptional and compelling circumstances and if a staff member's application is supported by justification in writing, the Secretary General may authorise salary advance of one month of one month's basic salary, excluding all allowances or grants. It shall be deducted from the staff member's salary commencing the second month following the date on which the advance was made. The deduction shall be spread over a period of six months.
- (3) Any outstanding salary advance at the time of resignation, retirement, termination, dismissal or death shall be deducted from any salary or gratuity or other benefits due to the staff member or his beneficiaries.

PART VII

Medical Scheme

Rule 33

Medical scheme

- (1) The Community shall use a medical scheme provided by *a reputable Health Service provider approved by the Council.*
- (2) The medical scheme will cover up to a maximum of four dependant children who are below twenty one years of age or up to twenty four years of age and attending school at a maximum of undergraduate studies on a fulltime basis as well as the staff member's spouse. For dependants that may be studying outside the East African region the staff member covered shall qualify for refund of an amount equivalent to the premium that would have applied if the dependant child was in East Africa.
- (3) *The Secretary General shall develop the staff categorisation for the entitlement of medical benefits.*

PART VIII

Staff Insurance

Rule 34

Staff Insurance

The Community shall arrange an appropriate group insurance cover for the staff with a reputable insurer approved by the Council.

PART IX

Travel and movement of staff

Rule 35

Authorisation to travel

Official and other travel by staff members shall be authorised by the Secretary General. Before travel is effected the staff member shall personally ensure that he/she has the necessary authorisation. In the case where the Community is to bear the travel expenses of a staff member's dependant, the staff member shall ensure that such *expenses* have been authorised.

Rule 36

Official and other travel

Subject to the provisions specified in the financial rules and regulations, travel by staff members of the Community shall be as follows:

- (1) on duty
- (2) on initial appointment;
- (3) on home leave;
- (4) on *termination* from service under the conditions stipulated in these rules and regulations;
- (5) on travel authorised for special reasons (family, medical, security) or authorised by the Secretary General in accordance with the provisions of the Financial Rules and Regulations.
- (6) (a) The normal route for all travel authorised by the Secretary General shall be the most direct and economical route;
(b) The route, mode and conditions of transport shall be determined by the Secretary General in conformity with the relevant provisions of the Financial Rules and Regulations
- (7) The Secretary General and the Deputy Secretaries General shall travel on first class by air or by sea. Professional Staff shall travel in economy class by air or second class by sea. *The ticket shall be a fully paid economy ticket if the journey lasts more than five hours.* If another mode of transport is used they shall travel according to terms and conditions prescribed by the Secretary General. For General Staff the mode of transport shall be determined by the Secretary General.

- (8) On initial recruitment and on *termination* of service, the Community shall pay the costs for the transportation of personal effects and household goods according to the terms and conditions establishing the authorised luggage weight as provided for in *these Rules and Regulations*.
- (9) The Secretary General shall determine from time to time the specific conditions for payment of excess luggage, including the transport of official documents and other effects of the Community particularly during conferences organised by or in collaboration with the Community.
- (10) Staff members in travel status shall not be entitled to a refund of unused tickets; neither shall they keep them at the end of official travel. Unused tickets shall be returned to the *Administrative Officer*.
- (11) All unforeseen expenses incurred within reasonable limits during travel on official duty may be refunded upon presenting the receipts and supporting documents according to the terms and conditions established by the Secretary General in conformity with the Financial Rules and Regulations.
- (12) (a) On initial appointment, the Community shall pay the travel expenses for the staff member and his/her dependants from his/her home country or country of normal residence to the official duty station, the same shall apply to return travel expenses on *termination* from service:
(b) Any staff member who resigns after less than a year of service or within 6 months following the date of his/her return from home leave shall not be entitled to payment of the return travel expenses for himself or his/her dependants; The Secretary General may authorise the payment of such expenses if he/she is satisfied that there are compelling or plausible reasons for so doing;
(c) The Community shall not pay return travel expenses if without good reasons the travel has not commenced within three months of the date of *termination* from service;
- (13) Upon the death of a staff member, his/her spouse or his/her dependant children, the Community shall pay the expenses of transporting the body from the duty station to the home country or place of normal domicile.
- (14) In case of death of a staff member, spouse or dependant children *which* occurs outside the duty station, the Community shall bear the transport expenses, by the most economic route *to the place of burial*.
- (15) In case of the death of a staff member, his/her spouse or his/her dependant children, the Community shall bear the cost of the coffin, fees for the undertakers, including the expenses for embalming the body.
- (16) In case of the death of a staff member at his/her duty post or in the event of death having occurred while in official travel status the Secretary General shall designate a representative to accompany the body. The travel expenses of the representative shall be borne by the Community.
- (17) The Community shall bear the cost of transportation of family members of a deceased staff member, from Arusha to the home country or place of normal domicile.

PART X

Work hours and leave entitlements

Rule 37

Hours of work

Normal working hours at the Community shall be 08.00 hours to *17.30 hours* from Monday to Friday, with a break of one and half-hours for lunch.

Rule 38

Overtime

- (1) The General Staff category who may be required to work in excess of the normal or the prescribed working hours shall be entitled to time off or overtime payments in cash. Overtime payments shall not exceed 25 per cent of the basic salary and shall be subject to budgetary provisions and approval by the head of division.
- (2) Calculation of overtime rates *shall be* one and a half time *for every hour worked from Monday to Friday and* double time *for every hour worked on* Saturday, Sunday and public holidays
- (3) The General Staff claiming *overtime* shall have their *overtime* accrued each week detailed by the immediate Supervisor for authorisation by the Deputy Secretary General (Finance and Administration), Clerk or Registrar as applicable. All payments will be made at the end of the month, where *overtime* is not paid in a particular month it should be reflected in the payroll as arrears.

Rule 39

Official Holidays

- (1) The Secretary General shall establish eleven official holidays in one calendar year.
- (2) The official holidays shall include: the three national days, New Year's Day, Idd-el-Fitr, Idd-el-Haj, Good Friday, Easter Monday, Labour Day, Christmas and Boxing Day.
- (3) Towards the end of each calendar year, the Secretary General will issue a memorandum detailing the *eleven* official holidays for the following year.

- (4) Other national holidays of the host country that are not included in the *eleven* official days may *upon written approval by the Secretary General* be observed but should be compensated for by half day working on Saturday.

Rule 40

Annual leave

- (1) The Secretary General, the Deputy Secretaries General and staff members in the Professional Staff category shall be entitled to thirty working days and the General Staff category shall be entitled to twenty one working days leave per year of active service. Annual leave may not be accumulated beyond thirty days for the Secretary General, the Deputy Secretaries General, *the Counsel to the Community* and the Professional Staff category and twenty one days for General Staff category. Any period beyond this level may be considered on individual merit and must have express approval of the Secretary General
- (2) A staff member who does not qualify for annual leave may in exceptional and compelling circumstances be granted advance annual leave for a maximum period of ten working days provided that he completes his/her period of qualifying service subsequently. The period of advance leave shall be deducted from the annual leave.
- (3) Salary and allowances shall not be paid for any period of unauthorised absence. Such unauthorised absence from duty shall not be considered as part of annual leave.

