

COUNTY GOVERNMENT OF KISUMU



COUNTY ASSEMBLY OF KISUMU

THE HANSARD

Official Report

THIRD ASSEMBLY – THIRD SESSION

Wednesday 21st February, 2024

House met in the Main Chamber at 2:30 p.m.

(The Speaker (Hon. Oraro) in the Chair)

PRAYER

The Speaker (Hon. Oraro): Mr. Clerk, please take us through the order of the day.

The Speaker (Hon. Oraro): Next order!!

PETITION

The Speaker (Hon. Oraro): That pursuant to the provision of Section 5(1) of the Petition to County Assemblies (Procedure) Act No. 15 of 2020, read together with Orders No. 215 (2) (b) of the County Assembly of Kisumu Standing Orders, I wish to report a petition to the County by Mr. Benedicto Wasonga Onono, the Programme Manager for Nyayo Community Housing Programme NCSHI, a Community Based Organizations that was among the lead based organizations of Muhoroni Tamu for Cleanup Exercise in 2023.

The petitioner draws the attention of the County Assembly on lack of legislative intervention or e-mechanism in the County that can facilitate volunteerism among the various actors in information and database to be able to provide information on people or cooperate who have similar interest in various categories of volunteering interventions. In the attempt to have the matter addressed in other avenues, the petition affirms that he has often attempted to have the matter addressed through the development of policy framework that can sustainably allow for

county exercise of volunteerism. His effort to reach out to the relevant department has not been fruitful. Honourable Members, on the statement whether the matter referred to is pending before any court of law, the petitioner affirms that this matter is not pending before any court of law, any legal body either within or outside Kisumu County.

Honourable Members, the prayer of the petitioner is that as the County Assembly of Kisumu to enact a Policy or a Bill that gives volunteers earns points as the case of Cuba. Two, authorize the establishment of Directorate or Council within the County Government of Kisumu with relevant structures and a budget be established by the Department of Finance and passed by the County Assembly. I therefore want to commit this petition to the Standing Committee of Administration of Law, Justice, Good Governance and Security for further considerations as per the procedures provided for in the County Assembly Procedures Act 2020, the Standing Orders and any other relevant law. Pursuant to the provisions of Orders 217 (2) this House Committee has 7 (seven) a day to respond to the petitioner by way of report and this is tabled today in this House.

Honourable Members, in respect to the provisions of Standing Order No. 216, I will allow comments or observations from any Member in relation to this petition.

The Speaker (Hon. Oraro): If there is none. Next order!!

PAPER LAID

APPOINTMENT OF NEW BOARD MEMBERS TO THE KISUMU COUNTY INVESTMENT AND CORPORATION (KCIDC)

BY

HON. KEN OOKO, MCA, AHERO WARD

(LEADER OF MAJORITY)

THE KISUMU COUNTY CLIMATE CHANGE FUND REGULATION, 2023

BY

HON. KEN OOKO, MCA, AHERO WARD

(LEADER OF MAJORITY)

The Speaker (Hon. Oraro): Hon. Leader of Majority.

Leader of Majority (Hon. Ooko): Thank you Mr. Speaker. That pursuant to the provisions of Section 6(1) of the public Appointment (County Assemblies Approval) Act No. 5 of 2017 read together with Section 6 (1) (a) and (b) of the Kisumu County Investment and Development Corporation Act No. 3 of 2021, I wish to lay today Wednesday 21st February, 2024 THE

Appointment of New Board Members to the Kisumu County Investment and Corporation (KICDC).

(Leader of Majority lays the paper before the House)

The Speaker (Hon. Oraro): Honourable Members, I confirm the receipt of the information on the Appointment of New Board Members to the Kisumu County Investment and Corporation (KICDC). I want to commit this report to the Select Committee on Appointment. Let the Committee work on as per our Standing Orders.

The Speaker (Hon. Oraro): Next order!! Hon. Leader of Majority.

Leader of Majority (Hon. Ooko): Thank you Mr. Speaker. I have another Paper to be laid.

The Speaker (Hon. Oraro): Please proceed.

Leader of Majority (Hon. Ooko): Thank you Mr. Speaker. That pursuant to the provisions of Standing Order No. 192 (2) of the Standing Orders, I wish to table today Wednesday 21st February, 2024, the Kisumu County Climate Change Regulations, 2023. Thank you.

(Leader of Majority lays the Regulations before the House for consideration)

The Speaker (Hon. Oraro): Honourable Members, the Kisumu County Climate Change Regulations, 2023 is properly laid before the House and I want to commit it to the Select Committee on County Delegated Legislation to work on it alongside Water, Environment, Natural Resources and Climate Change Committee. Please work on it as per the provisions of our Standing Orders.

The Speaker (Hon. Oraro): Next order!

STATEMENT

The Speaker (Hon. Oraro): Hon. Gard Olima.

Hon. Olima (MCA, South West Nyakach Ward): Thank you Mr. Speaker. I rise to seek for a Statement from the Standing Committee of Culture, Gender and Social Welfare

The Speaker (Hon. Oraro): Honourable Members, I want to confirm that, I am in receipt of your Statement but we were not able to do an amendment to the Order Paper to accommodate it. Consequently, I would want to request you to consider presenting the Statement for accommodation in the amended Order Paper.

Hon. Olima (MCA, South West Nyakach Ward): Mr. Speaker, I had requested to do it today because I have got some other engagements tomorrow if you may allow me.

The Speaker (Hon. Oraro): The Honourable Member is just in order but we said that we will do things procedurally in this session. If you will be engaged then you can request another Member to do it on your behalf. You can communicate to me a Member of your choice but I promise we shall do a Supplementary Order Paper to accommodate it.

(Laughter)

The Speaker (Hon. Oraro): Next order!

MOTION

ADOPTION OF THE CONSOLIDATED REPORTS

THE KISUMU COUNTY EXECUTIVE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE, 2023

REVENUE FUND ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE, 2023

EMERGENCY FUND ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE, 2023

BY

HON. CAREEN AJWANG', MCA, KALOLENI-SHAURIMOYO WARD

(CHAIRPERSON, STANDING COMMITTEE OF FINANCE AND ICT)

The Speaker (Hon Oraro): Hon Caren Ajwang'

Hon. Ajwang' (MCA, Kaloleni-Shaurimoyo Ward): Thank you Mr. Speaker. This is Finance and ICT Committee Consolidated Report on its consideration of the Kisumu County Executive Annual Report and Financial Statements for the period ended 30th June, 2023; Revenue Funds Annual Report and Financial Statements for the period ended 30th June, 2023, and Emergency Fund Annual Report and Financial Statements for the period ended 30th June, 2023.

CHAPTER ONE

CHAIPERSONS FOREWORD

Mr. Speaker Sir and Honourable Members, Pursuant to Section 164 & 167 of the PFM Act, 2012, the County Treasury is mandated to prepare annual financial statements for all County Departments and County Public Funds and submit the same to the County Assembly within three months after the end of each Financial Year. In compliance to the above legal provisions, the CECM. Finance accordingly submitted the above County Annual Reports and Financial Statements to the Assembly for consideration.

The reports were subsequently tabled in this House by the Majority leader on Wednesday,

18th October, 2023 pursuant to the County Assembly Standing Orders No. 193(5) and Second schedule and were consequently committed to the Sectoral Committee on Finance and ICT for scrutiny, analysis and interrogation and to report back its findings and recommendations to the House for determination.

Hon. Speaker, these Annual Reports and Financial Statements presents budget execution status covering the period 1st July, 2022 to 30th June, 2023, with comparative actual achievements and budgeted amounts for the previous year 2021/2022.

Mr. Speaker Sir and Hon. Members, we have comprehensively examined these Annual Financial Statements, made critical observations and findings and outlined our recommendations on the same herein for adoption by this Hon. House.

