

COUNTY GOVERNMENT OF KISUMU



COUNTY ASSEMBLY OF KISUMU

THE HANSARD

Official Report

THIRD ASSEMBLY – THIRD SESSION

Thursday 21st November, 2024

House met in the Main Chamber at 02:30 p.m.

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

PRAYER

The Speaker (Hon. Oraro): Honourable Members, the provisions of Order No. 38 of the Kisumu County Assembly Standing Orders is on the Sequence of Business or proceedings in which we are supposed to follow. So, please allow me to read Orders No. 38 (2) which states as follow;

THAT, the business shall be disposed of in the sequence in which it appears in the order paper or in such other sequence as the Speaker may agree for the convenience of the County Assembly direct.

Honourable Members, if you look at the business in the Order Paper, I suggest that we will have Order No. 2 to be Order No. 1 and Order No. 1 to be Order No. 2. Then the rest remains the way they are. So, Clerk, please take us through the order of the day.

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

COMMUNICATION FROM THE CHAIR

The Speaker (Hon. Oraro): Honourable Members, I want to communicate that the Leader of Majority did present here a report on the changes to House Committees. And today if you look at the Order Paper, there is a clearance of those who are supposed to take the Oath of Office. But in

our last days, I didn't present the areas that we need to work on after the Select Committee on Procedure and Rules meets probably on Tuesday, it is my opinion that from either 11:00 a.m. or 12:00 p.m. So, as we have discussed we shall proceed with the process of administering of oath. However, I want to make clear and it is on Hansard that we did communicate and agree that there are areas that we shall work on as we proceed. Thank you.

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

ADMINISTRATION OF OATHS

(The following Honourable Members took Oath of Office)

- a) *Hon. James Omollo (MCA, West Nyakach) - Chairperson Implementation Committee.*
- b) *Hon. Kelvin Oraro (MCA, Kolwa Central) - Vice Chairperson, Administration of Law, Justice, Constitutional Affairs, Good Governance and Security Committee.*
- c) *Hon. Geoffrey Warindo (MCA, Miwani) - Vice Chairperson, Budget and Appropriation Committee.*
- d) *Hon. Gard Olima (MCA, South West Nyakach) - Vice Chairperson, Procedure and Rules Committee*
- e) *Hon. Tom Onditi (MCA, Ombeyi) - Vice Chairperson, PICPAC Committee.*
- f) *Hon. Henrietta Bodo (Nominated Member) - Vice Chairperson, Implementation Committee.*
- g) *Hon. Tom Nyaoke (MCA, North Nyakach) - Vice Chairperson, Lands, Housing, Physical Planning and Urban Development Committee.*
- h) *Hon. Habil Nyasuna (MCA, Masogo/Nyangoma) - Vice Chairperson, Education, Technical Training, Innovation and Social Committee.*
- i) *Hon. Benny Pete (MCA, Kabonyo/Kanyagwal) - Vice Chairperson, Labor and Social Welfare Services Committee.*
- j) *Hon. Millicent Omuya (Nominated Member) - Vice Chairperson, Appointments Committee.*

The Speaker (Hon. Oraro): Honourable Members, may I take this opportunity to congratulate all the Members who have taken their oath of office for the various positions. Similarly, I want to encourage these Members to work alongside either their Vice-chairpersons or their Chairpersons, and I believe that with the taking of the oath, we are starting our third year. So, we want to see vibrancy in those House Committees that you have taken oath of office. Honourable James Omollo is taking charge of the Select Committee on Implementation. We want to see a difference in that House Committee. Honourable Kelvin Oraro, Vice-Chairperson of Administration, Law, Justice, Constitutional Affairs and Security. We want to see change in those House Committees.

So, all the Members, Honourable James Omollo, Honourable Kelvin Oraro, Honourable Warindu, Honourable Gard Olima, Honourable Onditi Tom, Honourable Henrietta. Honourable Henrietta is not present, Honourable Habil Nyasuna, Honourable Benny Pete, and Honourable Millicent Omuya. Please ensure that we see a difference in those House Committees. Work alongside your Chairpersons or the Vice-chairpersons. We know our roles as Members of the County Assembly. I mean, it is quite ridiculous when we are accused that we are not doing oversight, but what I understand and where I stand as the Speaker, I know we have been doing good, but we need to do better in terms of our roles. So, congratulations.

Honourable member, I want to direct that during Statements time, for those who want to give their maiden speech, I will accord up to at most three minutes each during statement time for you to give your maiden speech that is for those who will be ready but, but for those who will not be then, you will do it at a time that you deem convenient for you. So, those who are ready, three minutes each. Otherwise, I welcome you in this session and I want to once again say congratulations.

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

STATEMENT HOUR

The Speaker (Hon. Oraro): It is Statements time.

The Speaker (Hon. Oraro): Yes, Honourable Kelvin Oraro.

Hon. Oraro (MCA, Kolwa Central): Thank you Mr. Speaker, allow me to start among the people who have been sworn in today to give my maiden speech.

Mr. Speaker, I want to take this opportunity once again to thank the members of the House Keeping Committee on Selection for seeing it fit that I be nominated to the position of Vice Chairperson of the Departmental Committee of Administration of Law, Justice, Constitutional Affairs, Good Governance and Security a committee headed by my able Chairperson, Honorable Ochele Moses. I take that as a privilege and trust that they have in me and I believe that this House Committee has been doing well under the leadership of Honorable Ochele.

Mr. Speaker, I believe that as a person, I will add value to what they have been doing so that they can move to greater heights. Mr. Speaker, as you have mentioned or as you have just stated, this is our third year and beginning of third year of our work. A lot is expected from us. The strength of the Assembly is in the House Committees and with the effective working House Committees, It is my belief that, the energy we are going to add to those House Committees will be relevant and expected and for that reason I believe we are going to perform. For the House Committee

that I have been slotted in to be the Vice Chairperson among other House Committees, I believe I am going to be a team player, work together with those who are there, learn from them and contribute to make this House Committee effective and to see a successful County where we can say that House Committees are performing well and discharging their oversight role. Once again, I want to thank the leadership, the Honourable Speaker for allowing that to happen in the Assembly. In addition, I want to thank the Leader of Majority, Honourable Ochele for allowing me to be nominated in this House Committee and be the second and I want to thank every member.

[The Speaker (Hon. Oraro) left the chair]

[The Deputy Speaker (Hon. Okombo) in the chair]

United we stand, divided we fall. Let us unite and rebuild the image of the Assembly so that we forge ahead. Thank you, Madam Speaker.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable James Omollo. Honourable Members, remember each of you has three minutes at most.

Hon. Omollo (MCA, West- Nyakach): Thank you Madam Speaker. Madam Speaker, allow me to also join my colleagues in saying thank you to the Select Committee of Selection for the work they did. Indeed I want to thank God for this occasion to be nominated to the position of Chairperson of the select Committee on Implementation. There is a lot that is pending in that House Committee and I am aware because I am a member of this County Assembly. I do not want to promise much but it is my belief that we will do our best knowing what is pending and to discharge our duties as a House Committee. Madam Speaker, I believe that it is in order that almost all of us now get Vice-chairperson of Chairpersons positions.. It is in good spirit and it is in a spirit of collaboration and working together as a team so that we dispense of our duties as Members of this Assembly. Madam Speaker, we have our work cut out and the moreso we have to discharge our duties diligently for the betterment of the people of Kisumu. It mis my hope that, in this new setup a lot is going to happen in the House Committee sittings.

Madam Speaker, in House Committees, this is where we do most business before we come to the plenary. So, it is very important and I also want to urge our members that we have to also attend these House Committees when convened. It is a responsibility that is given to us by the people who elected and nominated us and we have to really sacrifice our time and energy towards performing in those House Committees. I hope it will go so well in history that we did what we could do as Members of this third Assembly. Thank you, Madam Speaker.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable Onditi.

Hon. Onditi (MCA, Ombeyi): Thank you Madam Speaker. Madam Speaker, allow me to join my colleagues who spoke ahead of me in congratulating the House Keeping Committee on Selection and thanking them for finding it fit to allow me serving in the Select Committee of Public Investments/Public Accounts. I also want to thank the Almighty God for all this because everything is possible by the grace of God.