Rule 41

Home Leave

- (1) All staff members shall be entitled to home leave once every two years of qualifying service to visit their *homes* at the expense of the Community. If the employee chooses to use his/her private vehicle instead of public transport, the employee will be reimbursed the mileage rate for the most direct route or the cost of the airfares using the economic and direct route whichever is the lower.
- (2) In exceptional and compelling circumstances, however, the Secretary General may, at the staff member's request, authorise home leave outside the place of *the staff member's home country* provided that the expenses do not exceed the amount payable for travel to the staff member's home country.
- (3) A staff member may be required to take his/her home leave in conjunction with or after travel on official mission, due regard being paid to the interests of the staff and his/her family. Dependant children whose parents are staff members, each of whom is entitled to home leave, may accompany either parent and their travel expenses shall be paid by the Community provided that the frequency of travel does not exceed once every two years.
- (4) Staff members may take their home leave at any time in the calendar year in which it falls due subject to the exigencies of the services.

- (5) In exceptional circumstances, and at the staff member's request, the Secretary General may authorise advance home leave provided that no less than eighteen months of qualifying services have been completed and/or have elapsed from the date of return from his/her last home leave.

Rule 42

Special Leave

In exceptional circumstances, and at the staff member's request, the Secretary General may grant fourteen days special leave for reasons of personal convenience or other social reasons, such leave shall be deducted from his/her next annual leave.

Rule 43

Sick Leave

- (1) Staff members who are incapacitated from the performance of their duties by illness or injury shall be granted sick leave under the following terms and conditions:
- (a) All sick leave must be approved by the Secretary General or his/her representative on the recommendation of the Community's physician or any other physician recognised by the Community.
 - (b) Staff members holding a fixed-term appointment of less than a year may be granted sick leave with pay at the rate of two working days per month of contractual service.
 - (c) A staff member who is on probation shall be granted sick leave up to two months on half salary in any period of twelve consecutive months ***provided that such period shall not count as part of the probationary period.***
 - (d) A staff member on a fixed term contract shall be granted sick leave up to three months on ***full salary after which he/she will be granted a further three months salary leave on half salary*** provided that the amount of sick leave permitted in any ***contract period*** shall not exceed ***six months, three months on full salary and three months on half salary.***
 - (e) Any absence from duty on grounds of illness shall be supported by a medical certificate from a ***physician approved by the Secretary General*** to the effect that the staff member is unable to perform his/her duties and stating the probable duration of absence.
 - (f) A staff member who is on sick leave shall not leave his/her duty station without prior approval of the Secretary General and on the advice of the physician ***approved by the Secretary General.***
 - (g) A staff member who continues on sick leave for a period exceeding ***six*** consecutive months shall be examined by a Medical Panel ***comprising three medical doctors appointed by the Secretary General*** to determine

such employee's physical and mental fitness to continue in the service of the Community. The staff member who shall be medically boarded by the Medical Panel shall be paid three months basic salary in lieu of notice.

- (2) A staff member in whose household there is any case of a contagious disease, who receives a quarantine order affecting his/her household and who, as a result, is unable to attend office shall continue to receive his/her full salary and other emoluments during this period of compulsory absence.
- (3) Except with the special approval of the Deputy Secretary General, the Clerk and Registrar of the division concerned, no staff member shall absent himself/herself through illness or injury for a period of more than two consecutive working days without producing a certificate of incapacity from a duly registered medical practitioner stating the cause of illness and the probable duration of absence from duty.
- (4) The Secretary General may approve emergency medical evacuation of a staff member or his/her certified dependants upon the recommendation of *a physician approved by the Secretary General*.

Rule 44

Maternity/Paternity leave

- (1) A staff member who has *been confirmed* shall be entitled to maternity leave for the entire period of *sixty working days on full pay*.
- (2) *A staff member on probation shall be entitled to full maternity leave provided that she shall forfeit her annual leave.*
- (3) Paternity leave not exceeding *ten* working days shall be granted to a staff member.

Rule 45

Compassionate Leave

The Secretary General may grant up to a maximum of *ten* days compassionate leave in the event of serious illness or death of a staff member's immediate family *including parents and siblings*

PART XI

Discipline and grievance matters

Rule 46

Grievances or complaints

- (1) The Secretary General shall, *in a published circular*, establish a *Complaints Panel* which will consider *any complaint from a staff member relating to matters concerning these Rules and Regulations*.
- (2) *The complaints Panel shall consider the complaint of a staff member and make a report to the Secretary General.*
- (3) *The Secretary General shall consider the report, make a decision and communicate hi/her decision to all concerned.*

Rule 47

Disciplinary measures

- (1) A staff member *shall be charged* of misconduct if found engaging in *criminal and or unethical activities or acting contrary to these Rules and Regulations*.
- (2) For the purpose of this rule, disciplinary measures that may be taken against a staff member found guilty of misconduct shall include the following:
 - a) Warning;
 - b) *Reprimand*;
 - c) Deferment of annual salary increment;
 - d) Suspension from duty;
 - e) Termination; and
 - f) Dismissal

Rule 48

Disciplinary procedures

- (1) *There shall be a Disciplinary Board for the General Service Staff comprising:*

- a. *Deputy Secretary General (Finance and Administration) -Chairman*
 - b. *Deputy Secretary General (Projects and Programmes) - Member*
 - c. *Counsel to the Community - Member*
 - d. *Clerk - Member*
 - e. *Registrar - Member*
 - f. *Human Resource Officer - Secretary*
- (2) An *allegation* of misconduct as defined in these Rules and Regulations *in respect of General Staff* shall be reported to the Secretary General who shall *instruct the* Disciplinary Board to *carry out the disciplinary procedures and report back to the Secretary General for any appropriate disciplinary measures to be taken.*
- (3) The Council shall constitute a Disciplinary Board for Professional staff
- (4) In the case of the Secretary General and the Deputy Secretaries General, the Council shall form the **Board** which shall recommend to the Heads of State the form of disciplinary action to be taken.

Rule 49

Interdiction

A staff member charged with a breach of these Rules and Regulations may be interdicted by the Secretary General from service for a maximum period of three months on half pay pending hearing by the Disciplinary Board. *If after the three months the Disciplinary Board has not determined the matter the interdiction shall lapse and the staff member shall resume his/her duties with his/her full entitlements including arrears of salary,*

Rule 50

Right of defence

- (1) During hearing by the Disciplinary Board an employee charged with misconduct shall be entitled to defend himself/herself before the Disciplinary Board.
- (2) If any witnesses are called to give evidence before the Disciplinary Board the staff member shall be entitled to be present to cross-examine such witness.
- (3) The staff member may call witnesses in his/her defence.
- (4) No documentary evidence shall be used against the staff member unless he/she has previously been provided with a copy or unless he/she has been given access thereto.
- (5) Where under these rules and regulations it is found difficult to serve any notice, charge or other documents upon a staff member or to communicate any information or administrative decision to a staff member, it shall be sufficient for

any notice, charge, document, information or decision to be sent by registered post addressed to the staff member's usual or last known address or post office box. Where practical it should be delivered personally to the staff member's usual or last known residence.

