

COUNTY GOVERNMENT OF KISUMU



COUNTY ASSEMBLY OF KISUMU

THE HANSARD

Official Report

THIRD ASSEMBLY – FOURTH SESSION

Tuesday, 25th March, 2025

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

(The Temporary Speaker (Hon. Emily Oginga) in the Chair)

PRAYERS

The Temporary Speaker (Hon. Oginga, Nominated Member): Clerk, take us through the order of the day.

The Temporary Speaker (Hon. Oginga, Nominated Member): Next order!!

COMMUNICATION FROM THE CHAIR

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Members, I wish to acknowledge the presence of students of Friend School Mukuva in Webuye, who are on a study tour at the Assembly. They are accompanied by the following teachers. Mr. Ignatius Shikuku and Ms. Nancy Makhoha. It is wonderful to have you here with us today at the County Assembly of Kisumu.

This is a fantastic opportunity for the students to witness firsthand how our local government works and how decisions are made that impact on the lives of the community. Remember, every person sitting in this Assembly Chambers was once a student just like you. They pursued their education, worked hard, and developed a passion for serving others.

You are following in these footsteps by taking your time to learn and explore. I welcome you to Kisumu County Assembly. Again, Honourable Members, as per our traditions, I want to give a few Members a chance to say something to the students. Maybe I'll give two ladies and two gentlemen.

The Temporary Speaker (Hon. Oginga Nominated Member): Yes, Honourable Millicent Omuya of North Seme Ward.

Hon. Omuya (MCA, North Seme): Yes, thank you, Madam Speaker. To our visitors, I am Honourable Millicent Omuya of County Assembly of Kisumu, representing North Seme Ward, the Governor's Ward. First, I want to take this opportunity to welcome you to this Assembly. This is a House of law. We make laws. We scrutinize. We judge. We recruit. We sack. So, it is equivalent of High Court in this County. I want to inform you that, as Honourable Members, we were once students. I was once a girl just like you.

I attended an ECD and then went to a primary. Again, I went to those other stages of learning. I am a mother. Apart from my legislative duties as a Member of the County Assembly, if you happen to visit me, I will go to the kitchen and cook for you because you will be my visitor. I want to again inform you that, learning is the best thing that a parent can give you.

After finishing schooling, if you are a girl, you are just my sister in the house. If you are a son, you are just a brother in my house. So, take this opportunity of learning as the best thing your parents can do to you.

When learning, aim high and remember that everything is possible. You can also one day represent your people. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Thank you, Honourable Millicent Omuya

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Peter Obaso.

Hon. Obaso (Nominated Member): Thank you Madam Speaker. Madam Speaker, let me also rise to convey a word to these young gentlemen and ladies in our public gallery. Mine is just to encourage you to work hard in school, in this world you can be anything. As you see, all these Members here, they were once students because of their hard work, dedication, commitment; it's the reason as to why they have reached where they are today. So, it's upon you, as students, to work hard, commit to your books, and you will equally go far as possible to where you can be. I also want to encourage you to be disciplined in school.

Follow what your teachers are telling you, through that, they are there to impact your lives. I know for certain that, if you follow what they are telling you, then you will go far in this life. Thank you, Madam Speaker.

The Temporary Speaker (Hon. Oginga, Nominated Member): I will give this opportunity to Honourable Lumumba Wade who is the Deputy Leader of Majority.

Deputy Leader of Majority (Hon. Owade, MCA, South East Nyakach): Thank you Madam Speaker. Let me take this opportunity to welcome our students from Bungoma here in this Honourable House. Foremost, my name is Lumumba Owade. I represent South East Nyakach. Nyakach Sub-County has the best-dressed men in this Assembly today. They are all in suits. I wish I could inform them to rise up. But then, this is for other members to emulate. I know you are from Bungoma.

Personally, I have a lot of attachment with Bungoma. I have friends in Bungoma, but let me first take this opportunity to pass my condolences to the Principal of Bungoma High School. I know he passed on a few days ago.