Hon. Speaker, it is now my distinct privilege and honor to present to this Honorable House the Report of the Committee on its consideration of the above Annual Reports and Financial Statements for careful determination and approval by this Hon. House.

2. ESTABLISHMENT AND MANDATE OF THE COMMITTEE

Mr. Speaker Sir and Honourable Members, the Sectoral Committee on Finance and ICT is established pursuant to the County Assembly of Kisumu Standing Order No. 193 (5) and is mandated to investigate, inquire into and report on all matters relating Finance, Financial Statements, all matters of tax estimates, monitor the spread and enhanced use of ICT in the County Government to increase accountability and transparency. Further, the Committee as currently constituted comprises of seven (7) members and six (6) secretariats.

COMMITTEE MEETINGS AND REPORT WRITTING

The Committee held Ten (10) meetings to deliberate, interrogate and scrutinized the Accounts.

It then proceeded for its report writing retreat starting from 28th November 2023 to 3rd December 2023 in Siaya County at the Bondo Pride Hotel.

OBSERVATIONS

1. The County Treasury submitted the responses beyond the deadline set by the Committee. The responses were received via email on 1st December, 2023 while the deadline was set on 24th November, 2023 (SEE ANNEX II).
2. The responses were not satisfactory and lacked certain critical annexures claimed to be attached to it.

CHAPTER TWO

COMPLIANCE TO THE VARIOUS RELEVANT LEGAL PROVISIONS UNDERPINNING PREPARATION OF THE ANNUAL ACCOUNTS

Mr. Speaker Sir and Hon. Members,

The matrix below outlines committee observations, findings and recommendations regarding the extent to which the County Treasury has complied with the various relevant Legal Frameworks underpinning the preparation of the Annual Accounts (Pg. 10-12 of the main report)

S/NO	Legal Provision	Committee Observation	Compliance by the Executive	Committee Recommendations
Legal Basis/Requirements for Preparation, Submission & Processing of the Annual Reports and Financial Statements				
	Section 164 (1) At the end of each financial year, the accounting officer for a county government entity shall prepare financial statements in respect of the entity in formats to be prescribed by the Accounting Standards Board.	The CECM. Finance, Economic Planning & ICT did not conform with formats to prescribed by the Accounting Standards Board in certain sections of the reports	Non-Compliant	The CECM. Finance, Economic Planning and ICT to review and amend the Financial Reports to conform with the set standards
	(3) The accounting officer shall prepare the financial statements in a form that complies with relevant accounting standards prescribed and published by the Accounting Standards Board from time to time.	The Annual Financial Statements for the County Executive, County Revenue Fund and County Emergency were not prepared in accordance to this provision	Non-Compliant	The CECM. Finance, Economic Planning & ICT should always adhere with the relevant prescribed accounting standards
	Provisions of section 93 (6) and (7) of the PFM Regulation of 2015 states that “in the event an imprest holder failing to account for or surrender the imprest on the due date, the Accounting officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest at the prevailing Central bank Rates (7) If the Accounting Officer does not recover the temporary imprest from the defaulting officer as provided in this regulation, he/she commits an offence as provided under this Act	The County Executive had an outstanding figure for unsurrendered imprest of Kshs. 23,035,975 at the closer of the FY 2022/2023	Non-Compliant	The CECM. Finance, Economic Planning and ICT to strictly adhere with provisions of the relevant sections of law and ensure the full amount is recovered by end of the 2 nd Quarter of the FY 2023/2024
	Provisions of PFM regulations of 2015 No. 25 (1 a) the County Executive Committee Member with the approval of the	County expenditure on wages and benefits is at 51% of the Total County Revenue	Non-Compliant	The CECM. Finance, Economic Planning and ICT to comply with the relevant

<p>County Assembly shall set a limit on the county government's expenditure on wages and benefits for its public officers pursuant to section 107(2) of the Act;</p> <p>(b) the limit set under paragraph (a) above, shall not exceed thirty five (35) percent of the county government's total revenue;</p>			provisions of the law
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Hon. Okombo (MCA, Manyatta “B” Ward): Point of order Mr. Speaker, Sir.

The Speaker (Hon Oraro): What is your point of order Hon. Nereah?

Hon. Okombo (MCA, Manyatta B Ward): On a point of order. Mr. Speaker, I rise on Standing Orders No. 45 (5) (b) which stipulates that Reports and Motions need to be circulated at least 24 hours before they are discussed on the Floor of the House. Mr. Speaker, the Notice for the report before us was given on Wednesday, 06th December, 2023 by Hon Kennedy Ouko, on behalf of the Chair. The Motion was then scheduled to be on the Order Paper by yesterday, at least 19 hours before the House. However, this House Committee showed laxity in circulating the report. Mr. Speaker, you have just echoed a concern that in this Session, we intend to execute our duties procedurally, and as a custodian of Standing Orders, I just want to ask unless the Chair can convince the House that there were reasons beyond their mandate as a House Committee and give us valid reasons as to why we should continue looking at the report.

Mr. Speaker, on 21st of November, 2023 the Select Committee on Liaison, which you also attended, sat with all chairs and committee clerks and agreed that moving forward, all reports and Motions should be circulated within the stipulated time. I, therefore, find the Honourable Chair out of order, unless the Chair has reasons to convince the House to let her proceed with the Report. Thank you.

The Speaker (Hon Oraro): Hon Chair, is it true that the report has just been received?

Hon Ajwang’ (MCA, Kaloleni-Shaurimoyo Ward): Thank you Hon. Speaker. I agree with the Hon Chair of Chairs but as you know, it was yesterday when we resumed from the short break. That is when the House Business Committee was constituted and we had to meet. Mr. Speaker, by 5:00 pm, we were still in the meeting. Thereafter, I informed my Clerk that the committee intends to present this report for adoption today. When I went up there to inform him of what had been resolved in the House Business Committee, he had already left for home. I informed him in the morning but we had a technical hitch. The printers were not working and also there were no

printing papers. We later received the papers at around 10:00 a.m. and that is when the report was circulated.

The Speaker (Hon Oraro): What is it the Hon Whip Seth Kanga?

Chief Whip (Hon. Kanga, MCA, Market-Milimani Ward): Thank you Mr. Speaker. I believe that the Deputy Speaker is being unfair to the Hon Chair of Finance. The Deputy Speaker is a Member of the House Business Committee which sat yesterday and she was in attendance. One of the issues we discussed was resumption of interrupted business. Mr. Speaker, you can remember that when we were adjourning, you gave a ruling that we were to start with the business of Finance and ICT Committee, first, before proceeding with any other business. Again, yesterday when we were in the House Business Committee, which I also attended, together with the Chair, Finance and ICT Committee and the Deputy Majority Leader, we agreed that for us to proceed, we start with the business of Finance and ICT Committee which was interrupted. I believe that this was unanimously agreed in the House Business Committee. So, circulating the report is not the work of the committee chair.

Mr. Speaker, the business has been in the Order Paper and you have made a ruling and also directed the Chair to proceed with the business. So, interrupting the Chair of Finance and ICT Committee midstream while she is presenting her report is unfair. Remember, the Deputy Speaker was present yesterday during House Business Committee deliberations. I believe that the issue could have been raised by a Member who does not sit in the House Business Committee. We all agreed to start with the business of the Finance and ICT Committee before any other because like the pending businesses of the Agriculture report presented by Hon. Alandoh. Now, telling the committee chair to stop midstream will be very unfair because you had made a ruling allowing her to proceed.

Therefore, with your indulgence, please let the Committee Chair proceed with presenting her report. Thank you.

The Speaker (Hon Oraro): What is it Hon Olima?