Rule 51

Reference to Court

A staff member who *is aggrieved and dissatisfied with* an administrative decision *may refer the matter to the East African Court of Justice* within 30 days from the time he/she receives notification of the decision

PART XII

Termination

Rule 52

Termination of Service

Termination of the service of a staff member may be by:

- (1) *Resignation;***
- (2) *Notice***
- (3) *Illness;***
- (4) *Dismissal;***
- (5) *Death***
- (6) *Abolition of Office***

Rule 53

Resignation

- (1)** The Secretary General may resign by giving three months written notice through the Council to the Heads of State.
- (2)** The Deputy Secretaries General and the Professional Staff may resign by giving three months written notice through the Secretary General to the Council or pay three months basic salaries in lieu of notice.
- (3)** ***The General Staff shall give one month's written notice or pay an equivalent amount of salary in lieu of notice. Notice of renewal or non renewal shall be given to staff members concerned at least three months prior to the expiry of the contract. The decision to renew or not to renew a contract shall be based on the performance appraisal report.***
- (4)** In the event of the departure of the staff member before the expiration of the requisite period of notice and without the agreement of the Secretary General the staff member shall pay an amount equivalent to the remaining period of the notice.
- (5)** A staff member who shall have accumulated annual leave at the time of his/her resignation shall be paid in lieu thereof a sum of money equivalent to his/her salary for the period of such accrued leave up to a maximum of sixty working days for professional category and forty two working days for General Staff category.

Rule 54

Termination by Notice, Illness or upon Conviction of an offence

The Secretary General in consultation with the Deputy Secretaries General, the Clerk and Registrar where applicable, may terminate the appointment of a staff member, other than the Deputy Secretaries General and Clerk in respect of whom termination shall only be with the recommendation of the Council and approval by the Assembly, by giving him three months written notice for Professional Staff and ***one month's notice for*** General Staff on contract or probationary appointment, subject to the following conditions:-

- (1) if the exigencies of the service so demand ;
- (2) if the service of the staff member are deemed unsatisfactory;
- (3) if his/her physical or mental health as confirmed by a medical report prevents him from performing his/her duties;
- (4) if certain facts anterior to his/her appointment and relating to his/her suitability and moral conduct come to light which, if they had been known at the time of his/her appointment, should under the standards established by these Staff Rules and Regulations have precluded his/her appointment;
- (5) if he/she loses his right and status of a staff member of the Community as a result of a sentence or imprisonment by a court for dishonourable reasons;
- (6) or for such other reason as may be specified in the letter of appointment.

Rule 55

Dismissal

- (1) No staff member shall be dismissed until the Disciplinary board set up for the purpose has examined the matter, given its opinion and submitted a report to the Secretary General.
- (2) ***A Staff member, who is dismissed from the services of the Community under a disciplinary measure, shall forfeit his/her all retirement benefits.***

Rule 56

Death

A staff member's contract will expire upon his/her death.

Rule 57

Abolition of Office

Where the Council deems fit to abolish any office by reason of reorganization or otherwise, the incumbent will be entitled to three (3) months salary in lieu of notice, an agreed severance pay including the balance of the determined contract in terms of Rule 9.

Rule 58

Financial and other Responsibilities

In case of *termination* the service of the Community a staff member shall be required to reimburse the Community in full, any indebtedness as well as financial loss or material damage suffered as a result of negligence or his/her having violated any of these Rules and Regulations, or other administrative instructions.

PART XIII

Gratuity

Rule 59

Gratuity

Upon completion of their respective periods of service, the Secretary General, Deputy Secretaries General, *Counsel to the Community* and other Professional Staff as well as General Staff shall be paid a gratuity at the rate of 25% of the total basic salary received for each completed year of service including salary in respect of leave earned.

PART XIV

Ex gratia payment

Rule 60

Ex gratia payment

Where a staff member dies in service, an ex gratia payment may be made to his/her surviving dependants in accordance with the Financial Rules and Regulations.

PART XV

Retirement Age

Rule 61

Retirement Age

No staff member who has reached the age of sixty shall remain in the service of the Community except in exceptional circumstances requiring the continuation of his/her service. The *Council* may then extend the period of service in respect of such staff member to a maximum period of six months.

PART XVI

General provisions

Rule 62

Retrospective payments

A staff member who may have been entitled to receive allowances, grants or other payments due under these rules shall not be entitled to claim such allowances, grants or other payments retrospectively, unless a written claim has been submitted within three months of the date when the initial payment would otherwise have been due.

Rule 63

Proprietary rights

All proprietary rights, including titles, copyrights and patent rights in any work produced by a staff member as part of his/her official duties shall be vested in the *Community*.

Rule 64

Certificate of service

Any staff member who so requests shall on leaving the service of the Community be given a statement in relation to the nature of his/her duties, the length of service *and character*.

Rule 65

Staff members' beneficiaries

- (1) At the time of appointment, a staff member shall nominate a beneficiary or beneficiaries in writing. It shall be the responsibility of a staff member to notify the Secretary General of any revocations or changes of beneficiaries.
- (2) In the event of death of a staff member, all amounts outstanding to his/her credit shall be paid to a nominated beneficiary or beneficiaries. Such payment shall afford the Council complete release from all further liability in respect of any sum so paid.
- (3) If a nominated beneficiary does not survive, or if a designation of beneficiary has not been made or has been revoked, the amount outstanding to the credit of a staff member will, upon the staff member's death, be paid to his/her estate.



Rule 66

Review of the Rules and Regulations

- (1) These Rules and Regulations may be reviewed, amended or modified. The Secretary General shall submit any review, amendment, or modification to the Council for approval.
- (2) No staff member shall be affected adversely by any review, amendment or modification of these Rules and Regulations if at the time of such review, amendment or modification his particular case or cases happened to be under consideration.

Rule 67

Effective date

These Rules and Regulations shall come into effect *upon* approval by the Council.

Done at Arusha, Tanzania this day of2002

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ANNEX.....

**Draft Financial Rules and Regulations
of the East African Community**

**SUB-COMMITTEE ON FINANCE AND
ADMINISTRATION, 7TH JUNE 2002**

Restricted circulation

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1. Purpose and scope

1.1 Applicability

1. These financial rules and regulations shall govern the financial administration and management of the Community as required under Article 135 of the Treaty for the establishment of the East African Community for co-operation between the United Republic of Tanzania, the Republic of Kenya and the Republic of Uganda.
2. The Secretary General shall enforce and implement these regulations.

1.2 General provisions

1. All members of staff of the Community are responsible to the Council for the regularity of their actions in the course of their official duties. Any member of staff who takes any action contrary to these financial rules and regulations or any administrative instructions issued in connection therewith shall be held personally responsible, financially and legally liable for the consequences of his/her action.
2. These financial rules and regulations shall come into effect upon approval by the Council.

2. Definitions

For the purpose of these financial rules and regulations:-

Treaty means the "Treaty" establishing the East African Community and any annexes and protocols thereto.

Community means the East African Community established by Article 2 of the Treaty.

Secretariat means the Secretariat of the Community established by Article 9 of the Treaty

Council means the Council of Ministers of the Community provided for under Article 69 of the Treaty.

Secretary General the "Secretary General" of the Community provided for under Article 67 of the Treaty.

Deputy Secretary General means “Deputy Secretary General” of the Community provided for under Article 68 of the Treaty.

Protocol means any agreement that supplements, amends or qualifies the Treaty.

Auditors means the Audit Commission established by Article 134 of the Treaty..

Assembly means the East African Legislative Assembly established by Article 9 of the Treaty.

Court means the East African Court of Justice established by Article 9 of the Treaty.

Clerk means the Clerk of East African Legislative Assembly appointed under Article 48 of the Treaty.

Registrar means the Registrar of the Court appointed under Article 45 of the Treaty.

Special Fund means

3. The Financial Year

The Financial year of the Community shall begin from July 1st and end on June 30th as stipulated in Article 132(7) of the Treaty.