Burial is supposed to be sometimes. But then, as a student from Bungoma County, I wish to pass my condolences.

The Temporary Speaker (Hon. Oginga, Nominated Member): The Deputy Leader of Majority, this is to inform you that, the school is from Webuye not Bungoma.

Deputy Leader of Majority (Hon. Owade, MCA, South East Nyakach): Madam Speaker, but that is in Bungoma County. So, I'm just right. Bungoma has very brilliant people. I know and I believe you are going to follow suit. As I'm speaking now, I know one of your sons is appearing before the elections board for an interview, none other than Saul Wasilwa, who is my friend.

I have friends. I have lived in Bungoma. I know Bungoma. What I was doing in Bungoma is something to be discussed another day. I would wish that we continue to share this kind of exchange. Just the other day, all of us were in Bungoma when we came for Inter County Assembly Sports Bonanza.

Now you are here to witness and share the experience. We wish our people next time, students from our area also may do the same and continue exchanging ideas, talents, and so forth. Otherwise, thank you very much. I welcome you all.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Caren Odhiambo of Kaloleni-Shaurimoyo Ward.

Hon. Caren Ajwang' (MCA, Kaloleni/Shaurimoyo): Thank you Madam Speaker, for the opportunity. Good afternoon, our guests. I am Honorable Caren Odhiambo, Member of County Assembly representing Shaurimoyo-Kaloleni ward.

Let me equally take this opportunity to welcome you to this Honourable House. In this house, we are 47 Members, 35 elected and 12 nominated.

Hon. Okumu (MCA, East Seme): On a Point of Order. Thank you, Madam Speaker. For the first time, we've had a Member addressing the gallery while it's in practice that all communication in this House goes through the Chairperson, who is the Speaker, Madam Speaker. Is it right? Can we continue such a practice in this House where Members address gallery direct and then greet them and they respond? It is like a conversation between Members and the public. Is it the practice of the House? Thank you so much, Madam Speaker. I need your guidance.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Caren, please stand guided.

Hon. Caren Ajwang' (MCA, Kaloleni/Shaurimoyo): I stand guided. Thank you for that, Honourable Seth Okumu. Allow me to proceed.

The Temporary Speaker (Hon. Oginga, Nominated Member): Please do so.

Hon. Caren Ajwang' (MCA, Kaloleni/Shaurimoyo): Madam Speaker, as I said earlier, we are 47 Members, 35 elected and 12 nominated. The 35 Members represent 35 wards. I just want to echo what my colleagues have just said.

Now that you have the opportunity to address your parents and the guardians and the best thing you can be given by your parents is education. So, do your best. Thank you and feel most welcome.

The Temporary Speaker (Hon. Oginga, Nominated Member): Thank you Honourable Members. We come to the end of this part.

The Temporary Speaker (Hon. Oginga, Nominated Member): Madam Clerk, please take us to the next order!!

STATEMENT HOUR

The Temporary Speaker (Hon. Oginga Nominated Member): Yes, Honourable Kennedy Ouma Ooko, Leader of Majority.

Leader of Majority (Hon. Ooko, MCA, Ahero): Thank you. Thank you very much, Madam Speaker. Madam Speaker, before I give my statement, I would also like to join the queue for the members in giving a warm welcome to our visiting school from Bungoma County. Thank you for joining us here in this Assembly and I do hope that this Assembly will be a memorable and enriching experience for all of you when you go back home. Feel most welcome.

Honorable Speaker, I stand to give a statement to Members of the business becoming before the House for the following week. Honorable Speaker, Honorable Members, this is therefore to bring to the attention of the Members and the County Assembly that for the week commencing

Wednesday 26th March to Tuesday 8th April 2025, the Select Committee on Assembly House Business at its last meeting approved the following tentative Businesses to appear in the Order Paper as follows:

Wednesday 26th March 2025 and Thursday 27th March 2025,

There will be a Sector Engagement between the Sectoral Committees and the line departments on the Proposed Kisumu County Fiscal Strategy Paper for the Financial Year 2025/2026 as per a programme that will be shared on the WhatsApp group.