Hon Olima (MCA, South West Nyakach): Thank you Mr. Speaker. Mr. Speaker, this is a House of rules. I am aware that a Notice of Motion was given. I do not believe that if we want to go to that direction, of giving us a Notice of Motion which is not ready. From what the Chair Finance and ICT Committee has stated, it means the report was not ready until today around 10:00 a.m. I do not know how the Motion got into the House Business Committee, in the first place. I do not know who slotted it on the schedule. What I know is that you should have the report before it is tabled. How did the House Business deliberate on the same? From where did they know that the report is ready to be allocated time. Discussing what the Chief Whip is saying is very wrong because it is not the work of the House Business Committee to know if the report is ready or not.

It is the Chair or the Clerk who should submit the report to the House Business Committee. When you were chairing the House Business Committee, did you, in the first place, see the report before slotting it for debate?

First things first. I want to believe that even when you discussed it yesterday, it must have been ready. However, from the Chair's explanation, the report was not ready up to today. Therefore, it is my considered opinion that we must be given at least 24 hours to go through the report, which is a 72 page document. Surely, we cannot read this report now and engage in a robust discussion. I request that we defer the Motion so that we have time to read the report so that we discuss and do things procedurally. Thank you.

The Speaker (Hon Oraro): Honourable Members, as the Chair of House Business Committee, I want to guide that I confirm that when we were breaking for recess, I did indicate that we would start with this Business. I also want to confirm that I chaired the House Business Committee and we had the report, during our deliberations. The matter that the Deputy Speaker is raising is whether or not the Members received the report in time. I want to agree with the Chief Whip that it is good to get a few comments from Members. We say that the Members did not get the report on time but they already have it. This report was tabled in this House on Wednesday, 06th of December, 2023 and today is Wednesday, 21st February, 2024. It is my belief that every member has gone through the report exhaustively. However, let me give a few Members to give their views. I want to confirm if the report was received from 6th of December and that members have adequately gone through it. I say this based on what I said in the morning. We want to do things differently and the Leader of Majority moved what I call Procedural Motions, which are restricting the times a member can contribute. It means the Chair of any House Committee or the Mover of the Motion will be having Moving notes, then members are supposed to have gone through the report adequately so that when you stand, you go straight to the point that you want to move. Maybe I can get comments from two or three Members. Hon. Chair, do you want to say something?

Hon. Ajwang' (MCA, Kaloleni-Shaurimoyo Ward): Yes, Hon. Speaker, there is something I want to clarify. I had the report as early as last year, but before you circulate the report, it has to be scanned and without the printer, that cannot be done.

The Speaker (Hon. Oraro): Let me get comments from Members and I will start with Hon. Ngeta.

Hon. Ngeta (MCA, Awasi-Onjiko Ward): Thank you Mr. Speaker, I want to agree with the Hon. Whip, that sometimes it depends on the eventuality. Mr. Speaker, this is a House of rules and procedures and we are the Members who are legislating in this House. At times it can come and circumvent because we are the people who make these laws. We can at times circumvent these laws to address a situation so that we move as a family or as a House. So, I want to plead with

Members, especially the Deputy Speaker, and Hon. Gard Olima to allow the Chairperson of Committee of Finance and ICT to read the report so that we can tackle pending businesses as soon as possible. Let us move on with the report Hon. Members and carry out our activities. I want to agree with my senior Member Hon. Whip, so that you guide this House accordingly, thank you.

The Speaker (Hon. Oraro): Hon. Benny Pete.

Hon. Oiko (MCA, Kabonyo-Kanyagwal Ward): Thank you Mr. Speaker, from all the contributions made in this House, the report was tabled on Wednesday, 06th December, 2023. However, it had never been circulated to the Members until today at 10.00am. That is the record presented in this House, and the worry now is...

Hon. Ngeta (MCA, Awasi-Onjiko Ward): A Point of information Mr. Speaker.

The Speaker (Hon. Oraro): Whom do you want to inform Hon. Ngeta?

Hon. Ngeta (MCA, Awasi-Onjiko Ward): I want to inform the Member on the floor Mr. Speaker.

The Speaker (Hon. Oraro): Hon. Benny Pete, do you want to be informed by Hon Ngeta?

Hon. Oiko (MCA, Kabonyo-Kanyagwal Ward): Hon. Speaker, this is any matter between...

The Speaker (Hon. Oraro): Do you want to be informed?

Hon. Oiko (MCA, Kabonyo-Kanyagwal Ward): It is not Hon. Pete that is being informed but it is the House.

The Speaker (Hon. Oraro): Hon. Benny Pete, do you want to be informed by the Member.

Hon. Oiko (MCA, Kabonyo-Kanyagwal Ward): Hon. Speaker, the matter is before the House so let the Member inform the House.

The Speaker (Hon. Oraro): Hon. Benny Pete, do you want to be informed?

Hon. Oiko (MCA, Kabonyo-Kanyagwal Ward): Mr. Speaker, I will get informed when the Member informs the House.

(Laughter)

Hon. Ngeta (MCA, Awasi-Onjiko Ward): *(On a Point of information)* Mr. Speaker, it is stated clearly that the report is to be circulated within 24 hours not before 24 hours. So, I want to inform Hon. Pete Oiko that the report was on our wall, and if you look through the WhatsApp wall you will see that the report had been posted earlier. Kindly bear with the situation.

Hon. Oiko (MCA, Kabonyo-Kanyagwal Ward): It is very interesting Hon. Speaker, if that is what a whole Member wanted to say, and yet that is the bone of contention in this House. At what time was the report circulated. Was the time adequate for Members to go through it? That is where the problem is. You have said that we should be procedural. The Chairperson has even admitted that there were technicalities; the papers were not there and the work could not be done in good time. So, if we were to go on, we need to give this House Committee the benefit of the doubt, but considering that the matter here is very crucial. These are financial matters, which we should not just be taken for granted. With your indulgence, I pray that you give Members good time to interrogate the report, so that when they make their contributions, they make informed decisions. Contributions that would be very crucial to this House because the mistake is not of the Chair, but the office of the Clerk which is to provide everything for the report to be made in good time. It is now incumbent upon you to consult the office of the Clerk on the the reason it is that way. And when the report comes here, we do not now come up to challenge one another for no good reason.

The Speaker (Hon. Oraro): Hon. Tom Nyaoke.

Hon. Nyaoke (MCA, North Nyakach Ward): Thank you Mr. Speaker, I want to first start by thanking the Hon. Chair, for being very faithful. She has even told us the technicalities she underwent before this document came to the House. Mr. Speaker, we have clearly understood why distribution of this document has delayed. It is now upon you to give us a fair decision as to whether the Chair can go ahead and present the report and then later on we can call her to reply to pass it or you give us time to look at the document and argue it satisfactorily than we agree to adopt or not to adopt Mr. Speaker. That is what I can submit, thank you.

The Speaker (Hon. Oraro): One last Member, yes, Hon. Boitone.

Hon. Boitone (MCA, Nyalenda “A” Ward): Thank you, Mr. Speaker. As much as...

Hon. Olima (MCA, South-West Nyakach Ward): A Point of Order Mr. Speaker!!

The Speaker (Hon. Oraro): What is your Point of Order Hon. Gard?

Hon. Olima (MCA, South-West Nyakach Ward): Mr. Speaker, i want to bring to your attention that the Member on the Floor is naked in the House.

The Speaker (Hon. Oraro): Who is seated next to Hon. Boitone to confirm if the Member is properly dressed? Hon. Benny Pete, can you confirm if Hon. Boitone is properly dressed?

Hon. Oiko (MCA, Kabonyo-Kanyagwal Ward): Hon. Speaker, my eyes are defective I cannot see if he is properly dressed.

(Laughter)

The Speaker (Hon. Oraro): Hon. Ken Ouko.

Hon. Ouko (MCA, West Kisumu Ward): Mr. Speaker, I am equally trying to struggle but I am not in a position to confirm if the Member is not dressed as required. I am seeing people but blurrily on what they have worn.

The Speaker (Hon. Oraro): Serjeant-at-arms can you confirm if Hon. Boitone is properly dressed and report to me.