4. General Principles

4.1 Use of resources

1. The resources of the Community shall be used in accordance with the decisions of the Assembly taken in conformity with the decisions and general directives of the Council.
2. The Assembly shall approve for each financial year the operational estimates, administrative budget and any special budgets.
3. The resources of the Community shall be used for its administrative expenditures in accordance with appropriations made in the administrative budget of the Community.

4.2 Authorisation

1. Authority to incur obligations and make payments chargeable to the resources of the *Community* shall be conferred to the Secretary General by the Council by virtue of:
 - (a) appropriations made in a budget by a decision of the Assembly;
 - (b) any other financial decision adopted by the Council which provides the authority to incur obligations in accordance with the limits specified in the decision and
 - (c) Donor Funds for programmes in the Community.
2. The Secretary General shall be responsible for the implementation of these financial rules and regulations. The Secretary General may delegate his/her authority where appropriate.

5. Budgets

5.1 Submission

The Secretary General shall submit to the Council for consideration and Assembly for approval not less than four

months before the beginning of the financial year, recurrent and development estimates.

5.2 Form of the Budget

1. The annual budget shall cover all activities of the Community and income and expenditures for the financial year to which they relate and shall be designated in United States dollars.
2. The budget shall be divided into votes, sub-votes, items and sub items according to their nature and affinity.
3. It shall be accompanied by such information, annexes and explanatory statements.
4. For the purpose of comparison, the allotments for the current financial year shall be presented alongside the estimates for the following financial year.

5.3 Compilation

The Secretary General shall, in conjunction with the Deputy Secretaries General, the Clerk and Registrar prepare the proposed budget estimates in accordance with Rules 5.1 and 5.2.

5.4 Appropriations

5.4.1 Authorisation of Appropriations

1. The appropriations approved by the Assembly shall constitute authorisation for the EA Community to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amounts so voted.

2. The Secretary General shall by administrative instruction lay down rules, guidelines and limits within which other members of the management may authorise expenditure as set out in Rules 9, 10 and 11 below.

5.4.2 Availability of appropriations

1. *Appropriations shall be available for meeting obligations during the financial year to which they relate.*
2. *The appropriations shall remain available for 12 months following the end of the financial year to which they relate in so far as they are required to discharge obligations in respect of goods supplied and services rendered during the financial year and for settlement of any other legal obligations of the financial year which have not been settled.*

5.4.3 Obligations

1. *An outstanding legal obligation is to be based on a contract, purchase order, agreement or other form of understanding entered into by the Community.*
2. *No obligations shall be incurred until appropriations have been approved by the Assembly, except where 5.5 applies.*
3. *Any valid unliquidated obligations of the prior financial year shall be transferred as an obligation against the current appropriations.*

4. *Outstanding obligations retained against appropriations of the previous financial period shall be reviewed periodically by the Deputy Secretary General, Clerk and Registrar. Outstanding obligations reflected in the financial year accounts shall be valid for twelve months. Those which in the opinion of the Deputy Secretary General, Clerk and Registrar are no longer valid and those over twelve months shall be cancelled from the accounts forthwith and the resulting credit deposited in special account. Should an obligation be judged as still valid, it shall be recalled against the allotment of the current financial period.*

5.4.4 Administration of Budget appropriations

The Secretary General is responsible to the Council for ensuring that the budget allotments are not exceeded and that they are only utilised for the purpose approved by the Assembly.

5.5 Performance reports

1. The Secretary General shall submit to the Council a quarterly budget performance report, indicating against each *votes, sub votes*, items and sub-items:
 - the budgetary appropriation;
 - actual expenditure;
 - commitments;
 - an explanation for an over-expenditure or under-utilisation of the appropriations.
2. The Deputy Secretary General, *the Clerk and Registrar* shall be required to submit to Secretary General quarterly budget performance report indicating the level of budget utilisation and explanations for deviations from the budget appropriations.

5.6 Reallocation and Supplementary Budget

Authority to incur commitments relating to supplementary budget, unforeseen and extraordinary expenses and transfers between appropriations shall be issued by the Secretary General in consultation with the Chairman of the Council provided appropriations and such commitments are submitted for consideration by the Council and approved in the next meeting of the Assembly.

6. Sources of Funds

6.1 Contributions from Partner States

1. The appropriations, subject to the additions from other sources of income in accordance with the provisions below shall be financed by contributions from Partner States.
2. Assessments on Partner States shall be based on the principle of equal contributions as stipulated in Article 132(4) of the Treaty.
3. Not later than 30 days after the Assembly has adopted the budget, the Secretary General, shall notify the Partner States of their share of contributions to the annual budget.
4. Assessments shall be shall be paid in the currency designated in United States Dollars or any other currencies provided that:-
 - (a) *Such other currencies are freely transferable or convertible.*
 - (b) *The US dollar equivalent of such payment shall be designated in other currencies is calculated at the most favourable rate of exchange effective on the date of payment and available to the Community.*
 - (c) *If upon receipt of the contributions in other currencies, losses are incurred arising from exchange variations, the Partner States so paying shall be required*
 - (d) *to make additional payment to cover the losses.*

5. The contributions *by Partner States* shall be considered due and payable *on quarterly basis*.
6. The Secretary General shall report at each meeting of the Council the status of contributions by *Partner States*.

6.2 Sale of Goods and Services

1. Goods and services or activities financed from special funds on a reimbursable, reciprocal or other basis as may be approved by the Council, may be provided to Partner States, specialised agencies and other inter-governmental organisations.
2. The Council shall authorise the Community to fix charges for the goods and services rendered to governments, individuals and other institutions.
3. Where the supply of such goods and services is of a regular and continuing nature, except where reciprocal arrangements have been made with the approval of the Secretary General, the annual budget of the Community shall include provisions both for the supply of such goods and services and for any revenue derived therefrom. In such cases the costs of goods and services shall be charged to the regular allotments and the revenue credited to appropriate revenue accounts.
4. In the absence of budgetary provisions, the expenditure shall be charged against the deposit which shall have been required from the party concerned.

6.3 Loans

1. The power to borrow as provided for under Article 4(2) of the Treaty shall be on recommendation of the Council and approval of the Assembly.
2. Such funds shall be administered in accordance with these Regulations.
3. Loan accounts shall be established by the Community.

6.4 Special Funds

1. Special Funds and reserve accounts may be established by the Council outside the annual budget allotments in respect of specific activities entrusted to the Community.
2. Monies accepted for purposes specified by the donor(s) shall be treated as special funds account.
3. The purpose and limits of any special fund shall be clearly defined by the Council and/or donors.
4. Unless otherwise provided by the Council and/or the donors, such funds shall be administered in accordance with these regulations.

6.5 Miscellaneous Income

1. Miscellaneous income shall include all other income except the following:
 - (a) contributions to the annual budget by Partner States;
 - (b) direct refunds of expenditures made during the current financial year;
 - (c) revenue earned from sale of goods and services rendered;
 - (d) contributions, grants and/or donations; and
 - (e) loans.
2. Refunds of expenditures which had been charged in the same financial year may be credited to the same accounts but refunds of expenditures of prior financial years shall be credited to miscellaneous income accounts.
3. Monies or goods accepted in respect of which no purpose is specified shall be treated as miscellaneous income.
4. Expenditures incurred in respect of activities or service undertaken in generating income shall be charged against the revenue derived therefrom.

