

COUNTY GOVERNMENT OF KISUMU



COUNTY ASSEMBLY OF KISUMU

THE HANSARD

Official Report

THIRD ASSEMBLY – THIRD SESSION

Tuesday, 18th June, 2024

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

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

PRAYERS

The Speaker (Hon. Oraro): Clerk, take us through the Order Paper of today.

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

STATEMENTS

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

Leader of Majority (Hon. Ooko, MCA Ahero): Thank you Hon. Speaker. I rise to make a Statement, pursuant to the provisions of Orders No. 42 (c) of the Kisumu County Assembly Standing Orders which mandates me as County Assembly Majority Leader to present and lay on the table of the County Assembly a Statement informing the County Assembly of the Business coming before the House on the following week.

Mr. Speaker, this is therefore to bring to the attention of Members and the County Assembly that for the week commencing Wednesday 19th June, 2024 to Tuesday 25th June, 2024, the Select Committee on Assembly House Business at its last meeting approved the following relative businesses to appear in the Order Paper as follows:

Wednesday 19th June, 2024, 9:00 a.m.

PAPERS TO BE LAID

1. The Chairperson Select Committee on Welfare and Equal Opportunities, Hon. Mildred Ajumbo, will table a Report on the Benchmarking Exercise with their sister counterparts of Nakuru County Assembly.
2. The Chairperson Sectorial Committee on Finance and ICT, Hon. Caren Odhiambo will table a Report on the Matter of CESS, Deducted from Sugarcane Farmers in Nyando and Muhoroni Sub Counties.

NOTICES OF MOTION

1. The Chairperson Sectoral Committee on Welfare and Equal opportunities, Hon. Mildred Ajumbo, will give a Notice of Motion that this House adopts a Report of Welfare and Equal opportunities Committee on the Benchmarking Exercise with their counterparts from Nakuru County Assembly.
2. The Chairperson Sectoral Committee on Finance and ICT, Hon. Caren Odhiambo, will give a Notice of motion that this House adopts a Report on Finance and ICT on the matter of Cess Deducted from Sugarcane Farmers in Nyando and Muhoroni Sub-Counties.

SUBSTANTIVE BUSINESS FOR THE DAY

The Chairperson of Sectorial Committee on Medical Services, Public Health and Sanitation, Hon. Vincent Jagongo, will move a Motion for adoption of a Report on the Proposal to Amend The Kisumu County Health Improvement Fund (FIF Act, 2021), in accordance with Facilities Improvement Financing Act, 2023.

Wednesday 19th June, 2024 at 2:30,

STATEMENT

Hon. Adonija Odari, Member of County Assembly for Chemelil-Tamu Ward will seek for the Statement from to the Chairperson of Sectoral Committee on Education, Technical Training, Innovation and Social Services on the Matter of Payment of Bursaries due to schools for the FY 2023/2024.

SUBSTANTIVE BUSINESS FOR THE DAY

The Chairperson of Sectorial Committee on Medical Services, Public Health and Sanitation, Hon. Vincent Jagongo, will move a motion for adoption of the Committee Report on;

1. The Status of Muhoroni County Hospital.
2. The Status of Lumumba County Hospital

3. The Status of Kombewa County Hospital

Thursday 20th June, 2024 at 2:30 pm,

SUBSTANTIVE BUSINESS FOR THE DAY

The Chairperson for the Committee on Welfare and Equal Opportunities, Hon. Mildred Ajumbo, will move a motion for Adoption of the Committee Report on Benchmarking Exercise with their counterparts from Nakuru County Assembly.

Tuesday 25th June at 2:30 P.M,

STATEMENT

The Leader of Majority will issue a Statement pursuant to Orders No. 41 (2) (c) on the business coming before the County Assembly for the week commencing Wednesday 26th June, 2024.

SUBSTANTIVE BUSINESS FOR THE DAY

The Chairperson Sectoral Committee on Finance and ICT, Hon. Caren Odhiambo Ajwang' will move a Motion for Adoption of the Committee report on the Matter of Cess Deducted from Sugarcane Farmers in Nyando and Muhoroni Sub-Counties. Thank you very much Mr. Speaker.