Madam Speaker, I know I am joining a very vibrant House Committee, that is the House Committee of Public Investments/Public Accounts and I know this is team work. My input will make a difference and will help to enhance the work of that House Committee so that it makes it better. I want to equally thank the leadership of the Assembly for everything that they have done. I know it has been a bit tough and cumbersome until we get to where we are today. It is a lot of work that has gone underway so that we are here and that is why I want to thank everybody, my colleagues, all members of this Assembly. It is my prayer that, with the Grace of God we are all going to serve the great people of the county of Kisumu. Otherwise, thank you very much and may God bless everybody.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Thank you. Yes, Honourable Millicent Omuya.

Hon. Omuya (MCA, North Seme): Thank you Madam Speaker. First, I want to take this opportunity to appreciate the good work that was done by the Select Committee on Selection. Madam Speaker, I make a commitment that I will be available for the responsibility I have been given. In addition, I have always said that we are here for a season and for a purpose and I believe that we have started a new journey and this is because, after some pains comes happiness but finally we are here and we are ready to work. Thank you so much.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable Habil Nyasuna.

Hon. Nyasuna (MCA, Masogo/Nyang’oma): Thank you Madam Speaker. This is just like a miracle to me. I never knew that this term I would serve in any House Committee or being accorded to serve as a Vice chairperson of a House Committee.

First, Let me take this opportunity to appreciate the Select Committee on Selection for seeing it fit for me to serve as a Vice-chairperson in the Departmental Committee of Education, Technical Training and Innovation. I also want to thank the leadership of this House and all members for being able to accommodate us in those House Committees. We were like outcasts at one point in this Assembly that even somebody would not have lunch with me. They saw that if they would have lunch with Habil then they would be whipped from their respective House Committees. It is only Honourable Ochele who had the courage to associate himself with me. So, I am taking this opportunity to thank the leadership and the Assembly at large. Thank you very much.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable Tom Nyaoke.

Hon. Nyaoke (MCA, North Nyakach): Thank you Madam Speaker. Madam Speaker I want to start by appreciating the Select Committee on Selection who actually thought it wise that I should be the nominated to the position of Vice-chairperson of the Departmental Committee of Lands, Physical Planning, Housing and Urban Development.

Madam Speaker, I also want to appreciate our party Chairman Honourable Her Excellency Hon. Gladys Wanga who also saw it worth that we should come back to be united so that we grow the party together. It will not be in order if I do not also appreciate the party leader and the Acting Party Leader too, Professor Peter Nyongó. I want to say that in that House Committee that I have been slotted in headed by the able Chairperson Honourable Ratib Boitone, I promise that we shall do justice to all just the same way you have taken the oath of office today. I equally want to appreciate the leadership of the Assembly for having sat down and agreed that we need to form a united front so that we deliver to the people through these House Committees. I thank you so much and may God bless the entire Assembly. Thank you.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Yes the Honourable Oiko Pete.

Hon. Oiko (MCA, Kabonyo Kanyagwal): Thank you Madam Speaker. I want to tell my colleagues that when I first came to this Assembly, I was made the Chairperson of the departmental Committee on Labour and Social Welfare and before the end of the year 2017, I was stripped off the powers of the Chairmanship because of the decisions I made. Madam Speaker, the stand that I took, and I am informing my people that at times a leader, you have to make tough decisions and stand firm. I did it and I was removed as the Chairperson of the Departmental Committee on Labour and Social Welfare and I did not regret. That is because the decision I made and what I advised, even Honourable Gard Olima can testify as what happened at the end especially when the Public Service Board Members was to be impeached during that time. As the Chairperson of that House Committee, I told the Assembly ‘no, that could not work’. However, I remained as an ordinary member in that House Committee and I am satisfied that I did my good work as a mere member. I am also still a happy man that I was making my contribution in this Assembly as an ordinary Member of Kisumu County Assembly. Now that my position has been elevated, I hope my contributions will now go a notch higher.

Madam Speaker, the Departmental Committee on Labour and Social Welfare was regarded as not a very important House Committee. As time progressed, it was noticed that it is very significant House Committee. This is the House Committee that looks after the welfare of all the workers in the County Government including here in the Assembly. When you consider the number of workers it is supposed to take care of, it is enormous. I therefore hope that with the leadership of Honourable Okoyo, we shall do good service to the people of Kisumu County. I

therefore thank the Selection Committee and the leadership for seeing it fit to bring us back to the main fold of this Assembly. Thank you.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Silence means everybody who wanted to give their maiden speech has spoken. We are still within the Statement Hour.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Yes, Honourable Moses Ochele.

Hon. Ochele (MCA, East Kano/Wawidhi): Thank you, Madam Speaker. I am just on my feet to congratulate my colleagues whom have joined various House Committees in different capacities some as Vice-Chairpersons and Chairpersons. Madam Speaker, I believe that the energy with which they are approaching their new commitment seems to be adding a lot of beef to the efforts made by the various House Committees. Once again, I congratulate them and I just want to urge them to keep the fire burning and even add more oil so that it burns even hotter. May I also request my fellow Members that we accommodate and internally induct our colleagues, more so those who will be serving as first timers. It means therefore that they missed the inductions which were earlier conducted. Finally, I believe they will be able to learn fast and adjust to the task ahead of them. Thank you, Madam Speaker.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Next order!!

MOTION

REPORT OF THE SELECT COMMITTEE OF PUBLIC INVESTMENTS AND PUBLIC ACCOUNTS (PIC/PAC) ON THE EXAMINATION OF THE AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS OF JARAMOGI OGINGA ODINGA, TEACHING AND REFERRAL HOSPITAL FY2022/2023.

BY

HON. KENNEDY OUKO, MCA, WEST KISUMU

(CHAIRPERSON)

The Deputy Speaker (Hon. Okombo MCA, Manyatta “B”): Thank you. Hon. Kennedy Ouko.

Hon. Ouko (MCA, West Kisumu Ward): Thank you, Madam Speaker. I beg to move a motion. On behalf of the Select Committee on Public Investments/Public Accounts and Personnel to Kisumu County Assembly Standing Orders 188, I wish to present to this House the Report of the Select Committee on Public Investments and Public Accounts and Investments on the Examination of the Auditor General’s Report on the Financial Statements of Jaramogi Oginga Odinga Teaching and Referral Hospital for the year ended 30th June, 2023.

Honourable Speaker and Honourable Member, on behalf of the Public Accounts and Investments Committee (PICPAC), and Pursuant to Kisumu County Assembly Standing Orders 188, I wish to present to this House the report of the Committee on the audited financial statements of Jaramogi Oginga Odinga Teaching and Referral Hospital, for the financial year 2022/2023.

The County Assembly exercises oversight over County Government entities/investments and their expenditure Pursuant to Article 185(3) of the Constitution of Kenya 2010, through the Public Accounts and Investments Committee which, in turn, derives its mandate from the County Assembly Standing Orders.

It's instructive that Article 229 (8) of the Constitution of Kenya, 2010, requires the County Assembly, within three months after receiving an audit report, to debate, consider the report, and take appropriate action.

Honourable Speaker and Honourable Member, the Committee held two sittings during which it received both written and oral evidence from the Accounting Officer on audit queries raised by the Auditor-General regarding the financial statements of Jaramogi Oginga Odinga Teaching and Referral Hospital for the financial year 2022/2023.

Honourable Speaker and Honourable Member, I wish to register my appreciation to fellow Honourable Members of the Committee, the Offices of the Speaker and the Clerk of the Assembly, the Committee Secretariat, and the Office of the Auditor General for the facilitation and technical support that made the production of this report possible.

I also thank the management of Jaramogi Teaching and Referral Hospital for honoring committee invitations and submitting responses promptly.

Honourable Speaker and Honourable Member, on behalf of the Public Accounts and Investments Committee, I now wish to table the report on the consideration of the Auditor General's report on the Financial Statements of the Jaramogi Oginga Odinga Teaching and Referral Hospital, for the year ended 30, June 2023 and urge this Honorable House to adopt it.