7. Investments

7.1 Authorisation

There shall be formed an Investment Committee to make decisions on investments. The committee should be constituted as follows:

- | | |
|----------------------------|-----------|
| (a) Secretary General | -Chairman |
| (b) Deputy Secretaries Gen | -Members |
| (c) Counsel | - Member |

(c) Clerk	-Member
(d) Registrar	-Member
(f) Economist	-Secretary
(g) Accountant	-Member

7.2 Investment of funds

1. The Community shall be required to invest all monies not required for its immediate use.
2. Funds shall be invested in safe and secure assets such as Treasury Bills, Bonds or in Fixed Deposit accounts with reputable banks.
3. All investments undertaken shall be brought to the attention of the Council at its next meeting.
4. The Secretary General shall submit a report on investments made and its status to the regular Council meeting.

7.3 Custody of investments

All Securities shall be deposited in any of the following:

- (a) in the custody of duly appointed bankers;
- (b) in the safe deposit vaults maintained by a recognised financial institution designated by the Council;
- (c) in the Community's safe vault under the direct control of the Counsel to the Community.

7.4 Investments ledger

Investments shall be registered in an investment ledger to be kept by the Accountant which shall show the relevant details for each investment, including the face value of the deposit, proceeds of sale and income derived.

7.5 Loss of cash or negotiable instruments

1. Any loss of cash or negotiable instruments must be immediately brought to the attention of the Secretary General who shall take the necessary measures towards holding an investigation and if necessary have recourse to the local police for assistance.
2. Except in so far as it may be deemed consistent with the promotion of the Community interests or good image, no amount due to the Community may be waived without the authorisation of the Council, in which case the persons or organisation, the amount and the circumstances to justify the waivers shall be indicated.

8. Procurement

8.1 Authority levels

1. The following authority limits shall apply provided funds are included in the approved budget appropriations.

2. The Secretary General shall authorise purchases whose value is US\$1,000.
3. The Procurement Committee shall authorise purchases whose value is above US\$1,000.
4. Any purchases from above US\$1,000 up to US\$3000 shall be accompanied by at least three quotations while those purchases whose value is above US\$3000 up to US\$10,000 shall be accompanied by at least six(6) quotations.
5. Purchases whose value is above US\$10,000 shall be by Open Tender.

8.2 Procurement Committee

1. The composition of the Procurement Committee for purchases will be as follows:-
 - (a) Deputy Secretary General(F&A) - Chairman
 - (b) Dpty Secretary General (P&P) - Member
 - (c) Clerk - Member
 - (d) Registrar - Member
 - (e) Accountant - Member
 - (f) Administrative Officer - Secretary
 - (g) Counsel to the Community - Member
 - (h) (Procurement Officer) - Secretary
 - (i) Economist - Member

However, the Secretary General can co-opt any other member to provide technical expertise.

2. Each decision required for authorising purchases shall be supported by minutes of the Procurement Committee.

8.3 Bids and Proposals Procedure

1. Advertising notice for procurement requirements for the Community shall be placed in reputable publications in the Partner States on semi-annual basis indicating the list of items and their volume.
2. The advertisement will also seek application by suppliers who will wish to tender for these items. Shortlist of five Companies from each Partner State per item shall be made by a Special Committee comprising the following:
 - (a) Deputy Secretary General (Finance and Administration)
Chairman

- (b) Two (2) members from each Partner State
 - (c) *Procurement/Administrative Officer*
 - (d) Legal Counsel
3. A minimum of nine (9) proposals shall constitute the basis for a valid tender for the Open-Tender procurement.
 4. The Tender award shall be made after assessment of conformity with specification, delivery schedules and comparative market prices.
 5. Fees for Consultants shall be determined by the Council upon the recommendation of the Secretary General.
 6. Consultants shall be engaged under the written authority of the Secretary General.

8.4 Disposals of Assets

1. The Committee Members of the Board of Survey shall be responsible for:
 - (a) examining the damaged or unserviceable equipment and other property;
 - (b) making appropriate recommendations on the disposal as sale by auction or donation;
 - (c) indicating the degree of responsibility, if any, attaching to any official of the Secretariat;
 - (d) reviewing claim for damages against the Secretariat;
 - (e) recommending to the Secretary General, for submission to the Council for approval. Where the Council does not agree with the recommendations of the Committee, the reasons thereof shall be indicated in writing together with the final decision.

2. The membership of the Board of Survey shall be as follows:
 - a) *IT Officer*
 - b) *Statistician*
 - c) *Security Officer*
 - d) *3 Partner State representatives from the EAC Finance & Administration Committee*
 - e) *One staff member of the Assembly*
 - f) *One staff member of the Court*

8.5 Sale of assets

1. Sale of supplies, equipment or other property declared surplus or unserviceable following a recommendation of the Procurement Committee shall be made after competitive bidding, provided that resort to competitive bidding is not necessary when:
 - (a) the destruction of such property has been so recommended;
 - (b) the estimated market value, is in the opinion of the Committee less than US\$500;
 - (c) the best interest of the Community will be served by sale of fixed unit prices recommended by the Procurement Committee;
 - (d) the exchange of property in partial or full payment for replacement will, in the opinion of the Procurement Committee be in the interest of the Secretariat; or

- (e) the interest of the Community will be served by disposal by way of gift or at nominal prices to inter-governmental organisations, a government or other non-profit organisation.
2. Sales of property shall be on the basis of cash payments on or before delivery, except as may be authorised in writing by the Deputy Secretary General, Clerk and Registrar where applicable, after consultations with the Secretary General when, in his opinion, this is in the interest of the Community A complete record of such exceptions shall be maintained by the Deputy Secretary General, Clerk and the Registrar.

8.6 Review of obligations and expenditures by the Secretary General

1. It is the duty of the Deputy Secretary General, Clerk and Registrar to submit to the Secretary General the appropriate documents, explanations or justifications in support of expenditures and proposed obligations.
2. The Secretary General shall, on adequate grounds, disallow any proposal for obligation or expenditure obligation.
3. It is the responsibility of the Secretary General to ensure that all requests are within the budget appropriations.
4. All payments should be in accordance with Rule 9.5 below.

8.7 Reservation of credits to meet expenditure

1. No contract, agreement or undertaking of any nature for an amount exceeding US\$100 shall be entered into until credits have been reserved in the accounts through the recording of an obligation to meet any expenditures which may accrue during the financial period.
2. When an obligation or expenditure is made in a currency other than the United States dollar, its amount is calculated according to the equivalent sum in US dollar. If, at the date of payment, for reasons of currency fluctuation, the equivalent United States dollar amount has changed, the Secretary General shall authorise the recording of the difference in the debit or credit of the corresponding account.
3. All increases or decreases in obligations or proposals for incurring expenditure, including increases due to currency fluctuations, shall be subject to the same rules that apply to incurring the original obligation.

9. Fixed assets and stores

9.1 Receipt of supplies and equipment

All supplies, equipment and other property received shall be immediately inspected by (the Administrative Officer) to ensure that their condition is satisfactory and in accordance with the terms of the related purchase contract. Proof of verification shall be provided by way of signature on the relevant documentation.