The Speaker (Hon. Oraro): Next Order!

MOTION

ADOPTION OF A REPORT OF MEDICAL SERVICES, PUBLIC HEALTH AND SANITATION COMMITTEE ON THE FINANCIAL MANAGEMENT CONCERNS IN THE COUNTY HEALTHCARE SYSTEM A CASE OF AUDIT REPORT BY PIC/PAC COMMITTEE.

BY

HON. VINCENT JAGONGO, MCA, NORTH WESTG KISUMU

(CHAIRPERSON, MEDICAL SERVICES, PUBLIC HEALTH AND SANITATION COMMITTEE)

(The report is presented by Hon. Emily Oginga on behalf of the Chairperson)

The Speaker (Hon. Oraro): Yes, Hon. Emily.

Hon. Oginga (Nominated Member): Mr. Speaker Sir, I would like to move this motion on behalf of my Chairperson.

The Speaker (Hon. Oraro): Please proceed.

Hon. Oginga (Nominated Member): Mr. Speaker Sir, Hon Speaker, the Committee's attention was drawn to cases of potential financial mismanagement that were brought to light by the reports of the Auditor General as tabled before the County Assembly by the Select Committee on PIC/PAC. These reports have raised concerns regarding the financial management within our county healthcare facilities.

These concerns stemmed from the unrecommended audit opinions; adverse opinion from Muhoroni and Chulaimbo, and disclaimer opinion from Ahero, Kombewa, Nyakach and Lumumba, and showed significant issues questioning financial prudence in these facilities.

As such opinions suggested a systemic problem requiring immediate attention, the Committee underscored the critical role of sound financial management in a well-functioning healthcare system. Beyond skilled professionals and adequate facilities, financial resources must be managed effectively to ensure the well-being of our residents.

Invitation to appear before the Committee

At its meeting of Thursday 14th March, 2024, the Committee resolved that whereas the Committee on PIC/PAC grills the management of the facilities, there was need for a sit-down with the responsible officers to understand the reasons for such unrecommended opinions and to brainstorm possible concrete solutions that will actively work towards positive change in health service delivery.

The Committee invited the following officers to appear before it on Monday 18th March, 2024 at 2:00 p.m.

- i. Chief Officer, Medical Services, Public Health and Sanitation.
- ii. In-Charges of County Referral Hospitals (JOOTRH and KCRH).
- iii. Medical Superintendents/In-charges of County Hospitals.

Observations

Hon Speaker, from the submissions of the officers, the Committee observed the following to be the reasons behind the poor audit opinions;

1. Lack of staffing
THAT there's a shortage of qualified staff across various departments like accountants, procurement officers, and medical personnel.
2. Financial management issues
THAT the hospitals struggled with practices like budget allocation, expense documentation, and revenue collection.
3. Asset management problems
THAT almost all the hospitals lacked proper asset registers, title deeds for land, and knowledge of asset valuation procedures.

4. Mismanagement of the hospital board of management
THAT expired term of board of management, lack of meeting minutes, and unclear roles were prevalent in several hospitals.
5. Communication breakdown
THAT the officers had little knowledge about audit requirements, discrepancies in data submission between hospitals and auditors was also identified. The Committee also observed miscommunication between the department and the auditors.
6. Infrastructural limitations
THAT incomplete transition from national to county government and lack of title deeds led to issues with accessing resources and documentation.
7. Staff unprofessionalism
Notably, the following former Hospital Administrators Mr. Allan Duncan Omondi, former Chulaimbo County Hospital administrator and Mr. Josiah Alai Ongai, former Nyakach County Hospital administrator, refused to surrender important files that were under their management during their time at the hospitals, which were required by the auditors.
8. Non-compliance
THAT almost all the facilities were found to have not complied with the requisite requirement of the International and/or MOH for the levels within which they are operating.

Recommendations

Hon Speaker, as much as we may castigate the management of these facilities for the unrecommended opinions, we can all agree that from the submissions, some of the issues that led to such are beyond their control.