Establishment and Mandate of the Public Accounts and Investments Committee

Honourable Speaker and Honourable Member, The Public Accounts and Investments Committee is established under Standing Order No. 188 of the Kisumu County Assembly Standing Orders and is mandated to undertake the following functions;

- i). Examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the House as the committee may think fit;
- ii). Examination of the working of the Public Investments
- iii). Examine the reports and accounts of the Public Investments and,
- iv). Examine in the context of the autonomy and efficiency of the public investments,

whether the affairs of the public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices.

1.2 Composition of the Public Accounts and Investments Committee

The Committee as currently constituted comprises the following Honorable Members,

Table 1: Committee Membership as of November 2024

NAME	POSITION
MEMBERS	
1. Hon. Ken Ouko	Chairperson
2. Hon. Tom Onditi	Vice Chairperson
3. Hon. Habil Nyasuna	Member
4. Hon. Mickey Ochieng	Member
5. Hon. Nancy Matara	Member
6. Hon. Rueben Rakwach	Member
7. Hon. James Were	Member
8. Hon. James Omollo	Member
SECRETARIAT	
1. Austine Ochieng'	Committee Clerk
2. Chrispine Oguta	Clerk Assistant
3. Patrick Okoyo	Hansard Officer
4. Faith Judith	Sargent-at-arm
5. Wycliffe Owade	Researcher
6. CPA Naboth Odero	Internal Auditor
7. CPA Mollen Achayo	Fiscal Analyst
8. CPA Charles Ageng'o	Internal Auditor

Legal Framework and Guiding Principles

Legal Framework

Honourable Speaker and Honourable Member, the Committee was guided by the following legal instruments;

1. Constitution of Kenya 2010: Article 229 (4) of the Constitution of Kenya, 2010 requires the Auditor General, within a period of six months after the end of each financial year, to audit and report, in respect of that financial year, on;
 - i. The accounts of the National and County governments,
 - ii. The accounts of all funds and authorities of the National and County governments,
 - iii. Accounts of all courts,
 - iv. The accounts of every commission and independent office established by this constitution,
 - v. The accounts of National Assembly, the Senate and the county assemblies,
 - vi. The accounts of the political parties funded from the public funds,
 - vii. The public debt and
 - viii. The accounts of any other entity that legislation requires the Auditor General to Audit

Article 229(8) further states that “within three months after receiving an audit report, parliament or county assembly shall debate and consider the report and take appropriate action”.

2. The Committee also relied on Article 226(5) of the Constitution of Kenya, 2010 which provides that if the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not.
3. Public Audit Act 2015; Section 7 of Public Audit Act 2015 mandates the Auditor General to (i) Give assurance on the effectiveness of internal controls, risk management, and overall governance at National and County Governments; (ii) Undertake audit activities in state organs and public entities to confirm whether or not public money has been applied lawfully and in an effective way
4. Public Finance Management Act, 2012: Section 149 (1) of the Public Finance Management Act, 2012 which states that “An accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is –
 - a) Lawful and authorized; and

b) Effective, efficient, economical, and transparent”

2.2 Guiding Principles

Honourable Speaker and Honourable Member, in the execution of its mandate, the Committee was guided by core Constitutional and statutory principles on Public Finance Management.

These principles include the following;

1. Constitutional Principles on Public Finance: Article 201 of the Constitution of Kenya 2010 provides for fundamental principles aimed at guiding all aspects of Public Finance. It states that the principles are; inter alia;
 - i). Openness and Accountability including public participation in financial matters;
 - ii). Public money shall be used in a prudent and responsible way; and
 - iii). Financial management shall be responsible and fiscal reporting shall be clear.
2. Obligations of the Accounting officer;
 - i). Article 262(2) of the Constitution of Kenya 2010 which provides that; The Accounting officer of a national public entity is accountable to the national assembly for its financial management, and the accounting officer of a county public entity is accountable to the county assembly for its financial management.
 - ii). Section 149(1) of the Public Finance Management Act 2012 provides that; an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is; (i) Lawful and authorized and; and (ii) Effective, efficient and transparent
3. Direct Personal Liability: Article 226(5) of the Constitution is unequivocal that, if the holder of a Public Office or a political office, directs or approves the use of Public Funds contrary to the law or instruction, the person is liable for any loss arising from that use and shall make good, the loss, whether the person remains the office holder or not. In the same spirit,
4. Section 203(1) of the Public Finance Management Act, 2012 enacts that; a public officer is personally liable for any loss sustained by a County Government and is attributed to;
 - (i) The fraudulent or corrupt conduct, or negligence of the officer or,
 - (ii) The officer’s having done any act prohibited by Sections 196, 197, and 198

The Committee considered these legal provisions as the basis for holding accounting and public officers directly and personally liable for any loss of Public Funds that may have occurred under their watch.

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF JARAMOGI TEACHING AND REFERRAL HOSPITAL FOR THE YEAR ENDED 30, JUNE 2023

Honourable Speaker and Honourable Member, Dr. Richard Lesiyampe, the Chief Executive Officer, and the Accounting Officer appeared before the Committee on 18th October 2024 at 0900hrs to adduce evidence on the Audited Financial Statements of the Jaramogi Oginga Odinga Teaching and Referral Hospital for the year ended 30, June 2023. The following officer accompanied him;

1. Joshua Clinton Okise- Accountant

The following officer represented the Office of the Auditor General in the meeting on 18th October 2024 at 0900hrs;

1. Mr. Karanja – Deputy Director

BASIS FOR QUALIFIED OPINION

3.1 Unsupported Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 19(a) to the financial statements reflects cash and cash equivalents balance of Kshs. 62,838,358. Included in this is a bank balance of Kshs. 193,393 which was not supported with bank reconciliations statements and a certificate of bank balance.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs. 62,838,358 could not be confirmed.

Management Response

Honourable Speaker and Honourable Member, it is true that the financial statements reflect cash and cash equivalents balance of Kshs. 62,838,358. Included in this is a bank balance of Kshs. 193,393. The management has currently done the reconciliation and availed the bank certificate. Find attached copies. (ANNEX 1)

Committee Observations

1. That the management failed to support the bank balance of Kshs. 193,393 with bank reconciliations statements and certificate of bank balance during the time of audit.
2. That by not providing these documents on time, the management violated Section 62(b) of the Public Audit Act, 2015, which requires timely submission of documents to auditors.

3. That at the time of committee deliberations, the same had been provided to the auditors for verification

Committee Recommendations

1. That going forward, the management must adhere to Section 62(b) of the Public Audit Act, 2015, on the timely provision of documents to the auditors.
2. That the matter is resolved

3.2 Unsupported Depreciation and Amortization Expense

The statement of financial performance and as disclosed in Note 15 to the financial statements reflects an amount of Kshs. 1,412,854 in respect of depreciation and amortization expenses. The amount was not supported with depreciation and amortization schedules.

In the circumstances, the accuracy and completeness of the depreciation and amortization amount of Kshs. 1,412,854 could not be confirmed.

Management Response

Honourable Speaker and Honourable Member, it is true that the financial statements reflect an amount of Kshs. 1,412,854 in respect of depreciation and amortization expenses. The management noted the concern and has now provided the depreciation Schedule showing individual assets depreciation figures for confirmation. Find attached copies (ANNEX 2).

Committee Observations

1. That the Management failed to provide supporting schedules of depreciation and amortization expenses amounting to Kshs. 1,412,854 during the time of the audit.
2. That by not providing these documents on time, the management violated Section 62(b) of the Public Audit Act, 2015, which requires timely submission of documents to auditors.
3. That at the time of committee deliberations, the required documents had been provided to the auditors for verification

Committee Recommendations

1. That going forward, the management must adhere to Section 62(b) of the Public Audit Act, 2015, on timely provision of documents to the auditors.
2. That the matter is resolved

3.3 Unsupported Property, Plant and Equipment

The statement of financial position and as disclosed in Note 22(a) to the financial statements reflects a balance of Kshs. 2,855,201,687 in respect of property, plant, and equipment. Review of documents and physical inspection revealed that the Hospital was in possession of several

vehicles and ICT equipment's including computers, printers and networking infrastructure which were not included in property, plant and equipment.

Further, the fixed assets register provided for audit did not reflect the book values of the assets. In addition, the title deed for the parcel of land occupied by the Hospital was not provided for audit. Management indicated that the title deed had been missing since October 2020 and efforts to trace it had been unsuccessful.