(Serjeant-at-arms confirms and reports to the Speaker)

The Speaker (Hon. Oraro): Honorable Members, the report that has reached me is that the Hon. Member is properly dressed, so, proceed.

Hon. Boitone (MCA, Nyalenda A Ward): Thank you Mr. Speaker. Mr. Speaker, I fail to understand why Hon. Gard Olima wants to distract my attention. Anyway, I want to thank each and every Member who has contributed to this issue. It is not the first time that a report is not circulated within the stipulated time, and it should be circulated to Members at least 24 hours before the session. The Chair has been very honest and she has given the technicalities and hitches that she has encountered to ensure that this report reaches the House. Mr. Speaker, we therefore seek your indulgence having in mind that we have a lot of work to do, we seek your guidance. I believe that there are still more reports that will come less than the period that is stipulated by the Standing Orders. Mr. Speaker, kindly give us a ruling, thank you.

The Speaker (Hon. Oraro): Honourable Members, I have listened to the Point of Order raised by the Deputy Speaker, regarding the motion at hand, and I want to direct that we make it a practice by sending the reports to Members early enough. We have listened to the Chair of the said House Committee, and going by the nature of the pending works that we have, and the indulgence of the House, I want to implore upon you that you give the Chair time to proceed but in the speed that allows Members to move with her. This will enable us to get a robust debate from the Members. So, the Hon. Chair of Finance and ICT, you will move at a speed that will allow Members to move with you, so, that they are able to give their input in that report. However, I want to report that moving forward, let us make it a practice that we give the report to Members early enough so that they are able to go through it, make their notes and debate appropriately. Yes, Hon. Chair, Finance.

Hon. Carren Ajwang' (MCA, Kaloleni-Shaurimoyo Ward): Thank you Hon. Speaker, and thank you Hon. Members for understanding and allowing me to proceed.

(Hon. Oiko rises on his feet)

Hon. Oiko (MCA, Kabonyo-Kanyagwal Ward): On a point of Order Mr. Speaker.

The Speaker (Hon. Oraro): Yes Hon. Oiko, what is your point of order?

Hon. Oiko (MCA, Kabonyo-Kanyagwal Ward): Mr. Speaker, I was given a copy, the Chairperson is taking us through the copy. However, whatever she is reading does not tally with my copy. I believe that from the word go, there is a problem. This is the report I have been given. I have been keenly following, but, they do not tally. For instance, she has just mentioned page seventy-something and I am looking at my report, there is no such a page. Unless there are so many versions of the report which were prepared. What I have been given is different from what she is reading. If I am given a hard copy and I cannot follow up, what about the Hon. Members who are following through the Mobile Phones? Mr. Speaker, we have a problem.

The Speaker (Hon. Oraro): Hon. Oiko, I believe what the Hon. Chair is using is a moving note but, Hon, Chair can you clarify?

Hon. Ajwang' (MCA, Kaloleni-Shaurimoyo Ward): Hon. Oiko, can you please pin point where you want a clarification, which page? Because what i am presenting are moving notes which are extracts from the report.

Hon. Oiko (MCA, Kabonyo-Kanyagwal Ward): Moving notes?

Hon. Ajwang' (MCA, Kaloleni-Shaurimoyo Ward): Yes!!

Hon. Oiko (MCA, Kabonyo-Kanyagwal Ward): It is on which page?

Hon. Ajwang' (MCA, Kaloleni-Shaurimoyo Ward): I do not know which page it is, sorry for that.

Hon. Oiko (MCA, Kabonyo-Kanyagwal Ward): Moving notes and she does not know the page?

Hon. Ajwang' (MCA, Kaloleni-Shaurimoyo Ward): No, I have mentioned it from my report. You can even show me and then I can assist you.

(A Member speaks off the delegate)

Hon. Ajwang' (MCA, Kaloleni-Shaurimoyo Ward): No, you are using something different.

Hon. Oiko (MCA, Kabonyo Kanyagwal Ward): We are not on the same page?

Hon. Ajwang' (MCA, Kaloleni-Shaurimoyo Ward): I am sorry.

(Hon. Whip rises on his feet)

Chief Whip (Hon. Kanga, MCA, Market-Milimani Ward): On a point of Order.

The Speaker (Hon. Oraro): What is your point of order Honourable Member?

Chief Whip (Hon. Kanga, MCA, Market-Milimani Ward): Mr. Speaker, this House is moving unprocedurally. That is because I believe Hon. Oiko Pete is a ranking Member of this House. So, we should let the Chairperson conclude her report, then the Hon. Oiko Pete to raise his concern. But, going to the Chairperson's desk to verify whether the two reports are genuine or not, to me I believe is very unprocedural. So, let the Chair proceed with her presentation then, the Hon. Oiko Pete will raise the matter when we shall be interrogating the report, thank you Mr. Speaker.

The Speaker (Hon. Oraro): Hon. Chief Whip, I had requested the Chairperson to move slowly so that the Hon. Members can move alongside her because of the challenge we had of the report having been sent late. That is why I allowed Hon. Oiko to be guided so that he moves together with the Chairperson. I believe that what did not come out clearly is that the Chairperson is reading a summary and referring to certain pages where the members could be looking into.

So, Hon. Boitone, if you are next to Hon. Oiko and also following together with what the chairperson is reading, then you should be able to assist Hon. Oiko as appropriate. Hon. Chair proceed.

Hon. Ajwang' (MCA, Kaloleni-Shaurimoyo Ward): Thank you Hon. Speaker, I want to inform Hon. Oiko that now in the review of the County Revenue Fund Annual Reports and the Financial Statements for the period ended 30th June, 2023. I also believe that I mentioned page sixteen and page seventeen of the main report not page seventy-five. Okay, Mr. Speaker and Honourable Members, after....

(Hon. Nyaoke rises on his feet)

The Speaker (Hon. Oraro): What is your point of order Hon. Nyaoke?

Hon. Nyaoke (MCA, North Nyakach Ward): Mr. Speaker, you had given us the liberty to move with the motion mover and we are at a very crucial page where she had not completed when Hon. Oiko interrupted. That is at 4.6. Madam Chair, if you look at 4.6, we were already at point one whereby the issue raised then now we are supposed to move to the response by the CECM. That is a very important point that I believe we should handle before we go to the Committee Observations. At item 4.6 Hon. Chair, please.

The Speaker (Hon. Oraro): Hon. Chair, you are guided.

Hon. Ajwang' (MCA, Kaloleni-Shaurimoyo Ward): Thank you. Okay, let me proceed. I will redo it for continuity...review of the County Executive Annual Report....

REVIEW OF THE COUNTY REVENUE FUND ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE, 2023

Mr. Speaker Sir and Honourable Members, after careful scrutiny of this Financial Statements, various issues were raised and addressed to the CECM, Finance and Economic Planning. The matrix below outlines the Concerns, responses by the CECM. Finance, the Committee Observations and Recommendations; (Pg. 16 & 17 of the main report)