Having carefully analyzed the above, the Committee thus recommends;

1. THAT the department of Medical Services, Public Health and Sanitation should submit to this House a breakdown of the efforts made to secure title deeds for each facility currently lacking them. This information should include details on any applications submitted, roadblocks encountered and the planned next steps within one month of receipt of this report.
2. THAT in the forgoing, for any given audit period, the staff present at the facility during that time should be held accountable for the findings, regardless of subsequent transfers or reshuffles so as to take full responsibility of their actions and avoid blame games.
3. THAT the CECM for Medical Services, Public Health and Sanitation should initiate an inquiry into the allegations of failure to surrender hospital documents by the following former Hospital Administrators Mr. Allan Duncan Omondi, former Chulaimbo County Hospital administrator and Mr. Josiah Alai Ongai, former Nyakach County Hospital

administrator. A report on this investigation should be presented to the Assembly within one month of adoption of this report.

4. THAT to improve financial management at health facilities, the Committee implores on the Budget and Appropriations Committee to consider prioritizing the allocation of funds during this budget period to be used for recruitment of accountants and procurement officers to be deployed accordingly to assist health facilities with financial management tasks.
5. THAT the CECM for Finance and ICT should deploy at least one accountant per sub-county who will be responsible for overseeing and coordinating all financial reporting within the health facilities located within their jurisdictions.
6. THAT the department of Medical Services, Public Health and Sanitation should organize for regular training sessions for the management of the facilities on audit requirements to ensure better understanding of the same.
7. THAT the CECM for Medical Services, Public Health and Sanitation should establish in each facility, an internal audit committee who will be continuously evaluating and improving internal controls and financial practices while at the same time proactively identifying potential weaknesses and recommend corrective actions. This will ultimately strengthen the facilities' overall governance and risk management.
8. THAT the CECM for Medical Services, Public Health and Sanitation should develop and implement a clear and efficient procedures for handling expired medications so as to minimize storage of expired drugs and ensure patient safety.

Acknowledgment

Hon Speaker, may I this opportunity to express my sincere gratitude to all the members and secretariat of this committee for their dedication throughout this entire exercise.

The committee also extends its appreciation to the Offices of the Speaker and the Clerk of the County Assembly of Kisumu for the unwavering support and show of goodwill which was invaluable in completing this exercise and producing this report.

Finally, the Committee offers its deepest gratitude to the Department of Medical Services, Public Health and Sanitation led by Dr. Gregory Ganda, and to the managements of our health facilities. Their cooperation throughout the exercise was equally essential.

This report, Hon Speaker, details the discussions held during the meeting with key personnel from the Department of Medical Services, Public Health and Sanitation and the management of the health facilities. It explores the identified challenges, potential solutions, and recommendations that is aimed at ensuring efficient financial management and a more robust healthcare system.

It is now my pleasure to move;

THAT, this House adopts the report of the Medical Services, Public Health and Sanitation, on the financial management concerns in the county healthcare system: case of audit reports by PIC/PAC committee.

Establishment and mandate of the Committee

Hon Speaker, Medical Services, Public Health and Sanitation Committee was established pursuant to Orders Nos. 156, 158(3),193 of the Kisumu County Assembly Standing Orders.

Membership

The committee on Medical Services, Public Health and Sanitation Committee as was constituted vied the Selection Committee report of Wednesday 3rd April, 2024.

SRL NO.	NAME	POSITION
Members		
1.	Hon Vincent Jagongo	Chairperson
2.	Hon Emily Oginga	Vice Chairperson
3.	Hon Seth Okumu	Member
4.	Hon Nereah Okombo	Member
5.	Hon Kennedy Ooko	Member
6.	Hon Joachim Oketch	Member
7.	Hon Lumumba Owade	Member
Secretariat		
1.	Mr. Owen Ojuok	Clerk of the County Assembly
2.	Ms. Angelyne Obonyo	Clerk Assistant
3.	Mr. William Ogada	Sergeant-at-arm
4.	Ms. Jacklyne Otieno	Hansard Reporter

Committee Mandates

The Committee executes its mandate in accordance with the provisions Orders No. 193(5) and the Second Schedule of the Kisumu County Assembly Standing Orders.