In the circumstances, the accuracy, ownership and valuation of property, plant and equipment balance of Kshs. 2,855,201,687 could not be confirmed.

Management Response

Honourable Speaker and Honourable Member, the management has noted. However, the facility is in the process of valuing all the assets to ascertain the value of all hospital assets. It started with the valuation of land and building which has since been achieved. Find Title deed copy attached. (ANNEX 3 (i))

The Valuation of other Assets has also been initiated via a memo ref.GN 133 VOL.XVII(151) dated 18th July,2024 done to the county Secretary by chief officer of health. Find copy of the memo attached. (ANNEX 3 (ii))

The management has also appointed the Asset & liability management committee that has begun the process of identifying all the facilities assets for coding awaiting valuation. Find copy of the Committee appointment letter for confirmation. (ANNEX 3 (iii))

The Management is looking for funds in order to have all the assets valued and will consider this in the budget for the Financial Year 2024-2025

Committee Observations

1. That review of documents and physical inspection by the auditors revealed that the Hospital was in possession of several vehicles and ICT equipment's including computers, printers, and networking infrastructure but were not included in property, plant, and equipment.
2. That the Management provided the Auditors with a fixed asset register that did not reflect the book values of the assets contrary to Regulation 136 (1) of the Public Finance Management (County Governments) Regulations, 2015, which provides that '*the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws*'.
3. That the Management failed to provide the title deed for the parcel of land occupied by the Hospital during the time of the audit. However, the same had been provided as at the time of committee deliberations.

4. That the Management has since initiated the valuation of other assets via a memo ref.GN 133 VOL.XVII(151) dated 18th July 2024 to the County Secretary by the Chief Officer for Health.
5. That the Management has since appointed the Asset & liability management committee that has begun the process of identifying all the facility assets for coding and awaiting valuation.

Committee Recommendations

1. That moving forward, the Management must adhere to Regulation 136 (1) of the Public Finance Management (County Governments) Regulations, 2015.
2. That the management immediately prepares an up-to-date fixed asset register and submit the same to the Office of the Auditor General during the audit for the financial year
3. That the matter is unresolved

3.4 Unsupported Trade and Other Payables

The statement of financial position and as disclosed in Note 24 to the financial statements reflects trade and other payables balance of Kshs. 193,203,970. Trade payables of Kshs. 7,492,150 were not supported with payment vouchers, local purchase/service orders, delivery notes, invoices, certified interim/final certificates, and inspection and acceptance committee reports.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs. 193,203,970 could not be confirmed.

Management Response

Honourable Speaker and Honourable Member, the management has noted. However, it has provided the documents supporting the above trade and other payable for Confirmation. (ANNEX 4)

Committee Observations

That the Management did not support an amount of Kshs. 7,492,150 relating to Trade payables with payment vouchers, local purchase/service orders, delivery notes, invoices, certified interim/final certificates, and inspection and acceptance committee reports during the time of audit. The same had been provided as at the time of committee deliberations.

Committee Recommendations

1. That going forward, the management must adhere to Section 62(b) of the Public Audit Act, 2015, on timely provision of documents to the auditors.
2. That the matter is resolved

3.6 Variance in Revenue from Rendering of Services

The statement of financial performances reflects a balance of Kshs. 423,144,668 in respect to rendering of services - Medical Services Income as disclosed in Note 9 a to the financial Statement. Included in the amount is the National Insurance Fund Reimbursement of Kshs. 155,042,127. However, the National Insurance Fund records revealed that an amount of Kshs. 152,889,673 was paid to the Hospital resulting to an unexplained variance of Kshs. 2,152,454.

In the circumstances, the accuracy and the completeness of revenue from rendering of services of Kshs. 423,144,668 could not be confirmed

Management Response

Honourable Speaker and Honourable Member, the management noted the Observation. However, the management reported the figure as indicated and received in the bank statement totaling to kshs. 155,042,127. Find copy of the bank statement attached for confirmation. (ANNEX 5)

Committee Observations

1. That the Management recorded an amount of Kshs. 155,042,127 as NHIF reimbursements while the records of NHIF revealed an amount of Kshs. 152,889,673 paid to the hospital resulting in a variance of Kshs. 2,152, 454.
2. That bank statements provided by the management as at the time of committee deliberations confirmed that the amount received was *kshs. 155,042,127*

Committee Recommendations

That the matter is resolved

3.7 Variances in Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs. 193,203,970 as disclosed in Note 24 to the financial statements. The balance includes Kshs. 40,269,846 owed to Kenya Medical Supplies Authority (KEMSA) while KEMSA records reflect Kshs. 41,300,612 resulting to an unexplained variance of Kshs. 1,030,766.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs. 193,203,970 could not be confirmed.

Management Response

Honourable Speaker and Honourable Member, the management noted the observation. The statement of financial position reflects trade and other payables balance of Kshs.193,203,970 as disclosed in Note 24 to the financial statements. The balance includes Kshs.40,269,846 owed to Kenya Medical Supplies Authority (KEMSA) while KEMSA records reflect Kshs.41,300,612

resulting to an unexplained variance of Kshs.1,030,766. The variance of kshs.1,030,766 was due to the invoice dates that were after 30th June 2023. This amount is accounted for in the Financial Year 2023- 2024.

Committee Observations

1. That the Management recorded an amount of Kshs. 40,269,846 relating to balances owed to Kenya Medical Supplies Authority (KEMSA) while KEMSA records reflect Kshs. 41,300,612 resulting to a variance of Kshs. 1,030,766.
2. That the Management explained that the variance of kshs.1,030,766 was due to the invoice dates that were after 30th June 2023 and that the amount is accounted for in the Financial Year 2023- 2024.

Committee Recommendations

1. That the Office of the Auditor General confirm the same in the financial statements for the FY 2023/2024 during the audit
2. That the matter is unresolved

3.8 Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs. 856,665,003 and Kshs. 700,683,393 respectively resulting to under-funding of Kshs. 155,981,610 or 18% of the budget. Further, the Hospital spent Kshs. 683,733,164 against actual receipts of Kshs. 700,683,393 resulting to an under-utilization of Kshs. 16,950,229 or 2.4% of the actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public

Management Response

Honourable Speaker and Honourable Member, it is true that the under-funding and under-utilization affected the planned activities. However, the hospital is in the process of coming up with revenue-generating activities to enhance revenue towards bridging the Gap.

Committee Observations

1. That the comparison of budget and actual amounts reflected the final receipts budget and actual on a comparable basis of Kshs. 856,665,003 and Kshs. 700,683,393 resulting in under-funding of Kshs. 155,981,610 or 18% of the budget.
2. That the Hospital management spent Kshs. 683,733,164 against actual receipts of Kshs. 700,683,393 resulting in an under-utilization of Kshs. 16,950,229 or 2.4% of the actual receipts.

3. That indeed the under-funding and under-utilization affected the planned activities in the facility and that the management is in the process of coming up with revenue-generating activities to enhance revenue towards bridging the Gap.

Committee recommendations

1. That the Management expeditiously identify and implement revenue-generating activities aimed at enhancing income to bridge the existing revenue gap. A status report on the progress of these initiatives be submitted to this House within 90days upon adoption of this report.
2. That the matter is unresolved.

3.9 Unresolved Prior Year Matters

In the audit of the previous year, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Even though Management indicates the issues as resolved, the evidence of resolution has not been provided. The issues remain unresolved.

Management Response

It is true that the several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Several issues have been resolved as per the recommendations and resolutions in the PAC committee (County Assembly).

Committee Observations

That several prior year matters relating to the report on the financial statements and reports on lawfulness and effectiveness in the use of public resources are yet to be addressed.

Committee Recommendations

1. That within 60days of adoption of this report, the Accounting Officer submits to this Assembly a report on the status of implementation of all the recommendations by the Office of the Auditor General and the County Assembly.
2. That this matter is unresolved

4.0 Stalled Construction of Cancer Centre

The Management entered into a contract with a construction company for the construction of a cancer center at the Hospital on 11 May 2020 at a contract price of Kshs. 165,622,113 with the expected contract period of eighteen (18) months. As at 30 June 2023, the certified works were valued at Ksh. 115,085,931 or sixty-nine percent (69%) of the contract sum and the contractor

had been paid Ksh. 98,028,732. Physical inspection conducted in March 2024 revealed that the project had stalled.