S/NO	ISSUE RAISED	RESPONSE BY THE CECM	COMMITTEE OBSERVATION	COMMITTEE RECOMMENDATION
1.	The OCOB County Implementation review report FY 2022/2023 discloses that the County received Kshs. 93,997,196 being Conditional Grant for Road Maintenance Fuel Levy which is not included on the receipts on CRF statement for the period under review. Explain this inconsistency in reporting?	At the time of preparation of financial statement, the management had not received this amount related to “conditional grant for road maintenance levy” of Kshs 93,997,196. Since we report on cash basis, we could not include it in CRF report.	The department failed to provide evidence on the date of receipt of Kshs 93,997,196 to justify their response that the funds were received after closure of the financial year.	The County Treasury to submit evidence to justify the date upon which the amount was received within (two) weeks of adoption of this report.
2.	Submit CRF Bank account statements to justify the reported receipts and payments.	Bank Account Statements for CRF has been attached for your perusal. See (Annex 4 as per)	The Annex 4 could not be tracked in the submissions.	The County Treasury to submit CRF Bank Account Statements to justify the receipts and within (two) weeks of adoption of this report.
3.	Give a further detailed explanation & supporting schedules on the Return to CRF issues. (Explanatory note 3 on pg. 6 is inadequate)	The management noted that and shall henceforth ensure adequate explanation on Report to CRF	The response is not satisfactory.	The County Treasury to provide a comprehensive explanation on the Return to CRF Issues within (two) weeks of adoption of this report.
4.	Justify the variations in Opening fund balance figure disclosed in the CRF Report at Kshs. 1, 733, 026, 958	The variance is the transfer to county assembly, which was not included in the CRF report	The response is irrelevant to the issues raised	The CEC Member to appear before the House Committee to shed more light on the issue within

	against the Kshs. 652,654,461 being Opening balance for the same period disclosed in CBROP FY 2022/2023.			(two) weeks of adoption of this report.
5.	Justify the variation between the Closing balances for Financial Year 2022/2023 of Kshs. 2,021,612,102 against the Opening Balance in the approved budget estimates for the FY 2023/2024 of Kshs. 1,450,625,819?	The variance amount is due to the Facility Improvement Fund (FIF) for hospitals which was not included while computing the opening Balance.	The response is not satisfactory since, the Opening Balance has to be the Closing Balance of the subsequent year.	This matter be referred to the Select Committee of PIC/PAC for further investigations.

REVIEW OF THE COUNTY EXECUTIVE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE, 2023

Mr. Speaker Sir and Honourable Members, after examination of this Financial Statements, various issues were raised and addressed to the CECM. Finance and Economic Planning. The matrix below outlines the Concerns, responses by the CECM. Finance, the Committee Observations and Recommendations; (Pg. 23-27 of main report)

S/NO	ISSUE RAISED	RESPONSE BY THE CECM	COMMITTEE OBSERVATION	COMMITTEE RECOMMENDATION
1.	Your account for the Financial Year 2022/2023 has a report of a Balance brought forward of Kshs. 2,545,856,113.00 which has been adjusted to Kshs. 1,627,639,016.00. Provide supporting schedules to the following figures which has adjusted this figure? (Note 12- Pg. 75) a) Kshs. 41,444,001 – reported to be	a. Kshs. 41,44,001 relate to amount held at different self-reporting entities which are required to prepare separate accounts (see annex i) b. “Others” as disclosed in “prior year adjustment” amounting to Ksh. 24,002,989 was a provision figure, which could not be verified due to IFMIS network technical challenges at the time of closing the financial year. However, it was later corrected and captured under	Generally, Closing Balance figures are verified by Board of Survey. It is not convincing that the figure of Kshs 24,002,989.00 was a provisional figure. In addition, the County Treasury further claims that a difference of Kshs	This matter be referred to the Select committee of PIC/PAC for further investigation.

	<p>relating to other Commercial Bank Account during the Financial Year 2021/2022.</p> <p>b) Kshs 24,002,989.00 reported as others</p> <p>c) Submit the amended accounts for the FY 2021/2022.</p>	<p>un-surrendered imprest. A difference of Ksh.5, 533,465 was an arithmetic error which has since been included in the amended financial statements.</p>	<p>5,533,465.00 out of Kshs 24,002,989.00 is a typographical error which has been included in the amended financial statement but, the necessary documents have not been provided to support these claims.</p> <p>Further, the figure of Kshs 41,444,001.00 reported as for “other” commercial banks is still not satisfactorily responded to since, the accounts for the said self-reporting entities are not provided.</p>	
2.	<p>Explain why compensation of employees figure totaling to Kshs. 4,374,160,138.00 for the FY 2022/2023 has reduced from Kshs. 4,545,113,972 for the FY 2021/2022 despite automatic annual increments. Further you are required to submit a reconciled report on wages in this format attaching summaries for new employees, retirements plus other items affecting salary reductions: (Statements of</p>	<p>They have not submitted the reconciled reports on Personal emoluments as per our prescribed format but have indicates that the low absorption of P/E was due Retirements and Human Resource Matters</p>	<p>The County Treasury did not provide a reconciled report on the Personnel Emoluments in the format that was prescribed by the House Committee</p>	<p>The County Treasury to provide a reconciled report of Personnel Emoluments in the format that was prescribed by the House Committee within two weeks upon adoption of this report.</p>

	<p>receipts and payments Pg. 37)</p> <p>Total salaries F/Y 2021/2022 4,545,113,972.00</p> <p>ADD: 1) Annual increment (F/Y 2022/23) xxx</p> <p>2) Add new employees (F/Y 2022/23) xxx</p> <p>3) other increments during the year (F/Y 2022/23) xxx</p> <p>LESS: 1) Retirements/ exit etc (F/Y 2022/23) (xxx)</p> <p>2) Any salary reduction during the year (xxx)</p> <p>Salary for F/Y 2022/2023 XXX</p>			
3.	<p>The Committee has observed a high County Wage Bill for the FY 2022/2023 of Kshs. 4,374,160,138.00 against the total receipts of Kshs. 8,533,526,659 translating to 51% of the total County Revenue realized. Justify the high county wage bill above the 35% limit set by the PFM regulations of 2015 which has further undermined the allocation for Development.</p>	Not responded	The County Treasury failed to explain the	The County Treasury should strive to comply with the Wage Bill which is in violation of the PFM Act, 2012 on provision of the PFMPE. Act, 2012 and the accompanying Regulations of 2015

	Explain why the Budget figure for P&E for the FY 2022/2023 of kshs.4,635,539,865 varies from the actual figure of Kshs. 4,374,160,138.			
4.	Explain and provide the supporting schedules for Kshs. 16,806,552.00 reported as expenditure for research studies, project preparation and design under Acquisition of Assets. Explanatory note 7 for the item is inadequate (Pg. 67 – Note 7)	A schedule has been provided but details of the items do not relate to Research studies, project preparations, design and supervision	The response provided by the County Treasury was not convincing because the reported items do not relate to research	The County Treasury must endeavor to utilize county resources prudently in line with the provisions of section 104 of the PFM Act, 2012.
5.	Explain the outstanding figure for un surrendered imprest of Kshs. 23,035,975 at the closer of the Financial Year contrary to the provisions of Section 152 (5) of PFM Act 2012 & the regulations of 2015.	The management acknowledges this observation and currently working on modalities to ensure these outstanding imprests are surrendered. They have also provided a Tabulation amounting to Kshs. 8,696,975 to justify the amount that has since been recovered/ surrendered.	The Committee observed that, the Imprest provided contains staff that are deceased, retired and current. However, evidence of the strategies for recovery was not provided in the response.	This matter be referred to the Select committee of PIC/PAC for further investigation.
6.	The Committee observed that some components of the imprest dates back from 2014 and some imprest holders have retired while others have passed on. Explain the strategies you have put place to recover these outstanding imprest?	<ul style="list-style-type: none"> i. reminding staff on compliance with PFM act 2012 ii. payroll recovery for staff who are still in service iii. forced recoveries from exiting staff final benefit as evidenced on the above table 	The House Committee observed that, the County Treasury is not complying to Regulations on Imprest management. Further, the provisions of section 93 (6) and (7) of the PFM Regulation of	The County Treasury should adhere to the provisions of the PFM section 93 (6) and (7) of the PFM Regulation of 2015 on Imprest recovery.