Orders No. 193(5) mandates the Committee to;

- (a) investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments;
- (b) study the programme and policy objectives of departments and the effectiveness of the implementation;
- (c) study and review all County legislation referred to it;
- (d) study, assess and analyze the relative success of the departments as measured by the results obtained as compared with their stated objectives;
- (e) investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the County Assembly;
- (f) to vet and report on all appointments where the Constitution or any law requires the County Assembly to approve, except those under Standing Order 187 (*Committee on Appointments*); and
- (g) make reports and recommendations to the County Assembly as often as possible, including recommendation of proposed legislation.

The Second Schedule further mandates the Committee to look into and investigate on;

All matters relating to County health services, including, in particular County health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, cemeteries, funeral parlours and crematoria and refuse removal, dumps and solid waste disposal; housing; and sanitation.

Legal Framework

Mr. Speaker and Honourable Members, the following statute formed the legal framework pre, during and post this exercise.

2.1.1. Article 185(3) of the Constitution of Kenya, 2010

Legislative authority of county assemblies

- (3) A county assembly, while respecting the principle of the separation of powers, may exercise oversight over the county executive committee and any other county executive organs.

2.1.2. Section 8(1)(f) of the County Governments Act No.17 of 2012

Role of the county assembly

- 1) The county assembly shall -

- f. perform any other role as may be set out under the Constitution or legislation.
- 2.1.4. Kisumu County Assembly Standing Orders No. 193(second schedule)
Mandates the Committee to investigate and inquire into-
All matters relating to County health services, including, in particular County health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, cemeteries, funeral parlours and crematoria and refuse removal, dumps and solid waste disposal; housing; and sanitation.
- 2.1.5. Kisumu County Assembly Standing Orders No. 193 (5) (g)
(5) The functions of a Sectoral Committee shall be to —
(g) make reports and recommendations to the County Assembly as often as possible, including recommendation of proposed legislation.

Background

Hon Speaker, the Committee's attention was drawn to cases of potential financial mismanagement that were brought to light by the reports of the Auditor General as tabled before the County Assembly by the Committee on PIC/PAC. These reports have raised concerns regarding the financial management within our county healthcare facilities.

These concerns stemmed from the unrecommended audit opinions. These opinions included adverse opinions from Muhoroni and Chulaimbo, and disclaimer opinions from Ahero, Kombewa and Lumumba and showed significant issues questioning financial prudence in these facilities.

As such opinions suggested a systemic problem requiring immediate attention, the Committee underscored the critical role of sound financial management in a well-functioning healthcare system. Beyond skilled professionals and adequate facilities, financial resources must be managed effectively to ensure the well-being of our residents.

It is also alive to the fact that unrestrained financial mismanagement can have detrimental consequences for the healthcare system, including:

1. Reduced resources

Inefficient financial practices can divert resources away from critical areas such as medical supplies, equipment maintenance, and staff training. This, in turn, can lead to a decline in the quality of care provided.

2. Erosion of public trust

When financial mismanagement is suspected, public confidence in the healthcare system suffers, which can lead to decreased utilization of services and hinder efforts to improve public health outcomes.

3. Limited ability to attract funding

External funding agencies often prioritize counties with sound financial practices. Unrecommended audit opinions can make it difficult to secure additional resources necessary to expand or improve healthcare services.

Hon Speaker, the Committee held a meeting on Thursday 14th March, 2024 and resolved;

THAT whereas the Committee on PIC/PAC grills the management of these facilities, there was need for a sit-down with these officers so as to understand the genesis of these happenstances and forge a way forward towards improvement of the overall health service delivery.

The Committee thus established the following as the objectives of the meeting:

1. Understanding the root cause

The Committee aimed to delve deeper into the reasons behind the unrecommended audit opinions. By understanding the specific challenges faced by each facility, the Committee could develop targeted solutions.