In the circumstances, the public did not obtain value for money in respect of the expenditure of Ksh. 98,028,732 incurred on the construction of the Cancer Centre.

Management Response

Honourable Speaker and Honourable Member, The contract was terminated under mutual agreement between the client and the contractor. The contractor has since issued the client with an acceptance letter. The client therefore does not anticipate any litigation. Based on the advice of the auditor going forward, the client has written a letter to the county Attorney for further advice and direction. Going forward the county government of Kisumu has entered into a contract with the Russian Government on Public Private Partnership (PPP) and MOU has since been signed to ensure the completion of the project toward benefiting the citizens with and outside the Great County of Kisumu.)

Committee Observations

1. That the Management paid an amount of Kshs. 98,028,732 in respect of the construction of a cancer center. At the time of committee deliberations, the project had not been put into use.
2. That the physical inspection by the Auditors revealed that the contractor had not completed the project twenty-five (25) months after the agreed completion date.
3. That the contract was terminated under mutual agreement between the client and the contractor
4. That the County Government of Kisumu has entered into a contract with the Russian Government on Public Private Partnership (PPP) and an MOU has since been signed to ensure the completion of the project towards benefiting the citizens within and outside the Great County of Kisumu.

Committee Recommendations

1. That the Management follow up on the implementation of the contract between the County Government of Kisumu and the Russian Government on Public Private Partnership (PPP) and the signed MOU to ensure the completion of the project toward benefiting the citizens within and outside the Great County of Kisumu.
2. That the Committee on Implementation follow up on the status of the project and submit a report to this House within a period of 3months upon adoption of this report.
3. That the issue is unresolved

4.1 Stalled Construction of Neuro-Surgical Ward

The Management entered into a contract with a construction company for the construction of a Neuro-surgical ward on 15 May 2020 at a contract sum of Ksh. 18,226,440 with a contractual period of six (6) months. Physical inspection of the Ward conducted on 3 March 2024 revealed that the project had stalled thirty-nine (39) months after the expected completion date. Management terminated the contract citing the contractor's lack of performance, desertion of works, and failure to complete the project within the stipulated timelines after the contractor having been paid Ksh. 16,106,746.

In the circumstances, the value for money has not been realized in the expenditure of Ksh. 16,106,746.

Management Response

Honourable Speaker and Honourable Member, it is true that the contract was terminated in line with the signed agreement highlighting the basis of termination of the contractual agreement. However, the management budgeted for the completion of the said project in the FY 2023 -2024 which was taken through a procurement process. The project is now complete towards service delivery to the citizen within and outside the Great County of Kisumu. Copy of the LSO and completion certificate attached for confirmation. (ANNEX 6)

Committee Observations

1. That the Management entered into a contract with a construction company for the construction of a Neuro-surgical Ward on 15 May 2020 at a contract sum of Ksh. 18,226,440 with a contractual period of six (6) months.
2. That physical inspection of the Ward conducted by the Auditors on 3 March 2024 revealed that the project had stalled thirty-nine (39) months after the expected completion date.
3. That the Management terminated the contract citing the contractor's lack of performance, desertion of works, and failure to complete the project within the stipulated timelines after the contractor had been paid Ksh. 16,106,746 or 88% of the contract sum.
4. That the management budgeted for the completion of the Neuro-Surgical Ward in the Financial Year 2023-2024.
5. That during the time of committee deliberations, the management adduced evidence (LSO and completion certificate) indicating that the project had been completed

Committee Recommendations

1. That henceforth, the Management must prioritize engaging contractors with proven capacity and competence to deliver quality performance.
2. That the matter is resolved

4.2 Utilized Medical Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs. 2,855,201,687 as disclosed in Note 22(a) to the financial statements. This amount includes Managed Equipment Services (MES) equipment outsourced by the Ministry of Health.

However, physical verification in the month of July, 2024 revealed that the contracts between maintenance service providers and the Ministry had expired. Therefore, some equipment including renal dialysis equipment, Intensive Care Unit (ICU) equipment, Theatre equipment, X-ray and other imaging equipment were not functioning and had not been serviced as at 30th June, 2024.

In the circumstances, value for money in respect of Managed Equipment Services (MES) equipment could not be confirmed

Management Response

Honourable Speaker and Honourable Member, it is true that the amount includes Managed Equipment Services (MES) equipment outsourced by the Ministry of Health and contracts between maintenance service providers and the Ministry had expired. This has made the operations of the Equipment's not to be at 100%. However, the management has been engaging some service providers to maintain the machines.

Committee Observations

1. That physical verification by the Auditors in July 2024 revealed that the contracts between maintenance service providers and the Ministry had expired.
2. That some equipment including renal dialysis equipment, Intensive Care Unit (ICU) equipment, Theatre equipment, X-ray, and other imaging equipment were not functioning and had not been serviced as of 30th June 2024.
3. That the management has been engaging some service providers to maintain the machines, however, no evidence of such engagements was provided for audit review.

Committee Recommendations

1. That the management fast-track the process of sourcing other service providers to maintain and ensure the efficiency and effectiveness of the machines for proper service delivery to patients. A status report on the same be submitted to this House within a period of 60days upon adoption of this report
2. That the matter is unresolved.

4.3 Non-compliance with Universal Health Coverage

Verification of services offered, equipment used, and number verification of members of staff at the Hospital revealed that the Hospital operated with inadequate staff as detailed below:

Personnel	Level Requirements	5 Available Staffs	Variance
Medical Officers	50	4	46
Anesthesiologists	7	3	4
General Surgeons	4	2	2
Gynecologists	4	3	1
Pediatrics	4	3	1
Radiologists	4	3	1
Kenya Registered Community Health Nurses	250	77	173

In the circumstances, service delivery may have been affected due to failure to meet the requirements of Kenya Quality Model for Health Policy Guidelines.

Management Response

Honourable Speaker and Honourable Member, the management wish to affirm that we have signed MOU With several training Institution like Maseno, Family Medicine, Uzima, Great lake university Jomo Kenyatta University among others towards bridging the human resource Gap. Further to that we have been accredited to offer COSESCA, ESCACOP, CANACSA, ECSACOG training leading to more registrars coming on board to bridge the human resource Gap precisely we have 50 registrar supporting and 16Medical officers

Committee Observations

1. That the hospital did not meet a number of key specifications as prescribed by the Kenya Quality Model for Health policy guidelines with reference to their medical personnel staffing.
2. That the Management has signed an MOU with several training Institutions like Maseno, Family Medicine, Uzima, Great Lake University Jomo Kenyatta University among others towards bridging the human resource Gap.

3. That the Management has been accredited to offer COESCA, ESCACOP, CANACSA, and ECSACOG training leading to more registrars coming on board to bridge the human resource Gap

Committee Recommendations

1. That the Management fast-track the implementation of the MOU with the training Institutions to help the facility meet the requirements of the Kenya Quality Model for Health Policy Guidelines.
2. That the Accounting Officer Health put up appropriate mechanisms to ensure that the facility progressively complies with the Kenya Quality Model for Health Policy Guidelines.
3. That the matter is resolved

4.4 Lack of an ICT Policy

During the year under review, the Hospital did not have an ICT Policy. This was contrary to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015 that provides that the County Government entity shall develop risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the circumstances, effectiveness of risk management measures could not be confirmed.

Management Response

Honourable Speaker and Honourable Member, JOOTRH is operating under county government of Kisumu which has a functional ICT Department and had adopted the ICT Policy of the county as one of the entity within the county executive. Going forward the facility will develop its ICT policy to ensure effectiveness of risk management measures.

Committee Observations

1. That the facility did not have an ICT Policy contrary to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015 which provides that ‘the County Government entity shall develop risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.’
2. That the facility operates under the county government of Kisumu which has a functional ICT Department and has adopted the ICT Policy of the county as one of the entities within the county executive.