Tuesday 01st April 2025 and Wednesday 02nd April 2025,

Similarly, there will be Sector Engagement on the First Proposed Kisumu County Supplementary Budget Estimates for the Financial Year 2024/2025.

Thursday 03rd April 2025, at 02.30 p.m.,

PAPERS TO BE LAID:

The Chairperson of the Select Committee on Public Investments and Accounts, Honourable Kennedy Ouko will table the Committee's report on the Examination of the report of the Auditor General on the Financial Statements of the following entities:

1. Kisumu County Social Health Insurance Fund for the Financial Year 2023/2024.
2. Kisumu County Water and Sewerage Company (KIWASCO) for the Financial Year 2023/2024.
3. Jaramogi Oginga Odinga Teaching and Referral Hospital (JOOTRH) for the Financial Year 2023/2024.

NOTICES OF MOTION

The Chairperson of the Select Committee on Public Investments and Accounts, Honourable Kennedy Ouko, will give a Notice of Motion for the adoption of the Committee's report on the Examination of the Report of the Auditor General on the Financial Statements of the following entities:

1. Kisumu County Social Health Insurance Fund for the Financial Year 2023/2024.
2. Kisumu County Water and Sewerage Company (KIWASCO) for the Financial Year 2023/2024.

3. Jaramogi Oginga Odinga, Teaching and Referral Hospital, for the Financial Year 2023/2024

SUBSTANTIVE BUSINESS

1. The Chairperson of the Select Committee on Public Investments and Accounts, Honourable Kennedy Ouko will move a Motion for the adoption of the Committee's report on the Examination of the Report of the Auditor General on the Financial Statements of Rabuor Sub County Hospital in the FYs 2021/2022 and 2022/2023.
2. The Leader of Majority will move a Motion for consideration of an Extension to the Short Recess adjournment date from 03rd April, 2025 to 10th April, 2025 to facilitate conclusion on deliberations on the Proposed Kisumu County Fiscal Strategy Paper for the Fiscal Year 2025/2026 and the First Proposed Kisumu County Supplementary Budget Estimates for the FY 2024/2025.

Tuesday 08th April, 2025 at 02:30 p.m.

STATEMENTS

The Leader of Majority will issue a statement pursuant to Order No. 41 (2) of the Standing Orders on the Business coming before the Assembly for the week commencing on Wednesday 9th April 2025.

SUBSTANTIVE BUSINESS

The Chairperson of the Select Committee on Public Investments and Accounts, Honourable Kennedy Ouko will move a Motion for the adoption of the Report on the Examination of the Reports of the Auditor-General on the Financial Statements of Sondu Sub County Hospital for the Financial Years 2021/2022 and 2022/2023. Thank you Honourable Speaker.

The Temporary Speaker (Hon. Oginga, Nominated Member): Next order!!

MOTION

ADOPTION OF THE REPORT OF THE SELECT COMMITTEE ON PUBLIC INVESTMENTS AND ACCOUNTS ON THE EXAMINATION OF THE REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF NYAHERA SUB-COUNTY HOSPITAL FOR THE FINANCIAL YEARS 2021/2022 AND 2022/2023.

BY

HON. KENNEDY OUKO, MCA, WEST KISUMU

(CHAIRPERSON, PUBLIC INVESTMENTS AND ACCOUNTS)

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable James Were. I have communication from the Chairperson, Select Committee on Public Investments and Accounts (PIC/PAC) that you will be moving the Motion. Please proceed.

Hon. Were (Nyalenda “B”): Thank you Madam Speaker. I rise to move a Motion that this House adopts the report of the Select Committee on Public Investments and Accounts (PIC/PAC) on the Examination of Reports on the Auditor-General on the Financial Statements of Nyahera Sub County Hospital for the Financial Years 2021/2022 and 2022/2023.