2. Potential interventions for improvement

The Committee aimed to not only diagnose problems but to brainstorm possible concrete solutions that will actively work towards positive change in health service delivery.

Hon Speaker, to achieve these objectives, the Committee resolved to invite the following key personnel to a meeting to appear before it and deliberate on the aforementioned subject areas.

- iv. Chief Officer, Medical Services, Public Health and Sanitation.
- v. In-Charges of County Referral Hospitals (JOOTRH and KCRH).
- vi. Medical Superintendents/In-charges of County Hospitals.

Submissions from the Officers

Hon Speaker, the Officers, led by the CECM Dr. Gregory Ganda and his Chief Officer Dr. Ojwang' Lusi appeared before the Committee at its meeting held on Monday 18th March, 2024. The CECM submitted;

1. THAT it was the first time the County Hospitals were being audited,

2. THAT department had few accountants posted to some facilities in a two to three weeks rotational basis, who were fresh from the field and had very little or no experience on how the government works.
3. THAT the facilities lack procurement officers to handle the procurement processes.
4. THAT over the years, the recurrent allocations to the facilities have always been considered as imprest expected to be surrendered and thus the department had asked that all documents pertaining to current fees be surrendered to the department of Finance and ICT.
5. THAT at the time of auditing the Auditors assumed the facilities operate as independent entities and thus went to the facilities to audit without passing through the Chief Officer.
6. THAT at the time of auditing, there had been reshuffling of the medical superintendents and hospital administrators and the ones found were new and did not know the whereabouts of these documents.
7. THAT the Auditors therefore assumed that the documents were non-existent and captured them as not surrendered while the same had been surrendered and available at the department of Finance.

The Officers that represented the facilities had the following to submit;

Jaramogi Oginga Odinga Teaching and Referral Hospital (JOOTRH)

The hospital received a qualified opinion, which they attributed to the following;

1. Inadequate human resource
THAT the Auditors established that the facility lack adequate number of staffs, specialists and even equipment requisite for its current status.
2. Incomplete transition from the National Government to County Government
THAT the national government had not fully transferred some assets, like vehicles, hindering access to logbooks for audits.
3. Absence of title deed for the land where the facility occupies.
4. Valuation of the hospital assets
THAT as at the time of audit, the hospital had only managed to value the land and buildings and had not been able to value other assets. This, high cost of valuing all assets within the hospital was cited as a barrier.
5. Waivers and exemptions
THAT Auditors questioned the hospital's authority to grant waivers and exemptions, a responsibility designated to the County Executive Committee for Finance by the Public Finance and Management Act.

Kisumu County Referral Hospital (KCRH)

The hospital received a qualified opinion which the management attributed to;

1. Delayed Funding from the County Treasury

- THAT late disbursements from the County Treasury played a hand in the audit opinion.
2. Shortfall in Revenue Collection
Insufficient revenue collection led to a high number of outstanding bills.
 3. Non-Compliance with International and MOH and standards
THAT the hospital failed to meet the requirements for a Level IV hospital designation.
 4. Expired board of management term
THAT as at the year of audit, the hospital's board of management term had expired.
 5. Weaknesses in cash collection practices were identified.

Kombewa County Hospital

The hospital received a disclaimer opinion which they attributed to;

1. Board members held meetings but there was no evidence. There were no files or minutes of the meetings.
2. Board Members met five times, more than the recommended four.
3. No profiles of Board members
THAT the documents pertaining to board members and their profiles are at the headquarters
4. Failure to meet the requirements of the status of the hospital i.e. shortage of staff. For example, the facility only has 35 nurses out of 100 required by international standards.
5. Lack of title deed for the land in which the facility sits
THAT auditors indicated that the hospital spent money without proper documentation but during that financial year, the facility was not having any budget as compared until 2022-2023 that they started having a budget which they utilise on after getting an A.I.E from the Chief Officer.
6. On non-disclosure of assets
THAT some assets within the hospital are owned by the National government and thus the facility does not have their documents.
7. Pending Bills
THAT during the audited financial year, the facility was unable to pay the support staff as it was struggling financially and operating beyond its reach. As at now the facility is up to date in payment of casuals.
8. THAT they did not know that even the logbooks for motor vehicles were supposed to be submitted to the auditors and did not include them in the documents they submitted.