Committee Recommendations

1. That moving forward the management must adhere to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015.
2. That the matter is unresolved

SUMMARY OF OBSERVATIONS

Honourable Speaker and Honourable Member,

1. THAT, the management failed to support the bank balance of Kshs. 193,393 with bank reconciliations statements and certificate of bank balance during the time of audit. The same had been supported as at the time of committee deliberations
2. THAT, in some occasions, the management failed to provide supporting documents during the time of audit, thereby violating Section 62(b) of the Public Audit Act, 2015, which requires timely submission of documents to auditors.
3. THAT, the Management failed to provide supporting schedules of depreciation and amortization expenses amounting to Kshs. 1,412,854 during the time of the audit. The same had been provided as at the time of committee deliberations.
4. THAT, review of documents and physical inspection by the auditors revealed that the Hospital was in possession of several vehicles and ICT equipment's including computers, printers, and networking infrastructure but were not included in property, plant, and equipment.
5. THAT, the Management provided the Auditors with a fixed asset register that did not reflect the book values of the assets contrary to Regulation 136 (1) of the Public Finance Management (County Governments) Regulations, 2015, which provides that '*the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws*'.
6. THAT, the Management failed to provide the title deed for the parcel of land occupied by the Hospital during the time of the audit. However, the same had been provided as at the time of committee deliberations.
7. THAT, the Management has since initiated the valuation of other assets via a memo ref.GN 133 VOL.XVII (151) dated 18th July 2024 to the County Secretary by the Chief Officer for Health.
8. THAT, the Management has since appointed the Asset & liability management committee that has begun the process of identifying all the facility assets for coding and awaiting valuation.
9. THAT, the Management did not support an amount of Kshs. 7,492,150 relating to Trade payables with payment vouchers, local purchase/service orders, delivery notes, invoices, certified interim/final certificates, and inspection and acceptance committee reports

during the time of audit. The same had been provided as at the time of committee deliberations

10. THAT, the Management recorded an amount of Kshs. 155,042,127 as NHIF reimbursements while the records of NHIF revealed an amount of Kshs. 152,889,673 paid to the hospital resulting in a variance of Kshs. 2,152, 454. Bank statements provided by the management as at the time of committee deliberations confirmed that the amount received was *kshs. 155,042,127*
11. THAT, the Management recorded an amount of Kshs. 40,269,846 relating to balances owed to Kenya Medical Supplies Authority (KEMSA) while KEMSA records reflect Kshs. 41,300,612 resulting to a variance of Kshs. 1,030,766. The Management explained that the variance of kshs.1,030,766 was due to the invoice dates that were after 30th June 2023 and that the amount is accounted for in the Financial Year 2023- 2024
12. THAT, several prior year matters relating to the report on the financial statements and reports on lawfulness and effectiveness in the use of public resources are yet to be addressed
13. THAT, the Management paid an amount of Kshs. 98,028,732 in respect of the construction of a cancer center. At the time of committee deliberations, the project had not been put into use.
14. THAT, the physical inspection by the Auditors revealed that the contractor had not completed the project twenty-five (25) months after the agreed completion date.
15. That the contract was terminated under mutual agreement between the client and the contractor
16. THAT, the County Government of Kisumu has entered into a contract with the Russian Government on Public Private Partnership (PPP) and an MOU has since been signed to ensure the completion of the project towards benefiting the citizens within and outside the Great County of Kisumu.
17. THAT, the Management entered into a contract with a construction company for the construction of a neuro-surgical ward on 15 May 2020 at a contract sum of Ksh. 18,226,440 with a contractual period of six (6) months.
18. THAT, physical inspection of the Ward conducted by the Auditors on 3 March 2024 revealed that the project had stalled thirty-nine (39) months after the expected completion date.
19. THAT, the Management terminated the contract citing the contractor's lack of performance, desertion of works, and failure to complete the project within the stipulated timelines after the contractor had been paid Ksh. 16,106,746 or 88% of the contract sum.
20. THAT, the management budgeted for the completion of the Neuro-Surgical Ward in the Financial Year 2023-2024.
21. THAT, during the time of committee deliberations, the management adduced evidence (LSO and Completion Certificate) indicating that the project had been completed

22. THAT, physical verification by the Auditors in July 2024 revealed that the contracts between maintenance service providers and the Ministry had expired.
23. THAT, some equipment including renal dialysis equipment, Intensive Care Unit (ICU) equipment, Theatre equipment, X-ray, and other imaging equipment was not functioning and had not been serviced as of 30th June 2024.
24. THAT, the management has been engaging some service providers to maintain the machines, however, no evidence of such engagements was provided for audit review.
25. That the hospital did not meet a number of key specifications as prescribed by the Kenya Quality Model for Health policy guidelines with reference to their medical personnel staffing.
26. THAT, the Management has signed an MOU with several training Institutions like Maseno, Family Medicine, Uzima, Great Lake University Jomo Kenyatta University among others towards bridging the human resource Gap.
27. THAT, the Management has been accredited to offer COSESCA, ESCACOP, CANACSA, and ECSACOG training leading to more registrars coming on board to bridge the human resource Gap
28. THAT, the facility did not have an ICT Policy contrary to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015 which provides that *'the County Government entity shall develop risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.'*
29. THAT, the facility operates under the county government of Kisumu which has a functional ICT Department and has adopted the ICT Policy of the county as one of the entities within the county executive.

Summary of Recommendations

1. THAT, going forward, the management must adhere to Section 62(b) of the Public Audit Act, 2015, on the timely provision of documents to the auditors.
2. THAT, moving forward, the Management must adhere to Regulation 136 (1) of the Public Finance Management (County Governments) Regulations, 2015.
3. THAT, the management immediately prepares an up-to-date fixed asset register and submit the same to the Office of the Auditor General during the audit for the financial year
4. THAT, the Management expeditiously identifies and implement revenue-generating activities aimed at enhancing income to bridge the existing revenue gap. A status report on the progress of these initiatives be submitted to this House within 90days upon adoption of this report.
5. THAT, within 60days of adoption of this report, the Accounting Officer submits to this Assembly a report on the status of implementation of all the recommendations by the Office of the Auditor General and the County Assembly

6. THAT, the Management follows up on the implementation of the contract between the County Government of Kisumu and the Russian Government on Public Private Partnership (PPP) and the signed MOU to ensure the completion of the project toward benefiting the citizens within and outside the Great County of Kisumu.
7. THAT, henceforth, the Management must prioritize engaging contractors with proven capacity and competence to deliver quality performance.
8. THAT, the management fast-track the process of sourcing other service providers to maintain and ensure the efficiency and effectiveness of the machines for proper service delivery to patients. A status report on the same be submitted to this House within a period of 60days upon adoption of this report
9. THAT, the Management fast-track the implementation of the MOU with the training Institutions to help the facility meet the requirements of the Kenya Quality Model for Health Policy Guidelines.
10. THAT, the Accounting Officer Health, put up appropriate mechanisms to ensure that the facility progressively comply with the Kenya Quality Model for Health Policy Guidelines.
11. THAT, moving forward the management must adhere to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015 which provides that *the County Government entity shall develop risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.*

Madam Speaker, may I call upon Honourable James Were to second.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable James Were.

Hon. Were (MCA, Nyalenda “B”): Thank you Madam Speaker. Let me start by commending this House Committee for having done the fair work. Madam Speaker, going by this report you will be able to see several recommendations that were put forward by this House Committee. There is a need for the management to deal with the advisory that they get from this Honourable House.

Madam Speaker, if you look at recommendation No.1 THAT, moving forward the management must adhere to Section 62 (b). Madam Speaker, as a Honourable House, we should not just be reminding them that each and every time they must adhere to the provisions of that section. It is within their mandate and they need to provide all the information that is required to the Office of the Audit. Again, you find that there are common things that the management ought to have done that they just ignore; providing these documentary evidences each and every time that they are required to do. Madam Speaker, if they consider all these recommendations, it is my belief that, there shall be progress, good audit as has been mentioned and we will benefit as a County. Therefore, Madam Speaker, I beg to second, thank you.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Thank you Honourable Members. A Motion of Adoption of the Report of the Public Investments and Public Accounts on the Examination of the Auditor General’s Report on the Financial Statements of Jaramogi Oginga Odinga, Teaching and Referral Hospital Financial Year Ending 30th June, 2023 has been moved and seconded. I therefore want to propose that the motion be open for discussion.