9.2 Recording and control

1. Complete and accurate records for stores, equipment and other property received, issued, sold or otherwise disposed of and that remaining on hand, shall be the responsibility of the (*Administrative Officer*). Such records shall show separately stores, equipment and other property belonging to the Community and/or entrusted to the charge of the Community.
2. There shall be a Board of Survey comprising three(3) members of the Partner States one of whom will be Chairman, to assisted by:

(a)IT Officer

(b)Statistician

(c)Security Officer

(d)Human Resouce Officer

(e)Court Administrator

(f) Assistant Clerk

3. To ensure adequate control, a physical inventory of supplies, equipment and other property shall be undertaken every end of the financial year. The responsibility for ensuring the conduct of such a physical inventory count will be that of the Deputy Secretary General, Clerk and Registrar who will submit the report to the Secretary General.
4. The physical inventory report shall indicate the following information in respect of each item or group of items:
 - (a) date of purchase;
 - (b) purchase price or estimated costs;
 - (c) whether the available quantity is in short or is in surplus of expected quantity;
 - (d) whether any or all the available quantity is damaged or unserviceable;
 - (e) appropriate recommendations in accordance with the provisions of these financial regulations;
 - (f) Net book value.

9.3 Issue of supplies and equipment

1. Officials shall obtain approval from their department head to requisition supplies or equipment.
2. Issue shall only be on submission of an authorised requisition forms.
3. Stores issue voucher for all items shall be issued in favour of the authorised officials. Copy of the signed voucher shall be retained by the storekeeper and the original shall be kept by the recipient.

9.5 Losses

1. It shall be the responsibility of the Deputy Secretary General, Clerk and Registrar to investigate losses of cash, stores and other assets of the Community
2. The investigation shall in each case fix the responsibility, if any, to an official of the Community for the loss. Such official may be required to reimburse the loss either partially or in full and/or may be disciplined if the loss arises from misappropriation.
3. If those responsible for the shortages are not identified, the Secretary General may recommend to the Council for write off of the shortage.
4. The Council, after full investigation of each case, may authorise the writing off of the losses or such other adjustments of the records as will bring the balance into conformity with the actual quantities.
5. The investigation and remedy adopted shall be executed within the same FY in which the loss is incurred or six months of the next financial year.

6. *Assets assigned EACommunity Staff Equipment and property assigned to staff for official work outside duty station*
7. Equipment and other property issued on loan shall be recorded in a log book maintained by the Chief Accountant which shall show the date the loan was made, terms and conditions, name and signature of the borrower.

10. Cash and bank

10.1 Custody of funds

1. The Council shall, on recommendation of the Secretary General, designate the banks in the Partner State Capitals which the funds of the Community shall be kept.
2. The Council shall approve such bank accounts as may be required for the transactions of the Community business.

10.2 Receipt of monies

1. An official receipt shall be issued for all monies received.
2. Only the Deputy Secretary General or his/her designated alternate shall be authorised to receive monies and to issue receipts for such monies.
3. Receipts shall be recorded in the accounts on the date the remittance is received. Receipts of over US\$1,000 must be deposited in the bank not later than the next working day.
4. All monies not deposited in an official bank account must be kept in an official safe installed at the Secretariat.

10.3 Banking

1. Bank accounts shall be opened in accordance with Rule 10.1.
2. Bank accounts shall be closed with the approval of the Council.
3. Separate ledger accounts shall be maintained for each bank account.
4. The Accountant shall demand from the bank monthly bank statements for reconciliation purposes. The bank statements shall be accompanied by withdrawal instructions, debit and credit advices, where applicable.

5. Each bank account shall be reconciled monthly by the Accountant.

10.4 Receipts

Except where a paid cheque is returned by the bank, which therefore serves as a receipt, a payee's receipt shall be obtained for all disbursements unless special arrangements have been authorised by the Deputy Secretary General.

10.5 Petty cash

1. The Secretary General may establish a petty cash fund of US\$1,000 in local currency and US\$3,000 in foreign currency or its equivalent for miscellaneous payments of amounts not exceeding US\$200.
2. The petty cash fund shall be maintained by the cashier on the imprest system and shall be kept in safe custody.
3. The petty cash float *shall* not be varied without the prior approval of the Council
4. Petty cash requests of up to US\$200 shall be approved by the Accountant. In exceptional circumstance, amounts required above US\$200 shall require the approval of the Secretary General.
5. The internal auditor shall spot-check the petty cash and document the results of the check.

10.6 Cash advances

1. Salary advances and other advances to members of staff of the Community shall be governed by Rules 34 and 35 of the Staff Rules and Regulations.
2. Except where normal commercial practice or where the interest of the Community so requires, no contract or purchase order shall be made on behalf of the Community which requires a payment or payments on account in advance of the delivery of goods or performance of contractual services. Wherever an advance payment is agreed to, the reasons thereof shall be adequately recorded.
3. No officer shall advance, lend or exchange any sum for which he/she is answerable to the Community unless authorised by the Secretary General.

10.7 Payments

1. Every obligation or proposal for incurring expenditure shall require prior approval in accordance with Rule 9.1.
2. Only the official(s) designated by the Secretary General as approving officer(s) may approve payments or recording of obligations on behalf of the Community. In addition, all authorisation, whether by telegraph or by letter, to effect payment at another location are to be issued and signed by the Secretary General.
3. Payment shall only be made on the basis of duly certified supporting vouchers and other documents which indicate that the goods or services have been received in accordance with the documents establishing the obligation. It is the responsibility of the Accountant to ensure that:
 - (a) payment has not previously been made;
 - (b) the supporting documents do not have irregularities on their face which indicate that the payment is not properly due;
 - (c) payment is not affected if any other information known to him/her or any other official would bar the payment.
4. The Secretary General shall form a panel of six (6) bank signatories Of which he shall be signatory and whose membership shall be follows:
 - (a) Secretary General General
 - (b) Deputy Secretary General (F&A)
 - (c) Deputy Secretary General (P&P)
 - (d) Accountant
 - (e) Clerk
 - (f) Registrar

5. All disbursements of US\$1000 and above or its equivalent in local currency, shall be made by cheque except to the extent that each disbursement is authorised by the Secretary General.
6. Disbursements shall be recorded in the accounts as of the date when the disbursement is made, when the cheque (or cash) is paid out.
7. The Accountant shall be responsible for registering cheques, ensuring safe custody of cheques and ensuring that counterfoils are kept in a safe as evidence of payments.
8. The Secretary General should approve all payments vouchers except petty cash vouchers which may be approved by the Accountant.
9. All cheque payments against invoices shall be made by a crossed cheque 'Account Payee only'.
10. All cheques shall require two signatories of which one shall be of the Accountant.
11. An alteration on a cheque shall be signed by an authorised signatory. No alteration shall be permitted in the name of the payee and in such cases the cheque must be cancelled and a new one issued.
12. Under no circumstances should a cheque be issued against duplicate vouchers and/or invoices. Where this is necessary, prior approval must be obtained from the Secretary General and all copies must be duly certified and a letter of indemnity issued by the supplier.

11. Remuneration and Allowances

11.1 Current Structure

1. Staff shall be engaged under a written authority of the Secretary General *based on approved positions by the Council and approved appropriations in the Budget.*
2. Salaries shall be paid to staff by the 24th of each month.

3. *The salary for the Secretary General, the Deputy Secretaries General, shall be based on the Community Salary Scales and other conditions of service as determined by Council and approved by the Summit*
4. The salary for the professional staff and general staff of the Community shall be based on the Community Salary Scales and other conditions of service as determined and approved by Council
5. All posts in the Community shall be classified by title and salary scale in accordance with the duties and responsibilities carried by the posts as established by the Council
6. The first appointment to all posts in the Community shall be at step 1 of the appropriate salary scale except in exceptional circumstances where the Selection Panel feels that a candidate has outstanding qualifications and proven relevant experience to warrant placement at a higher entry point. Salary adjustments shall be considered by way of re-classification in exceptional circumstances when, upon the request of the staff member it is the opinion of the Selection Panel that he was under-graded in relation to his duties at the time of appointment. Such re-classification shall take place within one year of appointment.