Honourable Speaker, 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 Nyahera Sub-County Hospital for the financial years 2021/2022 and 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.

Honourable Speaker, 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.

The Committee held 2 sittings during which it received both written and oral evidence from the Accounting Officer on audit queries raised by the Auditor-General on the financial statements of Nyahera Sub-County Hospital for the financial years 2021/2022 and 2022/2023.

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

Honorable Speaker, on behalf of the Public Accounts and Investments Committee, I now wish to table the report on the consideration of the Auditor General’s reports on the Financial Statements of Nyahera Sub-County Hospital for the financial years 2021/2022 and 2022/2023 and urge this House to adopt it.

Establishment and Mandate of the Public Accounts and Investments Committee

Honourable Speaker, 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.

Composition of the Public Accounts and Investments Committee

The Committee as currently constituted comprises of the following Honorable Members,

Table 1: Committee Membership as at May 2024

NAME	POSITION
MEMBERS	
1. Hon. Ken Ouko	Chairperson
2. Hon. Tom Onditi	Vice Chairperson
3. Hon. Habil Nyasuna	Member
4. Hon. Seth Okumu	Member
5. Hon. Nancy Matara	Member
6. Hon. Rueben Rakwach	Member
7. Hon. James Were	Member
8. Hon. Mickey Ochieng	Member
9. 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 & Guiding Principles

Honourable Speaker, 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”.

1. 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.
2. Public Audit Act 2015; Section 7 mandates the Auditor General to: (i) Give assurance on the effectiveness of internal controls, risk management and overall governance at

National and County Government; (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

3. 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
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"

Guiding Principles

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

These principles include the following;

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.

The Committee considered these legal provisions and guiding principles as the basis for holding to account public officers directly and personally liable for any loss of Public Funds that may occur under their watch.

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
NYAHERA SUB-COUNTY HOSPITAL FOR THE FINANCIAL YEARS 2021/2022 AND
2022/2023 - COUNTY GOVERNMENT OF KISUMU

Honourable Speaker, The Medical Superintendent, Dr. Caren Atta appeared before the Committee on 15th January 2025 to adduce evidence on the Audited Financial Statements of the Nyahera Sub-County Hospital for the financial years 2021/2022 and 2022/2023.

The Medical Superintendent was accompanied by the following Officer;

- a) Everline Ogolla – Hospital Administrator
- b) The following officers represented the Office of the Auditor General in the Committee meeting;
- c) Margaret Onyatta – Office of the Auditor General

BASIS FOR QUALIFIED OPINION FY 2021/2022

3.1 Unsupported balances in the Financial Statements

Review of the financial statements and the ledger revealed the following variances;

ITEM	FINANCIAL STATEMENTS AMOUNT(KSHS)	LEDGER AMOUNT(KSHS)	VARIANCE (KSHS)
Transfer from the county Government	2,941,035	2,541,035	400,000
Transfer from Other Government Entities-NHIF	-	1,270,130	-1,270,130
RENDERING OF SERVICES			
Pharmaceuticals	289,980	-	289,990
Laboratory Services	300,250	-	300,250
Theatre	1,850	-	1,850
Paediatrics	1,220	-	1,220
In patients	105,290	-	105,290
Medical Records	135,920	-	135,920
Physiotherapy	700	-	700

Trade and other Payables	98,761	-	98,761
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The variances were not explained or reconciled

In the circumstances, the accuracy of the respective financial statements balances could not be confirmed.

Management Response

It is true that the financial statements and the ledger revealed the following variances;

ITEM	FINANCIAL STATEMENTS AMOUNT(KSHS)	LEDGER AMOUNT(KSHS)	VARIANCE(KSHS)
RENDERING OF SERVICES			
Pharmaceuticals	289,980	-	289,990
Laboratory Services	300,250	-	300,250
Theatre	1,850	-	1,850
Pediatrics	1,220	-	1,220
In patients	105,290	-	105,290
Medical Records	135,920	-	135,920
Physiotherapy	700	-	700
Trade and other Payables	98,761	-	98,761

The Management agrees with the auditor's findings and will ensure that the errors are corrected to ensure accurate financial reporting. The adjustments will be done in the subsequent financial year. These mistakes can impact the accuracy of the reported figures and need to be rectified to present the financial statements correctly.