			<p>2015 states that “in the event an imprest holder failing to account for or surrender the imprest on the due date, the Accounting officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest at the prevailing Central bank Rates</p> <p>(7) If the Accounting Officer does not recover the temporary imprest from the defaulting officer as provided in this regulation, he/she commits an offence as provided under this Act.</p>	
7.	Submit the amended Cash flow statement for the Financial Year 2021/2022 to justify the corrected figures of Kshs. 742,970,432. (Pg.40)	Attached is an amended Financial statements that justifies the typing error that led to incorrectly summing up of Ksh.305,247,721; (33,345,008+20,812,370+742,970,432)	The amended Financial Statements are not attached as per the responses.	The County Treasury to submit the amended financial statements for FY 2021/2022 within two weeks upon adoption of this report
8.	Under note 16 (Pg. 88), on the progress on follow up on prior year Auditor’s Recommendations, you have submitted that you are in process of developing the County Fixed Asset Register. Kindly submit the	Submitted the implementation status of the fixed asset register (see annex)	Committee Satisfied	Resolved

	implementation status report of this recommendation.			
9.	On the Summary of Non-Current Asset Register (Annex 7 pg. 120), you have reported a figure of Kshs. 89,140,420.50 being an allocation for Intangible Assets. Submit detailed supporting schedule for this figure.	The supporting schedules have been submitted but no disclosures on the details	The Committee observed that some items in the Schedule are actually tangible assets i.e. Supply of Rainbow Rooster at Kshs 2,741,760.00 and Construction of Fish processing Slab at Kshs 2,141,694.00	The CEC Member to appear before the House Committee within two weeks of adoption of this report to justify the intangible assets figure of Kshs 89,140,420.50.

REVIEW OF THE KISUMU COUNTY EMERGENCY FUND ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE, 2023

Mr. Speaker Sir and Hon. Members, the Kisumu County Emergency Fund Account was established on 11th December, 2015 in accordance with section 110(1) of the Public Finance Management Act, 2012 with an objective of the fund is to enable payments to be made in respect of County when an urgent and unforeseen need for expenditure for which there is no specific legislative authority arises. After our analysis of this Financial Statements, various issues were raised and addressed to the CECM, Finance and Economic Planning. The matrix below outlines the Concerns, responses by the CECM. Finance, the Committee Observations and Recommendations; (Pg. 29-33 of the main report)

S/NO	ISSUE RAISED	RESPONSE BY THE CECM	COMMITTEE OBSERVATION	COMMITTEE RECOMMENDATION
1.	The Committee has noted that the financial statements you submitted did not conform to the prescribed format issued by the Public Sector Accounting Standard Board for FY 2022/2023. a) No County logo on the cover page. b) No list of acronyms and glossary of terms. c) Fiduciary oversight	a. Admitted the omission of not putting the County logo. This has now been added to the cover page in the amended Financial Statement. b. Admitted that the list of acronyms and glossary of terms were not included in the financial statements, this has now been included in the amended Financial Statement	The County Treasury has admitted the issues raised by the House Committee	The County Treasury should prepare the Statements in accordance to the format and guidelines prescribed by the Public Sector Accounting Standard Board (PSASB) for FY 2022/2023.

	<p>arrangements no. 2c. Admitted that the fiduciary ...the name (George oversight arrangement was not Oraro)* is misspelt? put well, now the name has been</p> <p>d) Statement of put properly and corrected in the comparison of budget amended Financial Statement.</p> <p>and actual amount, the d. Acknowledged that the percentage utilization statement of comparison of was not provided. budget and actual amount, the percentage utilization were not provided, however these have been corrected as required.</p>			The County Treasury should amend and re-submit the report to other relevant entities.
2.	<p>Under Fund Administration Committee Chairperson's report the following issues were not captured as required;</p> <p>a) Changes in the Fund during the year (in terms of the board or key management team)</p> <p>b) Review of the Fund's Performance</p> <p>c) Future Outlook of the Fund</p> <p>d) Any other matters deemed necessary</p> <p>e) A conclusion</p>	<p>a. Changes in the fund during the year (in terms of the board or key management team), review of the funds' performance, future outlook of the fund and Conclusion aspects issues have been addressed in the amended financial statement.</p>	Issue satisfactorily responded to	Resolved
	<p>(f) Under the reported expenditure of Kshs 90 million, kindly highlight the activities that were financed. Also explain how the extra 20 million was financed because the receipt in the year was only Kshs 75 million.</p>	<p>That Kshs. 90M was expended as follows;</p> <p>-Donations/Reversed Receipts at Kshs. 3,629,600</p> <p>-Emergency Relief Foods at Kshs. 38,991,887.00</p> <p>-Acquisition-Other Infrastructure & Civil works at Kshs.</p>	Issue satisfactorily resolved	Resolved

		48,085,143.00 -Bank Charges at Kshs. 14,650.00		
(g)	<p>SCRUTINY OF THE FINANCIAL STATEMENTS</p> <p>a. Public contributions and Donations (note 1)</p> <ul style="list-style-type: none"> Under notes to the financial statements (Note 1) public contributions and donations Pg. 20. It is reported that donations from development partners was erroneously deposited to the fund account (Kshs. 3,330,200) and was later reversed. (provide evidence for the reversal) Under use of goods and services note 3 Pg. 21, Donation/Reversed receipts has been reported as Kshs. 3,629,600 but the reported reversed amount under note 1 is Kshs. 3,330,200 giving a variance of Kshs. 299,400. 	<p>a. It's true that the donations from development partners (UNICEF) was erroneously deposited to the fund account (Kshs. 3,330,200) and was later reversed. Kindly see attached Annex 6</p> <p>b. It is true that under Use of goods and Services note 3 page 21, Donation receipts has been reported as 3,629,600 but the reported reversed amount under note 1 is Kshs. 3,330,200 giving a variance of Kshs. 229,400. Note that there were (2) two donations which were erroneously deposited in the Emergency Fund Account. Kshs. 3,330,200 from UNICEF and Kshs. 300,000 from Cooperative bank. Therefore, the first reversal was done to UNICEF of Kshs. 3,329,600 of which the difference Kshs. 600 was bank charges. Secondly Kshs. 300,000 from Donor Cooperative bank to Africities, was transferred to CRF account for further adoption by the County Assembly.</p>	The House Committee finds the response in-completed since no attachments were provided.	The CECM to provide evidential and documentary responses within two weeks upon adoption of this report.
(h)	Under the statement of Cash flows for the year ended 30 th	It's true that under the statement of Cash Flow for the year ended	The House Committee finds the	The CECM to provide evidential and

	June 2023, Note 1, Public Contributions and donations page 4 was reported NIL, yet under Notes 1 to Financial Statement page 20, Public Contributions and Donations has been reported to have a figure of Kshs. 3,330,200. Kindly explain the disparities herein?	30 th June 2023. Note 1, public contributions and donations page 4 was reported nil yet under note 1 to the financial statement page 20 public contributions and donations has been reported to have a figure of Kshs. 3,330,200 this was a typo error which has been corrected. Kindly see page 4 of the Financial Statements.	response in-completed since no attachments were provided.	documentary responses within two weeks upon adoption of this report.
(i)	Give a detailed breakdown on how Emergency Relief Fund of Kshs. 38,991,887 was expended? (Provide supporting schedule to this expenditure-explanatory note 3 Pg. 21 is inadequate)	The details of how Emergency relief foods funds of Kshs. 38,991,887 was expensed as detailed in annex 8	The House Committee finds the response in-completed since no attachments were provided.	The CECM to provide evidential and documentary responses within two weeks upon adoption of this report.
(j)	a. Give a detailed breakdown on how Kshs. 48,085,143 for Acquisition – other infrastructure and Civil works was expended (Provide supporting schedule to this expenditure-explanatory note 3 Pg. 21 is inadequate). b. Further, explain why it was classified under use of Goods and Services yet it should be under acquisition of assets?	a. The details of how Acquisition-Other Infrastructure & Civil works of Kshs. 48,085,143 was expensed. Kindly see attached annex.9 b. The amount of Kshs. 48,085,143 was expensed on code 2640404 instead of class 3100000 (Acquisition of Assets code) as a transferable code which IFMIS accepts and to avoid audit queries which arises from classification 31.	The House Committee finds the response in-completed since not attachments were provided.	The CECM to provide evidential and documentary responses within two weeks upon adoption of this report.
(k)	Cash and cash equivalents Current account Coop Bank, Note to the Financial Statements No. 4 Pg. 22 represented Kshs. 110,436. The figure varies with the balance as per certificate of balance attached as an annexure with a figure of	Submitted that the reason for doing bank reconciliation is to harmonize the difference between the cashbook balance and balance as per the bank statement. Kindly see the attached cashbook, bank statement and reconciliation statement. Annex. 10	The House Committee finds the response in-completed since no attachments were provided.	The CECM to provide evidential and documentary responses within two weeks upon adoption of this report.