Chulaimbo County Hospital

The hospital received an adverse opinion which they attributed to;

1. Documents flagged by the Auditors to not have been submitted had been surrendered to the department and were not at the facility when the Auditors visited the facility.

2. Preparation of the documents was a challenge due to lack of knowledge and basic training on the audit requirements.
3. No roaming accountant at the facility.
4. Some staff had been laid off but their payment overlapped to the financial year under audit and that is why it appeared as though the facility had paid more than they had budgeted for.
5. Expired term of office for the hospital's board of management
THAT the board's time had indeed expired but the facility was still using them at the time for the purpose of approval of the budget for A.I.E. The facility currently has a new board in the office.
6. Asset register not updated
Most assets were not quantified but the facility has however requested for valuation of the same.
7. Lack of title deed.
8. Failure to meet level 4 functionality
9. Lack of operation and radiology services. The facility oftentimes make referrals to KCRH and JOOTRH.
10. Former Hospital Administrator Mr. Allan Duncan Omondi did not hand over some files that were required by the Auditors.

Ahero County Hospital

The hospital received a disclaimer opinion which they attributed to;

1. Lack of accountant.
2. Weakness in procurement due to unavailability of qualified procurement officer
3. Long standing debts that the facility is unable to clear on time due to insufficient funds.
4. Undisposed expired pharmaceuticals in the store due to long disposal procedures.
5. Board members met twice in 2021/2022 but was paid in excess

Lumumba County Hospital

The hospital received a disclaimer opinion which they attributed to;

1. NHIF declaration
THAT the facility did not have a clear understanding of what the Auditors needed. The hospital declared what NHIF had reimbursed them but was later made to understand that they were required to declare every claim made to NHIF as revenue.
2. Failure to open a FIF Account
THAT the Auditors noticed that the hospital had no established audit committee. The management responded that they do not have the capacity to establish an audit Committee.
3. THAT the facility lacked land ownership documents like the title deed.

4. THAT there is non-compliance with gynae quality model for health for the hospital's current level.
5. THAT the hospital had huge standing pending Bills. The management noted however that the department is currently in the process of reviewing the pending Bills for purposes of payment.

Nyakach County Hospital-Pap Onditi

The hospital received a disclaimer opinion. The facility was represented by Mr. Abraham Abuto, the hospital administrator, who sat in for the Medical Superintendent.

From the engagement, the officer reported to be new in the facility (4 months) and had not enough information concerning the agendas of the day.

He submitted that one of the reasons for the audit opinion was;

THAT the former hospital Administrator, Mr. Josiah Alai Ongai, had refused to surrender some documents required, which were under their management during the audit period.

The Committee later got in touch with the Medical superintendent of the facility who pledged to submit a report to the committee regarding the subject matter.

Hon Speaker,

As at the time of writing this report, the Committee had not received the said submission from the Medical Superintendent for Nyakach County Hospital.

Muhoroni County Hospital

The hospital received an adverse opinion which they attributed to;

1. Human resource
Lack of professionals who understand financial figures and procurement guidelines.
2. Use of casuals in handling money
The facility does not have revenue clerks and therefore requests the revenue board to post such to the facilities to handle matters revenue collection.
3. Lack of experience and understanding of the financial accounting terms.
4. Underpayment of casual staff
Payment of casuals should be included in the budgets for the facilities so that they are able to meet the minimum wages required for casual.
5. Lack of assets and inventory registers
The facility was not able to determine the value of the land as a section of the land is contested.
6. NHIF the facility submitted the files for the payments received from NHIF while the auditors needed batches submitted to NHIF.