As per our response, the management is in the process of acquiring a qualified accountant with the help of the department as per the attached letter dated 15th May 2024. ANNEXE I

Committee Observation

Honourable Speaker, that there were variances between the financial statements and the supporting ledgers. Therefore, the financial statements were not accurate, contrary to Section 42 (a) of the PFM regulations, 2015 which requires an Accounting Officer to sign a financial statement thereby making him/herself responsible for the correctness.

Committee Recommendations

1. That the Accounting Officer must adhere to Section 42 (a) of the PFM Regulations, 2015.
2. That the matter is resolved

3.2 Unsupported cash and Cash Equivalents

The statement of financial position reflects Kshs.518,088 in respect of cash and cash equivalents as disclosed in Note 15 to the financial statements. However, management did not provide monthly bank reconciliation statements for audit review.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.518,088 could not be confirmed.

Management Response

It is true that at the time of audit bank reconciliation statements were not availed for audit. This happened as result of transition and some documents could not be readily availed for audit for lack of an accountant.

As per our response, the management are in the process of acquiring a qualified accountant with the help of the department as per the attached letter dated 15th May 2024.

Committee Observation

That Contrary to Section 62(b) and (c) of the Public Audit Act, 2015, the management failed to provide the Auditors monthly bank reconciliation statements

Committee Recommendations

1. That going forward, the management must adhere to Section 62(b) and (c) of the Public Audit Act, 2015, on timely provision of information as required by the Auditors.
2. That the matter is resolved

3.3 Non-Disclosure of Donated Drugs

The statement of financial performance reflects a Nil amount on grants from donors and development partners and a Nil amount for transfer from other Government entities. However, data from KEMSA revealed that the Hospital received donations and program commodities drugs worth Kshs.8,474,086.00 and Universal Health coverage of Kshs.306,447.00 which were not disclosed in the financial statements.

Honourable Speaker, in the circumstances, the accuracy and completeness of the grants from donors and development partners could not be confirmed.

Management Response

It is true the statement of financial performance reflects a Nil amount on grants from donors and development partners and a Nil amount for transfer from other Government entities. However, data from KEMSA revealed that the Hospital received donations and program commodities drugs worth Kshs.8,474,086 and Universal Health coverage of Kshs.306,447 which were not disclosed in the financial statements.

The management will amend it in the subsequent financial year's statement once an accountant is posted to the facility.

Committee Observation

That Contrary to Section 138(8) of the Public Finance Management Act, 2012, which requires that recipients of grants or donations from development partners to record the value of such grants or donations in their books of account, and Regulation 71(5) of the Public Finance Management Regulations, 2015, which mandates the disclosure of gifts, donations, or sponsorships in the annual and quarterly financial statements, the management failed to disclose donations and program commodities drugs worth Kshs.8,474,086 and Universal Health coverage of Kshs.306,447.

Committee Recommendations

1. That going forward, the management must adhere to Section 138(8) of the Public Finance Management Act, 2012, and Regulation 71(5) of the Public Finance Management Regulations, 2015.
2. The matter is resolved

3.4 Non-Disclosure of Property, Plant and Equipment

The Statement of financial position reflects a Nil balance in respect of property, plant and equipment. However, the facility had movable and non-movable assets of undetermined value relating to land, buildings, furniture and fittings and computers which were not valued and disclosed in financial statements. In addition, the Hospital sits on a parcel of land measuring 2.2 hectares, but Management is not in possession of a title deed. Further, Management explained

that there exists a dispute on the ownership between the Hospital and a neighbour and the issue is currently unresolved.