Honourable Members, I am sure that you read the report though; however, the Chairperson mentioned a number of terms could be abbreviations that checking their report, I have not seen them explain. So, if you understood fine, but, if you do not as Members because I did not understand as I was going through the report as well. Terms such as; KOSESCA, ESCACOP, KANASCA, EXAGOG and there is one that the Chairperson continuously mentioned as MAUK. So, if the Honourable Members are at par with the House Committee, then that is fine. But, if the Members are not, then they will factor them in their responses when they will be replying. Otherwise Honourable Members, the Motion is open for discussion.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Yes Honourable Nyaoke.

Hon. Nyaoke (MCA, North Nyakach): Thank you Madam Speaker. With your guidance, I have looked at the report and most of the items are quite okay. However, I have an issue with item No. 4. (i) which talks about Stalled Construction of Neurosurgical Ward. We are being informed that it was supposed to be constructed at a cost of Kshs 18, 226, 440 and that was in 15th May, 2020 which was supposed to last for about six months. Madam Speaker, the report goes on to inform this house that the Thirty Nine months down the line, the project has not been completed and that Kshs 16,106,746 had already been paid to the contractor. That, translate to about Eighty Eight Per Cent (88%) of the total estimated cost. Madam Speaker, this House Committee goes on to elaborate the observations which they did observe; the dates on which this contract was awarded, the amount of money that had been paid, the number of months that had taken place despite the contract period that was supposed to be six, they were talking about Thirty Nine months down the line. Then No. 4 of this House Committee observation states that, the management budgeted for the Completion of the Neurosurgical Ward in the Financial Year 2023/2024. Madam Speaker, No. 5, that during the time of House Committee deliberation, the management adduced evidence of the Local Supply Order and Completion Certificate indicating that the project had been completed.

Madam Speaker, this House Committee failed to inform us and to let us know that when it was budgeted for again, which contractor was brought on site? Was it the same contractor that had been paid the Kshs 16,106,746 or they engaged a different contractor? Also at what cost? Did the cost remained at Kshs 18 Million or did they pay the next contractor the difference which is about Kshs 2 Million or so? Madam Speaker, maybe with the help of my seniors and you as the Speaker, I need to Move an amendment to this Motion to include the following;

- a) Investigation on this particular contractor?
- b) Officers who were involved in awarding this tender and the people who managed the construction of this facility?

Madam Speaker. I'm not very sure what the Standing Orders says, but it is my belief that, I need to call someone to second because we need to know exactly what happened.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Order!! Honourable Nyaoke. Your observation is valid, you have a very concrete point, but our Standing Order says that any member who wishes to make an amendment to a Motion ought to do so an hour before the plenary. The report was shared early enough; you ought to have done that before the commencement of the city. So, you are out of order, you cannot call for a seconder, you cannot amend at the moment. So just contribute, I hope your concern will be captured in the Hansard.

Hon. Nyaoke (MCA, North Nyakach): Thank you Madam Speaker, I obliged with the ruling that you have given. Madam Speaker, I want to go on record that I shall be bringing to the House a statement to demand a proper explanation of this. Thank you, Madam Speaker, I so submit.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable Olima.

Hon. Olima (MCA, South West Nyakach): Thank you Madam Speaker, please allow me to commend this House Committee for a job well done. Madam Speaker, I've gone through the report of this House Committee, and in the recommendations that we have before us. We are aware of what the Jaramogi Oginga Odinga Teaching and Referral Hospital is. It has been a thorn in the flesh in Kisumu County in terms of resources and operations.

Madam Speaker, if we go by the recommendation of this House Committee, considering recommendation number six, that calls on Public Private Partnership, is very important and something we should uphold so that we ensure that our constituents within Kisumu County and the greater western region get the benefits that can be given through that. Madam Speaker, we are all aware that, in this House, we've tried to manage on our best; we can give Jaramogi Oginga Odinga the facelift and the resources that they need, which might not be enough looking at the budget that we have. Therefore, I recommend the committee for having acknowledged that Public Private Partnership is equally important and going forward, for JOOTRH to be what we expect it to be. FIF Act alone will not help the hospital to get what it deserves. Therefore, I want to support that we promote Public Private Partnership with any other partner that can help us give services to our people.

Madam Speaker, you are aware that the level of Jaramogi Oginga Odinga Teaching and Referral Hospital in this region is above Kisumu County as a county alone. Therefore, we call upon all those public private partnership deals that can help us to give more input into Jaramogi going forward.

Again, I want to thank this House Committee for acknowledging the good services being done by the new CEO who is there. We've seen changes since he came and we want to observe them, that the gaps that have been witnessed by this House Committee are amended so that we get the best services. Thank you and I support.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable Benny Oiko Pete.

Hon. Oiko (MCA, Kabonyo/Kanyagwal): Thank you Madam Speaker, I want to contribute a little on this report. Madam Speaker, the report has been given Qualified Opinion that implies the Auditors found it easy to handle the books of Jaramogi Oginga Odinga Teaching and Referral Hospital. The figures were flowing; the documents that are required were availed, though there are some matters that they have raised.

Madam Speaker, when we look at page 12, Variances in Trade and other Payables, that is, the supplies by Kenya medical Supplies Agencies (KEMSA), there was a difference of Kshs 1,030,766. That, as we look at the report, the management was at pains to explain, and they did not convince the auditors and the committee members, and the matter remains unresolved. That means KEMSA is demanding about Kshs 1 million from the hospital, and that is a figure that the hospital could not explain well.

Madam Speaker, on page 13, on Budgetary Control and Performance. The matter is also unresolved. That means the hospital management was not able to convince the auditors and to explain it adequately to this House Committee, and there is a difference of about Kshs 16,950,223. That shows the auditors were keen, and the management should now open up their eyes and address the matters that the auditors have raised.

Madam Speaker, on page 14, Unresolved Prior Year Matters. Madam Speaker, by the end of every financial year, the auditors do their work, and there are quite a number of matters flagged out. We are being informed here that, those matters were not adequately handled by the hospital management. This is an audit report for 30th June 2023. The reports being referred here were for the year ended 30th June 2022. They are just summarized here that they were not handled properly by the hospital management.

Madam Speaker, another heavy matter here, before I go to that one, are the Utilized Medical Equipment. This equipment, the matter was also not handled properly by the hospital management, and the figure we are seeing here is about, it is not Kshs 2,000,000, I hope I'm right it is Kshs 2,855,201,687. This could be money for the Maintenance of the Medical Equipment. That one is also not resolved. The adequate explanation was not given to the auditors and to the committee.

Madam Speaker, on the same page 17, we are being informed of Understaffing in the hospital. This matter of understaffing, the Departmental Committee on Medical Services, Public health and Sanitation should take it up, and this includes the Departmental Committee on Labor, this is because when Jaramogi Oginga Odinga Teaching and Referral Hospital is understaffed, like the medical officers, they have only four, and they need fifty. The understaffing is by 46. That is a very big number, Madam Speaker, which we should not take lying down. Then, we have the Registered Community Health Nurses, they need 250. They have only 77, and the understaffing stands at 173. A matter that should be taken up by this Assembly with the management, because we always complain that people take too long when they go to the hospital and if the hospital is understaffed this way, there is now no way we can blame the management. We need to address this as an Assembly.

Madam Speaker, there is this matter of Public Private Partnership (PPP). That is page 21, number 16. This sounds to be a good step taken by the county government, but when we look at the amount involved is Kshs 98 million for the Construction of a Cancer Center, and this is because Cancer Center was not completed. We now wonder, why should the county government enter into this kind of agreement with another country, and the amount involved is only Kshs 98 million, and the project is never done? The name of the contractor is also not mentioned here. Madam Speaker, we need to find out and establish, if the County Government of Kisumu is entering into this kind of agreement, we must know the details of this agreement. And it is surprising that if the County Government of Kisumu can only enter into an agreement of Kshs 98 million with a foreign country, that needs to be discussed further, Madam Speaker.