Observations/Challenges

Hon Speaker, From the submissions, the Committee observed that the following challenges led to these audit opinions;

1. Lack of staffing
THAT there's a shortage of qualified staff across various departments like accountants, procurement officers, and medical personnel.
2. Financial management issues
THAT the hospitals struggled with practices like budget allocation, expense documentation, and revenue collection.
3. Asset management problems
THAT almost all the hospitals lacked proper asset registers, title deeds for land, and knowledge of asset valuation procedures.
4. Mismanagement of the hospital board of management
THAT expired term of board of management, lack of meeting minutes, and unclear roles were prevalent in several hospitals.
5. Lack of proper knowledge on audit requirements.
6. Communication breakdown
THAT the officers had little knowledge about audit requirements, discrepancies in data submission between hospitals and auditors was also identified. The Committee also observed miscommunication between the department and the auditors.
7. Infrastructural limitations
THAT incomplete transition from national to county government led to issues with accessing resources and documentation.
8. Staff unprofessionalism
Notably, the following former Hospital Administrators Mr. Allan Duncan Omondi, former Chulaimbo County Hospital administrator and Mr. Josiah Alai Ongai, former Nyakach County Hospital administrator, refused to surrender important files that were under their management during their time at the hospitals, which were required by the auditors.

Hon Speaker, having analyzed the submissions, the Committee categorized these challenges into three categories as below;

1. Management accountable for
 - i. Financial management issues: This includes practices like expense documentation and revenue collection.
 - ii. Asset management problems: Updating asset registers and following proper procedures for valuation fall.

- iii. Communication breakdown: Hospitals can improve communication with audit teams by seeking clarification on the requirements and ensuring proper data submission.
- iv. Poor documentation: Lack of minutes, files and lack of inventory and asset registers.

2. Department accountable for

Below are the challenges that were found to fall under purview of the department of MSPH&S

- i. Non-compliance: Almost all the facilities were found to have not complied with the requisite requirement of the International and/or MOH for the levels within which they are operating.
- ii. Board mismanagement: Untimely board renewals and lack of defined board member roles.
- iii. Staff unprofessionalism: Hospital Administrators' refusal to surrender documents that were under their management (Cases of Nyakach and Chulaimbo).
- iv. Lack of qualified staff: The department can address the shortage of staff like accountants and procurement officers by allocation or transfers within the department.
- v. Communication breakdown: The department can take the lead in providing clearer and more consistent guidelines and training on audit requirements for hospitals.
- vi. Infrastructure limitations (partially): If incomplete transition from national governance hinders resource access, the department can advocate for smoother handover processes.

3. Budgetary allocations required for

The following were identified to be challenges that require budgetary allocation to address;

- i. Lack of qualified staff: Hiring accountants, procurement officers, and medical personnel.
- ii. Infrastructure limitations: Completing the transition from national governance might involve budget allocation for resolving outstanding issues related to asset ownership and documentation.
- iii. Underpayment of casual staff: Allocating sufficient budget to ensure casual workers receive required minimum wage.
- iv. Asset valuation: Hospitals will require budget allocation for professional valuation of their assets, especially land with contested ownership (case of Muhoroni County Hospital).

Recommendations

Hon Speaker, it is not the first time the Committee is making recommendations about recruitment of staff and acquisition of title deeds for these facilities. The Committee established the same during its surveillance to the health facilities and made recommendations accordingly.

That notwithstanding, as much as we may castigate the management of these facilities for the unrecommended opinions, it's important to acknowledge that some of the root causes are beyond their immediate control and require collective effort from the County Assembly (during budgeting), the departments of Medical Services, Public Health and Sanitation and that of Finance and ICT Services.