11.2 Education allowance

1. Education allowance shall be paid to recruited staff members whose positions are of G 1 and above and , whose dependant children are undertaking educational programmes at recognised academic institutions. Children below 24 years of age and who are attending school at a maximum of Undergraduate studies on a full time basis.
2. The allowance covers up to a maximum of 4 children, but should not exceed US \$ 1,500 per annum per child. The education allowance should be used towards tuition, books, accommodation and transport.
3. The allowance shall not be paid in respect of attendance at a free school, apprenticeship or private tuition.
4. The allowance shall only be paid upon submission of a certificate(s) of attendance together with receipts issued by the educational institutions.

11.3 Housing allowance

Where no housing is provided by the Secretariat, housing allowance shall be granted to staff members. The rates and conditions for receiving housing allowance have been determined as follows:

- | | | | |
|----|--------------------------|---|---|
| a) | Secretary General | - | Free house or US\$1,800 p.m.
if no house is provided |
| b) | Deputy Secretary General | - | US\$1500 p.m. |
| c) | Professionals | - | US\$800 p.m. |

- | | | | |
|----|-----------------|---|------------------------|
| d) | General Staff | - | US\$300 - US\$200 p.m. |
| | (Scale G1 – G3) | | US\$300 p.m. |
| | Scale G4 – G5 | | US\$200 p.m. |

11.4 Subsistence allowance

1. Subsistence allowance shall be paid to staff members of the Community and Professionals from the Partner States at the rates per night provided below:

(i) Secretary General	US\$300
(ii) Deputy Secretary General	US\$250
(iii) Professional Staff	US\$200
(iv) Professional Staff from Partner States	US \$200
(v) General Staff	US\$120
2. A staff member on duty away from the duty station for a period of more than five hours but not amounting to one night, shall be entitled to 25% of the subsistence allowance.
3. A staff member authorised to undertake a mission abroad shall be entitled to the subsistence allowance. If a donor is funding the trip/mission, the staff member receives 25% of the subsistence allowance limited to a maximum of 15 days.
4. The Secretary General reserves the right to authorise enhanced rates than those indicated in Paragraph 1. in exceptional cases, such as if the mission is to a city/country classified as "expensive" by the respective international standards authority.
5. A staff member attending a course, seminar or conference, outside Arusha, shall be entitled to 25% of their subsistence allowance.

11.5 Settlement allowance

1. A staff member shall receive, for himself, spouse and four dependants accompanying him a settlement allowance to meet extra-ordinary living expenses upon reporting on duty.
2. This allowance shall be paid for a maximum period of 30 days, according to approved per diem rates. To this end, the staff member shall be paid during 30 days, 100 per cent of this allowance and 25 per cent to each of his eligible dependants.
3. Beyond 30 days, only the cost of the hotel room will be paid up to a maximum of the monthly housing allowance.
4. During the period the staff member is in receipt of the settlement allowance, he shall not be entitled to housing allowance.

11.6 Acting Position

1. A staff member may be called upon to assume temporarily the duties and responsibilities of a post above his/her own.
2. If a staff member is appointed to a temporary post for a minimum of 30 days - worked on a continuous basis and performs the duties and responsibilities of a post above his own, he/she shall be paid an acting allowance.
3. The amount of the acting allowance to be paid shall be equivalent to $\frac{1}{2}$ of the difference between the basic annual salary of the higher post and the basic annual salary of the acting staff member.
4. Acting positions should not exceed 12 months before the post is substantively filled.

11.7 Baggage and Travel allowance on initial recruitment

1. On first appointment, a member of staff recruited for two years or more from outside or within the country of duty station may be reimbursed expenses in transportation of excess baggage or unaccompanied personal effects and household goods, within one year following the date of appointment, as follows:
 - a) By land and/or by sea up to a maximum of one 20 foot container per family.

- b) By air up to a maximum of:
 - (i) 50 kilos unaccompanied baggage; and
 - (ii) 10 kilos excess baggage for each eligible person authorised to travel at the expense of the Community.

11.8 Travel allowance on separation from service

1. On separation from service where an employee has completed his/her term of office or as a result of termination of service, the following entitlements will apply:

- (i) By land and/or sea up to a maximum of two 20 feet containers per family.

2. Where the separation is as a result of dismissal:

- (i) All privileges including Gratuity shall be forfeited.

11.9 Fuel/Transport allowance

Fuel/transport allowance shall be paid to staff members of the Community at the end of every month. The rates per month are detailed below:

Secretary General	US \$ 450 p.m.
Deputy Secretary General	US \$ 300 p.m.
Professional Staff	US \$ 200 p.m.
General Staff	
Scale G1 – G3	US \$ 100 p.m.
Scale G4 – G5	US \$ 60 p.m.

11.10 Advances

1. Salary in advance may be granted to cover periods of approved local or official travel if the staff member is expected to be away from the duty station on the pay day.
2. In exceptional and compelling circumstances and if a staff member's application is supported by justification in writing, the Secretary General

may authorise salary advance of one month of one month's basic salary, excluding all allowances or grants. It shall be deducted from the staff member's salary commencing the second month following the date on which the advance was made. The deduction shall be spread over a period of six months.

3. Any outstanding salary advance at the time of resignation, retirement, termination, dismissal or death shall be deducted from any salary or gratuity or other benefits due to the staff member or his beneficiaries.

12. Medical benefits

1. The Community shall use a medical scheme provided by a reputable Health Service provider approved by the Council.
2. The Secretary General shall develop the staff categorisation for the entitlement of medical benefits.

13. Internal controls

13.1 Responsibilities of the Secretary General

The Secretary General shall:

1. Ensure the application and enforcement of these financial rules and regulations, accounting and procurement manual.
2. Maintain an internal financial control system which shall provide for an effective and constant examination and revision of the financial operations in order to ensure:
 - (a) the regularity of the receipts, custody and disposal of all funds and other financial resources of the Secretariat;
 - (b) the conformity of obligations and expenditures with the appropriations and with other financial provisions approved by the Council as well as with the purpose of the special funds and accounts; and
 - (c) the economic use of the resources of the Community.

14. Internal audit

14.1 Terms

1. Internal audits shall be undertaken periodically by the internal auditor.
2. Audit activities shall be carried out in accordance with the approved audit manual.

15. Accounting records

15.1 Responsibility

The Deputy Secretary General, the Clerk and Registrar is responsible to the Secretary General for the accounts and record keeping of the financial transactions of the Secretariat.

15.2 Basis of accounting

Financial transactions shall be recorded in the accounts on an accrual basis, except as may be otherwise required by the terms of any trust fund as may be authorised by the Council.

15.3 Books of accounts and records

The Community shall maintain such books of accounts and records as are necessary for the proper recording of its transactions.

- (a) all sums of money received, paid and expected to be paid and received by the Community and the matter in respect of which the receipt or expenditure takes place;
- (b) all purchase and/or sales by the Community of property, goods and services;
- (c) assets and liabilities of the Community.

The records should be maintained in a complete and chronological order and a manner that will facilitate periodic verification and extraction of data for financial statements.

15.4 Retention and destruction

The accounting and other financial and property records and other supporting documents shall be retained for a minimum of thirty years, after which, the Secretary General may authorise such records and documents for destruction, providing an audit on those records has been carried out.