Kshs. 4,983.48. Explain the variation and provide reconciliation statements?			
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General Recommendations

Mr. Speaker Sir and Hon. Members, the Committee makes following additional recommendations for consideration by this esteemed House.

1. Disclosure of County Commercial Bank Accounts;
That, the CECM for Finance, Economic Planning, and ICT to submit all County Executive Commercial Bank Accounts to the Assembly within one month of the approval of this Committee report. The Bank accounts to include donor funded operational accounts, Facility Improvement Fund/AIA Account being management by Health Facilities/Department and Liquor License account.
2. Enhancement of Financial Reporting Standards;
That the CECM for Finance, Economic Planning, and ICT to promote the county standards of financial reporting, particularly concerning County Public Funds by assigning capable and competent accounting officers who are dedicated to managing the funds effectively.
3. Adherence to Committee Directives/Resolutions;
That, the County Treasury to adhere to Committee directives/resolutions by honoring invitations, and strictly observing deadlines for the submission of responses and relevant information for ensuring proper scrutiny and to enhance the oversight role of the Assembly.
4. Enhanced Coordination with House Committees;
THAT, the Department of Finance, Economic Planning, and ICT to enhance its coordination and cooperation with the House Committees to foster synergy for improved service delivery to the people of Kisumu County.

Hon. Speaker, I hereby urge the Hon. Members to adopt this report with the recommendations contained herein. May I call upon Hon. Kennedy Ouko to second.

Hon. Ajwang' (MCA, Kaloleni-Shaurimoyo Ward): Mr. Speaker, if Hon. Ooko is not in the House, please allows me I call upon the Deputy Leader of Majority who is my Vice-chair to second.

Deputy Leader of Majority (Hon. Owade, MCA, South East Nyakach): Thank you Mr. Speaker. As I rise to second the report as has been read by my Chair. First of all, I want to take this opportunity to congratulate the Chair and her team for a job well done. Madam Deputy Speaker, if you want to speak, you should rise and be given a chance, otherwise, the floor is still mine. Mr. Speaker, I believe that what the committee has done is the role of an able committee like Finance and ICT. It is now our duty as Members to ventilate on it and if there is anything

that needs to be added or amended, I call upon Members to honestly debate on this matter appropriately. Thank you, Mr. Speaker.

The Speaker (Hon. Oraro): Hon. Members, now that the Finance and ICT Committee Consolidated Report on its consideration of the Kisumu County Executive Annual Report and Financial Statement for the period ended 30th June 2023 and that of the Revenue Fund Annual Report and Financial Statement for the period ended 30th June, 2023 and finally the Emergency Annual Report and Financial Statement for the period ended 30th June, 2023; have been presented by the Honourable Chair, seconded by Hon. Lumumba Owade and I now want to propose the question;

I propose that the Finance and ICT Committee consolidated report on its consideration of the three financial statements is open for debate.

The Speaker (Hon. Oraro): Yes, Hon. Vitalis K'Omudho.

Hon. K'Omudho (MCA, Muhoroni/Koru Ward): Many thanks Hon. Speaker and my fellow colleagues. This is a very good and elaborate report. Congratulations to the Chair together with your team. That is an exemplary job well done and it is so wonderful. I could hear the Chair going to spotty issues one by one. One of them being some letters being some letters written on non-letter-headed documentation which I believe do not warrant satisfaction of the reactions accordingly. Other cases in nature, she was referring to case of the annexures which are actually quite non-existent. I believe that going by the design of what I have heard going through the same, she is actually determined together with the team to bring on board all the areas of weaknesses. Otherwise, I highly support and get to encourage and call upon fellow Hon. Members so that we adopt the report accordingly. Once more, many thanks.

The Speaker (Hon. Oraro): Hon. Tom Nyaoke.

Hon. Nyaoke (MCA, North Nyakach Ward): Thank you Mr. Speaker. As I started saying something about this motion which has been brought before this House, Mr. Speaker, I still want to continue to appreciate the Chair for being faithful to the commitment she has towards this particular House Committee. Mr. Speaker, I tried my level best to move with her with the speed in which we were guided. This committee has tried to give us exactly what transpired even if it is not the exact one but at least the on-goings as far as this report is concerned.

Mr. Speaker, you have seen how they have actually, faithfully interrogated and even the questions they were trying to put to the relevant departments at the executive are precise and, in most cases, to the point. I am happy that they tried their level best to identify the gaps. I believe that as we had promised in this third session that we are going to make sure that when we come together in this House, we will ensure that the pending cases, the verifications that have been

requested for in this particular report if they will be responded to accordingly, I am sure that we shall get to the right direction.

Mr. Speaker, look at points like, some contribution and donation which were deposited in a particular account and later on reversed. We know that this accountant know how to play around with figures by moving money from one account to the other to solve a specific problem. I don't want to confirm that that is what took place, but if we look at this report we can see certain issues like that arising. We find that some amount of many has been deposited in a certain account and they again claim that they were erroneously deposited. Mr. Speaker, you cannot deposited Ksh.3 million plus in a wrong account and reverse. This is something we need to look at and the response of the observation of the committee and what they demand from the report should be followed to the letter and we want to see the committee making sure that all the recommendation that they have given, the answers and the documentary evidence that they have requested from the executive are provided.

Mr. Speaker, moving forward, as we have agreed with the Members, we are going to take our work seriously and Mr. Speaker we are going to start with this particular report. I am requesting my fellow members that we adopt this report so that we make progress. If we don't adopt it Mr. Speaker, some of the information that we have requested like the ones we have referred to PIC PAC to go and dig deeper. If we don't adopt the report, then we don't expect answers which will enable them to run away with the gaps.

Once more, I want to thank this House Committee for their first time and it is my belief that this House Committee has presented the best report. Mr. Speaker, what I want us to do is to make sure that we follow their request directed to the Executive to ensure that they take their work serious to make sure that they respond to the pertinent issues that have been requested by the committee. Thank you I beg to support.

The Speaker (Hon. Oraro): Hon. Oiko.

Hon. Pete (MCA, Kabonyo-Kanyagwal): Thank you Mr. Speaker. This is a good report for the Assembly to interrogate and we can see how the public money is being spent by the Executive which is very crucial. When we get such reports, we get to see the picture of how our County government is being run for the betterment of our people or are there gaps that we need to pinpoint.

Mr. Speaker, it is good that this is the first time I am seeing the report on Emergency Annual Report. What I need to go and further find out is, this one stated here is Emergency Report of 2015 and not Emergency Fund Act of 2018 that is what is in this report. We need to verify

whether it is the one for 2015 or that of 2018 that is being referred to. Mr. Speaker, a matter has been raised here of 2016 is on Grants for Road Maintenance. This money was for a specific vote head, the changes were made that it should not be mixed with the Own Source Revenue. The information that we are now getting is that this money was used and its accounting was not properly done. It is not being reflected in the current financial year as to whether it was received and if it was taken to the next financial year, we need to follow-up on that. Otherwise, when we take it casually it will be a habit and the County Executive will handle it as per their wish and that will be a big loss to the people of Kisumu.