In the circumstance, the ownership, accuracy and completeness of the Nil Balance on Property, plant and Equipment could not be confirmed.

Management Response

It is true that Statement of financial position reflects a Nil balance in respect of property, plant and equipment. However, the facility had movable and non-movable assets of undetermined value relating to land, buildings, furniture and fittings and computers which were not valued and disclosed in financial statements.

Honourable Speaker, the management has however initiated a process of valuing its property and equipment by doing a memo to the department of Lands through the Chief Officer Health on the most appropriate and economical way of valuing its assets. Annex II

Committee Observation

THAT, the nil balances were reflected for Property, Plant and Equipment due to lack of values for the same.

Committee Recommendations

1. That the County Executive Committee Member Medical Services, Public Health and Sanitation make necessary arrangements for valuation of Property, Plant and Equipment within a period of 90days upon adoption of this report.
2. That the matter is unresolved

3.5 Unconfirmed Inventory Balance

The statement of financial position reflects Nil balances for inventories. However, no inventory valuation report was provided for audit and no evidence of conducting of the annual stock take to confirm the quantities, value and status of closing inventory balances as at 30 June 2022.

In the circumstance, the accuracy, completeness and valuation of the Nil balance could not be confirmed.

Management Response

Honourable Speaker, It is true that the statement of financial position reflects Nil balances for inventories, no inventory valuation report was provided for audit and no evidence of conducting of the annual stock take to confirm the quantities, value and status of closing inventory balances as at 30 June 2022.

A proper stock take will be carried out and reported in the subsequent financial year's statement.

Committee Observations

1. That the management failed to provide to the Auditors, inventory valuation report
2. That there was no evidence of conducting the annual stock take to confirm the quantities, value and status of closing inventory balances as at 30 June 2022.

Committee Recommendations

1. That going forward, the management must conduct annual stock take to confirm the quantities, value and status of closing inventory balances as at 30 June 2022.
2. That the matter is resolved

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

4.1 Non-Compliance with the PSASB Prescribed Reporting Format

Review of the financial statements submitted for audit revealed various omissions in presentation and disclosures contrary to the requirements of the reporting guidelines and template prescribed by Public Sector Accounting standards Board (PSASB).

- i. The Accounting Officer did not sign the statement of Board of Management's Responsibilities.
- ii. The Head of Finance did not sign nor indicated the ICPAK number in the statement of financial performance, statement of financial position and statement of comparison of budget and actual amounts.
- iii. The statement of financial position reflects a Nil balance on inventories which differs with Note.16 on the same with a balance of Kshs.98,761 resulting to a variance of 98,761.
- iv. The statement of financial position reflects a balance of Kshs.98,761 in respect of trade and other payables that does not have a disclosure Note.
- v. Note 6,7,8,9 and 11, relating to transfer from the County Government, in-kind contributions from the county Government, rendering of services-medical service income, medical/clinical costs and Board of Management expenses respectively, have the headings as period ended 2023 instead of 2022.

In the circumstances, the preparation and presentation of the annual reports and financial statements do not comply with the PSASB reporting template.

Management Response

Honourable Speaker, it is true that the Accounting Officer did not sign or identify themselves in the statement of Board of Management's responsibility.

This will be amended in the subsequent year's financial statement.

It is true that the Head of Finance has not signed or indicated their ICPAK number in the statement of performance, statement of financial position and statement of comparison of budget and actual amounts. This will be amended in the subsequent year's financial statement.

It true that Note 6,7,8,9 and 11, relating to transfer from the county Government, in-kind contributions from the county Government, rendering of services-medical service income, medical/clinical costs and Board of Management expenses respectively, have the headings as period ended 2023 instead of 2022.

The management will amend this error in the subsequent years financial statement

Committee Observation

That, during the financial year, the preparation of the financial statements did not comply with the Public Service Accounting Standards Board reporting template.

Committee Recommendations

1. That, going forward, the management must ensure that compliance with the Public Service Accounting Standards Board reporting template in preparation of financial statements.