15.5 Currency

The financial statements shall be designated in United States dollars and the accounts and all the subsidiary ledgers shall be maintained in the same currency.

16. Financial statements

16.1 Submission to Council

1. The Secretary General shall submit to the Council the audited financial statement of the Community for each financial year.
2. The audited financial statements shall show:
 - (a) the income and expenditure of all funds;
 - (b) the status of appropriations;
 - (c) the assets and liabilities;
 - (d) such other information as may be appropriate to indicate funds and reserve accounts.
3. The current financial position of the Community accounts shall be submitted to the External Auditors ninety days from the end of the financial year. The Audit Commission must submit to the Council through the Secretary General the report thirty days from receipt of the financial statements.

16.2 Preparation

1. The preparation of the detailed financial statements as at 30 June for each financial year shall be the responsibility of the Secretary General.
2. Detailed financial statements shall include:
 - (a) statement of budget appropriations, obligations outstanding and unencumbered balances;
 - (b) summary of appropriations, income and expenditures;
 - (c) statement of assets, liabilities and fund balance;
 - (d) statement of assets, liabilities and fund balance of trust and special funds;
 - (e) statement of ex-gratia payments, if any; and
 - (f) supporting schedules, which shall include:
 - (i) summary of the accounts;
 - (ii) status of Partner States' contributions;
 - (iii) summary of miscellaneous income; and
 - (iv) such other schedules as may be required.

16.3 Other statements

1. The preparation of monthly accounts and any other financial statements shall be the responsibility of the Accountant as may be prescribed by the Secretary General.
3. In addition to the financial statements, the Council shall be provided with:
 - a . summary statement of store, equipment and other property;
 - b. details of loss of cash, stores and other assets to be written off;
 - c. such other statements as the Council may require.

17. Audit Commission

The Detailed Terms of Reference for the Audit Commission is here hereto attached as Annex I.

17.1 Appointment

There shall be an Audit Commission made up of the three Auditors General of the Partner whose function will be to audit of the accounts of the Community

17.2 Scope of audit

1. The audit shall be conducted in conformity with the Generally Accepted Auditing Standards and subject to any special directions of the Council in accordance with the additional terms of reference set out in the Annex I.
2. It shall be the duty of the Auditors to verify that any contributions received or revenue collected by the Community have been allocated and distributed in accordance with this Treaty and to include a certificate to that effect in its report.
3. The Auditors may make observations with respect to the efficiency of the financial administration and management of the Community.
4. The Auditors shall be completely independent and solely responsible for the conduct of the audit and shall not be subject to the direction or control of any person or authority.
5. The Council may request the Auditors to perform certain specific investigations and issue reports on the results.

17.3 Facilities

The Secretary General shall provide the auditors with all the facilities they may require in the performance of the audit as stipulated in paragraph three (3) of the Annex. I

17.4 Reporting

1. The Audit Commission shall submit its reports to the Council which shall cause the same to be laid before the Assembly within six months of receipt for debate and for such other consultations and action as the Assembly may deem necessary as per article 134 of the Treaty..

18. Review of the Rules and Regulations

These rules and regulations may be reviewed, amended or modified on the recommendation of the Secretary General and approval by the Council.

19. Entry into force

These Rules and Regulations shall come into force upon approval by the Council.

Annex i

**Additional Terms of Reference Governing
the Audit Commission of the Community**

1. The auditors shall perform such audit of the accounts of the Community, including all trust and special funds accounts, as they may deem necessary in order to satisfy themselves:
 - (a) That the financial statements are in accordance with the books and records of the Community.
 - (b) That the financial transactions reflected in the statements have been in accordance with the rules and regulations, budgetary provisions and other applicable directives.
 - (c) That the securities and monies on deposit and on hand have been verified by a certificate received directly from the Community or by actual count.
 - (d) That the internal control system is adequate in the light of the extent of reliability placed thereupon.
 - (e) That necessary procedures have been applied to the recording of all assets, liabilities, supplies and deficits.
2. The Auditors shall be the final Authority as to the acceptance in part of certification and representation by the Secretary General and may proceed to such detailed examination and verifications as they may choose of all financial records including those relating to supplies and equipment.
3. The Auditors or their staff shall have free access to all records, books of accounts and other documents which in their opinion are necessary for the performance of the audit. Information which is classified as privileged and which is required by the auditors for the purpose of audit and information classified as confidential shall be made available on request. The Auditors and their staff shall respect the privilege and confidential nature of any information so classified which has been made available to them and shall not make use of it except in direct connection with the performance of the audit. The Auditors shall draw to the Council's attention any denial of information classified as privileged which, in their opinion, was required for the purpose of the audit.
4. The Auditors shall have no power to disallow items in the accounts but shall draw to the attention of the Secretary General appropriate action on transactions concerning which they entertain doubt as to legality or

propriety. Audit objections to any other transactions arising during the examination of the accounts shall be communicated to the Council.

5. The Auditors shall express an opinion in the following terms:

"We have examined the accounts for the financial year ended June 30, 2____ Our examination included a general review of the accounting procedures and such tests of the accounting records and any other supporting evidence as we considered necessary in the circumstances"... and which shall state appropriately whether:

- (a) The financial statements present fairly the financial position as at the end of the period and the results of its operations for the period then ended.
 - (b) The financial statements were prepared in accordance with Generally Accepted accounting principles.
 - (c) The accounting principles were applied on a basis consistent with that of the preceding period.
 - (d) Transactions were in accordance with the financial regulations.
6. The report of the Audit Commission to the Council on the financial operations of the period shall mention:
- (a) The type and scope of its examination.
 - (b) Matters affecting the completeness or accuracy of the accounts including where appropriate:
 - (i) Information necessary to the correct interpretation of the accounts.
 - (ii) Any amounts which ought to have been received but which have been brought to account.
 - (iii) Any amounts for which a legal or contingent obligation exists and which has not been recorded or reflected in the financial statements.
 - (iv) Expenditures not properly substantiated.
 - (v) Whether generally accepted accounting principles are applied in a consistent manner, and deviations from these having a material impact are disclosed in the notes to financial statements.
 - (c) Other matters which should be brought to the notice of the Council such as:
 - (i) Cases of fraud or presumptive fraud.



- (ii) Wasteful or improper expenditure of the Community money or other assets (notwithstanding that the accounting for the transactions may be correct).
 - (iii) Expenditure likely to commit the Community to unnecessary further outlays on a large scale.
 - (iv) Any defect in the general system or detailed regulations governing the control of receipts, disbursement or of supplies and equipment.
 - (v) Expenditure not in accordance with the intention of the Council after making allowance for duly authorised transfers with the budget.
 - (vi) Expenditure not in conformity with the authority which governs it.
- (d) The accuracy or otherwise of the supplies and equipment records as determined by stock and examination of the records.
- (e) If appropriate, transactions accounted for in a previous year concerning which further information has been obtained or transactions in a later year concerning which it seems desirable that the Council should have early knowledge.
7. The Audit Commission shall make such observations, findings, comments resulting from the audit of the Community as they deem appropriate.
8. Whenever the scope of the audit is restricted or the Auditors are unable to obtain sufficient evidence, they shall refer to the matter in their report making clear the reasons for their comments and the effect on the financial position and the financial transactions as recorded.
9. In no case shall the Audit Commission include criticism in their report without first affording the Secretary General an adequate opportunity of explanation on the matter under observation.