All said, the Committee recommends as follows;

1. THAT the department of Medical Services, Public Health and Sanitation should submit to this House a breakdown of the efforts made to secure title deeds for each facility currently lacking them. This information should include details on any applications submitted, roadblocks encountered and the planned next steps within one month of receipt of this report.
2. THAT in the forgoing, for any given audit period, the staff present at the facility during that time should be held accountable for the findings, regardless of subsequent transfers or reshuffles so as to take full responsibility of their actions and avoid blame games.
3. THAT the CECM for Medical Services, Public Health and Sanitation should initiate an inquiry into the allegations of failure to surrender hospital documents by the following former Hospital Administrators Mr. Allan Duncan Omondi, former Chulaimbo County Hospital administrator and Mr. Josiah Alai Ongai, former Nyakach County Hospital administrator. A report on this investigation should be presented to the Assembly within one month of adoption of this report.
4. THAT to improve financial management at health facilities, the Committee recommends prioritizing the allocation of funds during this budget period for the recruitment of accountants and procurement officers to be deployed accordingly to assist health facilities with financial management tasks.
5. THAT the CECM for Finance and ICT should deploy at least one accountant per sub-county who will be responsible for overseeing and coordinating all financial reporting within the health facilities located within their jurisdictions.

6. THAT the department of Medical Services, Public Health and Sanitation should organize for regular training sessions for the management of the facilities on audit requirements to ensure better understanding of the same.
7. THAT the CECM for Medical Services, Public Health and Sanitation should establish in each facility, an internal audit committee who will be continuously evaluating and improving internal controls and financial practices while at the same time proactively identifying potential weaknesses and recommend corrective actions. This will ultimately strengthen the facilities' overall governance and risk management.
8. THAT the CECM for Medical Services, Public Health and Sanitation should develop and implement a clear and efficient procedures for handling expired medications so as to minimize storage of expired drugs and ensure patient safety.

Conclusion

Hon Speaker, it is now my pleasure on behalf of the committee, to present this motion:

THAT this House adopts a report of Medical Services, Public Health and Sanitation Committee on the Financial Management concerns in the County Healthcare System: Case of audit reports by PIC/PAC committee. I would like to call upon Hon. Kennedy Ooko to second.

Leader of Majority (Hon. Ooko, MCA, Ahero): *(Bows)*

Mr. Speaker (Hon. Oraro): Honourable Members, now that the Motion adoption of the Report of The Medical Services, Public Health and Sanitation Committee on the Financial Management concerning the County Healthcare System A Case of Audit Report by The Public Account and the Investment Committee have been presented and seconded. Honourable Members, as per the provisions of our Standing Order I want to propose a question and I propose that The Report is open for debate.

(Silence)

Mr. Speaker (Hon. Oraro): Yes Hon. Obaso.

Hon. Obaso (Nominated Member): Thank you Mr. Speaker, judging by the mood of the House let me call the mover to reply.

Mr. Speaker (Hon. Oraro): Hon. Emily.

Hon. Oginga (Nominated Member): Thank you Mr. Speaker, I don't know whether I was a bit fast when reading the Report that Members didn't understand because you know when a report is brought to the House and everyone is quiet then it's either well detailed or no one understood, but I can see the reaction from the Floor of the House that, I believe that they are all in

agreement with recommendations. I believe that if the department actually implements all these then I know that we will achieve what we would like to achieve and the next financial reports will be more impressive than what we currently have. Otherwise Mr. Speaker I reply. Thank you.

The Speaker (Hon. Oraro): Honourable Members, now that the Motion on the Adoption of a Report of Medical Services, Public Health and Sanitation Committee on the Financial Management Concern in the County Healthcare System a Case of Audit report by PIC/PAC Committee has been presented, 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 Medical Services, Public Health and Sanitation Committee on the Financial Management Concern in the County Healthcare System a Case of Audit report by PIC/PAC Committee is hereby adopted today Tuesday, 18th June 2024 at 15:01 hours. I direct that the recommendations of the report be communicated to the underlined department for purposes of implementation.

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

ADJOURNMENT

The Speaker (Hon. Oraro): Honourable Members, there being no any other business to transact, the House stands adjourned to Wednesday, 19th June 2024 at 9.00 a.m.

(House rose at 03.02 p.m.)

*Addendum**Hansard Team*

Zablon Otiende - Senior Hansard Reporter (Acting Editor)

Edward Odanga - Hansard Reporter

Fanuel Okode - Hansard Reporter

Patrick Okoyo - Hansard Reporter

Jesca Otieno - Hansard Reporter

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