Madam Speaker, the other matter here is the Neurosurgeon Ward, which was to be done at a cost of Kshs 18,226,440. We are being informed that Kshs 16,106,746 was paid, and the work stall and the name of the contractor is not mentioned. We are again being informed that it has being placed in the next budget. So, we wonder, why it was to be put in the next budget, for the FY 2023/2024. So, was it put in that budget? Has it been done? Or it is still stuck? Madam Speaker, these are matters that we should not take lightly. We should take the County Executive to task to find the true position of our money.

(Hon. Nyaoke rises on his feet)

Hon. Nyaoke (MCA, North Nyakach): Point of information, Madam Speaker.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable Nyaoke, who do you want to inform?

Hon. Nyaoke (MCA, North Nyakach): Honourable Oiko Pete.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable Oiko, do you want to be informed by Honourable Nyaoke?

Hon. Oiko (MCA, Kabonyo/Kanyagwal): Yes, Madam Speaker, that is in order. Maybe the Member may guide me where he feels I have faulted. Thank you.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Please go ahead, Honourable Nyaoke.

Hon. Nyaoke (MCA, North Nyakach): Through you Madam Speaker, I wanted to inform Honourable Oiko that, the last question that he has just posed, whether the project was completed or not, it is indicated it was put in that budget for the financial year 2023/2024, and the Completion Certificate available. That is the information I wanted to put across to him. Thank you.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable Oiko, are you well informed?

Hon. Oiko (MCA, Kabonyo/Kanyagwal): Thank you Honourable Nyaoke, I have gotten the information.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Continue.

Hon. Oiko (MCA, Kabonyo/Kanyagwal): Madam Speaker, it is on number 21, that there is the completion certificate. That is okay. So, Madam Speaker, that is a little contribution I wanted to make on this report, but if the management can go on with the report the way that it has assessed to them, that will be a credit. Thank you.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable Tom Onditi.

Hon. Onditi (MCA, Ombeyi): Thank you Madam Speaker. Allow me to start by appreciating this House Committee for a job well done. Madam Speaker, as I said during my so-called maiden speech, that this House Committee of Public Investments and Public Accounts is a very vibrant House Committee and going by the report that we are discussing or prosecuting is evidence of a job well done by a vibrant and an organized House Committee. Madam Speaker, if you look at the recommendation contained in this report, they are straightforward. What is remaining is now the implementation of the recommendation.

Madam Speaker, going by this recommendation, especially recommendations No. 7 and 8, if you look at the experience cited during the House Committee's work, particularly with regards to the Construction of Cancer Center and Neurosurgeon Ward. A contractor, a job taking 25 months beyond the expected period, is a demonstration of the lack of capacity or competence by the contractor. Therefore, our recommendation No. 7, which talks about the House Committee or the facility to consider engaging contractors with the competence and capacity, will cure some of these problems we keep on encountering yearly.

Again, Madam Speaker, recommendation No. 8 also talks about engaging, sourcing external expertise to help maintain the facilities. Jaramogi Oginga Odinga Teaching and Referral Hospital. This also, just like any other public entities, you realize there are many facilities or machinery sometimes bought at very expensive prices and are not working, are not serving the people up to the expectation, because the internal or the in-house technicians sometimes or most of the times do not have the necessary capacity or competence to maintain those facilities and therefore sometimes external sourcing will help us get the capacity to maintain those facilities. Madam Speaker, paying extra money to hire external experts sometimes is much cheaper than letting those machines rot there, or sometimes not being used optimally. Therefore, Madam Speaker, with those few remarks, I beg to support the Report. Thank you.

(Silence)

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Warindu.

Hon. Warindu (MCA, Miwani): Thank you, Madam Speaker. Going by the mood of the House, may I call the mover to reply?

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Members, the mover has been called upon to reply. However, I saw Honourable Ochele's hand. I do not know whether the member still wants to contribute. He looks satisfied by the submissions of the other Members. Hon. Ouko, kindly proceed and give your reply.

Hon. Ouko (MCA, West Kisumu): Thank you very much, Madam Speaker. Foremost, let me commend my colleagues for contributing positively towards development and the role of oversight in the counties and in Kisumu County. Madam Speaker, this is like a case study. Most of our recommendations and findings are like a case study to the other House Committees.

Madam Speaker, if you talk about understaffing in Jaramogi Oginga Odinga Teaching and Referral Hospital, that now can be picked by the Departmental Committee of Labour and see where the problem is. This House Committee can make good recommendations to the relevant authorities. Madam Speaker, you understand that the moment we table our reports here and debate them, that is the end of our exercise as Members of this House Committee. So this is a

very big opportunity for other House Committees and even the Select Committee on Implementation to see that most of our recommendations are implemented.

Madam Speaker, for an institution like Jaramogi Oginga Odinga Teaching and Referral Hospital to train medics, there are some accreditation which is required to be done by some external bodies. This will help attract several students from other universities and that is why we have a lot of universities, almost five of them training at Jaramogi Oginga Odinga Teaching and Referral Hospital. And this is a plus to Jaramogi Oginga Odinga Teaching and Referral Hospital because we can get free human resource to bridge the gap where we are complaining of understaffing. Madam Speaker, which is why we have a lot of training programs going on at Jaramogi Oginga Odinga Teaching and Referral Hospital which made Jaramogi a center of learning for university students. This is where we have KOSEKA, ESCAPO, KANASKA and ESCACOP. These are just accreditations given by other bodies that will justify a degree which is Jaramogi helps to train so that they qualify as required. So, when you hear about this, those are just accredited bodies, accredited to Jaramogi.

Madam Speaker, again, we have issues on Prior Year Issues. These will always appear if they are not sorted out. We talked about such kind of matters with the facility and we have just seen another prior year issue which we expect to appear in the subsequent year. That is now when they are promising to balance the book in the financial year 2024-2025. It will not go, it will obviously appear. So, we talked about this with Jaramogi Oginga Odinga Teaching and Referral Hospital.

We also have to look into issues concerning Public Private Partnership. We need to understand what it entails. This will help us guide Jaramogi Oginga Odinga Teaching and Referral Hospital clearly according to the law, because this is a House of law. So that one can also be picked by another House Committee so that they continue investigating and directing what is expected.

Madam Speaker, we understand the importance of the Select Committee on Public Investments and Public Accounts as pertaining to Audited Reporting, which always appears in the House. These Audited Report, are not only for the Select Committee on Public Investments and Public Accounts, they are a product of this House.

Madam Speaker, when we talk about oversight, we must talk about the Select Committee on Public Investments and Public Accounts and the product which we have today is not for this House Committee alone, but it is for the House. I therefore urge all Members, and also urge the Member, Honourable Nyaoke, to come up with a Statement because he was barred from making an amendment, because it is a requirement by law that you have to do it earlier, not on the Floor as he was doing today. So, that will also help us handle several issues.

Otherwise, the Report from Jaramogi was quite encouraging. They have no weighty gray areas as some other entities, so, we have to encourage them. This entity has to be on their toes to ensure that they deliver to the citizens of Kisumu County. I beg to reply, Madam Speaker.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable Members, Report of the Select Committee on Public Investments and Public Accounts and Investments on the Examination of the Auditor General Report on the Financial Statements of Jaramogi Oginga Odinga Teaching and Referral Hospital for the year ended 30th June, 2023 has been moved, seconded, and adequately deliberated upon. I therefore want to put a question of adoption.

(Question put and agreed to)

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable Members, the Motion of Adoption of the Report of the Select Committee on Public Investments and Public Accounts and Investments on the Examination of the Auditor General’s Report on the Financial Statements of Jaramogi Oginga Odinga Teaching and Referral Hospital for the year ended 30th June, 2023 stands adopted today, Thursday, 21st November, 2024 at 16:19 hours.

Consequently, I direct that the report, together with the Hansard, be prepared and forwarded to;

1. The Office of the Auditor General as a feedback mechanism and
2. To the facility that is JOOTRH for any other necessary action as has been recommended by this House Committee.

Similarly, the Select Committee on Implementation is hereby directed to ensure that the recommendations in this report are implemented according to the resolutions of the House. Otherwise, Honourable Members, we want to thank you for the good and fruitful deliberations.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Next order!!

ADJOURNMENT

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Honourable Members, please be up standing. There being no other business to transact, the House stands adjourned until Tuesday, 26th November 2024 at 02.30 p.m.

(House rose at 04:27 p.m.)

Addendum

Hansard Team

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