Mr. Speaker, on the same page 16 number 4, there is a balance of 1.7 billion shillings which is the Closing Balance and on the same page, the Opening Balance is given as 652 million. The Closing Balance become the Opening Balance in normal accounting situation and the figure here is a very big amount, over 1 billion. This is because 1.7 billion subtract 652 million, over one billion was not accounted for. This should not be taken lightly. The County Executive must explain what happened.

Mr. Speaker, what I also wonder, which is becoming a practice in this House when the financial report is being brought, the Executive is given 30 days or 60 day or even 90 days to respond. When the report is brought here, the respective House Committee interrogating the report will still give more time to the Executive to respond yet they are bring the report to us to respond to. Mr. Speaker, we need to look into that.

Mr. Speaker, on number 5, we are being told that the Closing Balance for the financial 2022/2023 of Kshs 2,000,021,612 billion against the Opening balance in the Approved Budget Estimate of FY 2023/2024 of Kshs 1,140,000,685 billion, we wonder, which accounting is now being propagated here. This could have been an error because we are looking at the financial year 1st July 2022 to 30th June 2023. So, let this House Committee take note of that. We are looking at the record for the year 1st July 2022 to 30th June 2023 and that is well stated here. 30th June 2023. When we now bring a record of 2024 which is not yet over, and this brings confusion.

Mr. Speaker, when I go further on this record, the time I interrupted, this is what came out Mr. Speaker. The Chair was referring to pages which are not here, the pages she was referring to are in the original document, so when one is not keen, you will be confused. What's worse Mr. Speaker, the original document was only seen by the committee members and not this other members.

Mr. Speaker, the matter on Wage Bill has also been raised on this report which is at 51% against 31% which raises the question. Has Kisumu County over employed the technical staff or who are this who have been over employed? The Standing Committee of Finance and ICT needs to be

keen on that expenditure and this equally goes to the Standing Committee of Labour and Social Welfare which needs to also do something so that we give direction.

Mr. Speaker and Honourable Members, another interesting matter on the Emergency Fund is Kshs 38 million that was appropriated on food stuff in the FY 2022/2023. We are the people who supported that because we are the people who are always affected by floods and drought but we did not see the food and it is good this House Committee is saying that the department could not explain what the money did. I hope that when we follow up, we shall put the County Executive to task so that our money is prudently and properly used. I beg to submit.

The Speaker (Hon. Oraro): Yes Hon. Ngeta.

Hon. Ngeta (MCA, Awasi-Onjiko Ward): Thank you Hon. Speaker. I wish to call the mover to reply.

The Speaker (Hon. Oraro): Honourable Member, I can see the Majority Whip is on his feet. Please proceed.

Chief Whip (Hon. Kanga, MCA, Market-Milimani Ward): Mr. Speaker, I stand to address the House Committee report concerning the financial period spanning from July 1st, 2022 to June 30th, 2023. Mr. Speaker, in this report, there are recommendations that I believe require attention before we proceed to adopt it. It is imperative to note that the outstanding issue of Unsurrendered Imprests, amounting to approximately Kshs 23 million. We cannot overlook the ramifications outlined in section 97 of the PFM Act 2012 for such discrepancies. The sum of Kshs 23 million is considerable and warrants serious consideration. Therefore, I propose that we accord the County Executive Committee Member for Finance a grace period of two weeks to address these issues before finalizing our decision on the report. The report is very elaborate, they could have even summoned the County Executive Committee Member for Finance to explain these issues before we adopt the report. However, going by the submissions of the Chairperson, they have done so.

Hon. Speaker, within the general recommendations, it was highlighted by the Chairperson that there are multiple accounts associated with the County Assembly. Regrettably, this House Committee discovered that these accounts were not submitted to the County Assembly as required. Consequently, the committee has granted the County Executive Committee Member for Finance one month to rectify this matter. Despite funds being transferred, the financial statements remain elusive. Thus, we are extending a further one-month deadline for the submission of the financial statements pertaining to these accounts.

Mr. Speaker, another issue that I want to talk about is on adherence to House Committee's directives. The Chairperson has indicated in her report that when they do invitations to the County Executive Committee Member for Finance, the department does not adhere to the requirements of this House Committee. Mr. Speaker, moving forward, we should ensure as an Assembly that when we do invitations; not even the County Executive Committee Member for Finance but all other relevant County Executive Committee Members who are answerable to this Assembly, they should adhere to the requirements and requests of the Assembly.

Finally, I want to applaud the Chairperson of this House Committee that for the first time in this Third Assembly we have seen very elaborate statement and recommendations highlighting reasons and observations on what needs be done by highlighting discrepancies. I wish to applaud the Committee of Finance and ICT as a whole for doing a very good job. Thank you.

The Speaker (Hon. Oraro): Honourable Members, if there is no any other Member, I want to remind you that Hon. Ngeta had called the mover to reply.

The Speaker (Hon. Oraro): Yes Hon. Carren, Chair Finance Committee.

Hon. Ajwang (MCA, Kaloleni-Shaurimoyo): Thank you Hon. Speaker, to my fellow Honourable Members who have spoken, I would like to thank you for recognizing that we have done a good work. We feel encourage and I am very happy. Mr. Speaker, I wish to reply on issues that were flagged out during contributions made by Members.

Hon. Oiko had earlier stated that during my presentation I had mentioning FY 2024 instead of 2023; I think that was just a typo error and that it should be 2023.

Mr. Speaker, The Chief Whip touched on the Unsurrendered Imprests. I want to inform the Member that during our report writing in Bondo, we invited the County Executive Committee Member for Finance and ICT to shed more light and give information on the issues raised. But due to unavoidable circumstances, he did not come. Form the report that I have just read, we expect him to appear before us after two weeks on adoption of this report. After the retreat that we had in Sawela hotel we expect things to change. We talked and they agreed that they have not been responding so well to our invites. Thank you.

The Speaker (Hon. Oraro): Honourable Members, there Chairperson of Finance and ICT Committee has presented a Consolidated Report of the consideration of the Kisumu County Executive Annual Report and Financial Statement for the period ended 30th June, 2023 and that of the Revenue Fund Annual Report and Financial Statement for the period ended 30th June, 2023 and finally the Emergency Annual Report and Financial Statement for the period ended

30th June, 2023 which has been seconded and debated upon, I therefore want to put a question on the adoption of the same.

(Question put and agreed to)

The Speaker (Hon. Oraro): Honourable Members, the report of the consideration of the Kisumu County Executive Annual Report and Financial Statement for the period ended 30th June, 2023 and that of the Revenue Fund Annual Report and Financial Statement for the period ended 30th June, 2023 and finally the Emergency Annual Report and Financial Statement for the period ended 30th June, 2023 is hereby adopted today 21st February, 2024 at 1641 hours.

Honourable Members, I direct that the recommendations of the report therein be communicated to the relevant department, the Committee of Implementation to pick immediately on follow up of implementation of the same and those recommendations that have been referred to PIC/PAC Committee to be taken up for action. Thank you.

The Speaker (Hon. Oraro): Next Order!

ADJOURNMENT

The Speaker (Hon. Oraro): Honourable Members, there being no any other business, the house stands adjourned to Thursday, 22nd February, 2024 at 2.30 p.m.

(House rose at 4.42 p.m.)

Addendum

Hansard Team

<i>Zablon Otiende</i>	-	<i>Senior Hansard Reporter (In-charge)</i>
<i>Edward Odanga</i>	-	<i>Hansard Reporter</i>
<i>Fanuel Okode</i>	-	<i>Hansard Reporter</i>
<i>Patrick Okoyo</i>	-	<i>Hansard Reporter</i>
<i>Jesca Otieno</i>	-	<i>Hansard Reporter</i>
<i>Dennis Onyango</i>	-	<i>Hansard Reporter</i>
<i>Jacklyne Otieno</i>	-	<i>Hansard Reporter</i>
<i>Valery Achieng'</i>	-	<i>Hansard Reporter</i>