The matter is resolved

4.2 Lack of Approved Budget

Review of documents indicate that, the Management did not provide the annual approved budget for audit, but instead submitted copies of the Authority to incur Expenditure (AIEs) in support of allocations received. This was contrary to Section 131(6) of the Public Finance Management (County Governments) Act,2015 which states that the County Executive Committee Member for finance, shall take all reasonably practicable steps to ensure that the approved budget estimates are prepared and published in a form that is clear and easily understood by and readily accessible to the members of the public.

In the circumstances, Management was in breach of the law.

Management Response

Honourable Speaker, the facility uses County Government of Kisumu approved budget which has a consolidated allocation, of which A.I.Es are issued to the facility as per budgeted allocation. The Management will liaise with the department in the preparation of the same.

Committee Observations

Honourable Speaker, that the Management failed to provide the annual approved budget for audit, but instead submitted copies of the Authority to incur Expenditure (AIEs) in support of

allocations received contrary to Section 131(6) of the Public Finance Management (County Governments) Act, 2015 which states that the County Executive Committee Member for finance, shall take all reasonably practicable steps to ensure that the approved budget estimates are prepared and published in a form that is clear and easily understood by and readily accessible to the members of the public.

Committee Recommendations

1. That going forward, the management must adhere to Section 131(6) of the Public Finance Management (County Governments) Act, 2015.
2. The matter is resolved.

4.3 Irregular Procurements

The statement of financial performance reflects general expenses amount of Kshs.807,954 as disclosed in Note 13 to the financial statements. Review of the expenditure records revealed that the Hospital procured security guard services worth Kshs.328,396 under contracted services. However, no procurement records were provided to support the awards. It was therefore not possible to confirm whether the procurement was competitive in line with article 227(1) of the constitution of Kenya,2010 which states that, when a state organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective.”

In the circumstances, the value for money for the expenditure of Kshs.328,396 could not be confirmed.

Management Response

The service was procured centrally at Kisumu County Referral Hospital where the facility borrowed the prequalification list of suppliers. Since the service provider was prequalified at KCRH, the management had very reason to believe that due process was carried out at the point of prequalification.

Committee Observation

Honourable Speaker, the Hospital procured security guard services worth Kshs.328,396 under contracted services. However, no procurement records were provided to support the awards during the time of audit therefore not possible to confirm whether the procurement was competitive in line with article 227(1) of the constitution of Kenya,2010 which states that, when a state organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective.”

Committee Recommendations

1. That going forward, the management must adhere article 227(1) of the constitution of Kenya, 2010
2. That the matter is resolved

4.4 Failure to Transfer Revenue to the County Revenue Fund Account

The statement of financial performance reflects rendering services -Medical services income of Kshs.1,560,456 as disclosed in Note 9 to the financial statements. However, the amount was not transferred to the County Revenue Fund Account for approval by the Controller of Budget before withdrawal. This was contrary to Regulation 81(1-3) of Public Finance and Management(County Governments)Regulations 2015 which states that a receiver of revenue shall promptly deposit into the County exchequer account all receipts due to the County Revenue Fund.

In the circumstances, Management was in breach of the law.

Management Response

It is true, that the amounts collected by the facility were not transferred to the County Revenue Fund Account for approval by the Controller of Budget before withdrawals. This has since changed in that monies collected are directly transferred to County Revenue account via pay-bill, which is later transferred to facility operations account for use.

Committee Observations

1. That an amount of Kshs. 1,560,456 related to medical services income was not transferred to the County Revenue Fund during the financial year Regulation 81(1-3) of Public Finance and Management (County Governments) Regulations 2015 which states that a receiver of revenue shall promptly deposit into the County exchequer account all receipts due to the County Revenue Fund.
2. That currently monies collected are directly transferred to County Revenue account via pay bill, which is later, transferred to facility operations account for use.

Committee recommendation

That the matter is resolved

4.5 Non-Compliance with Universal Health Coverage (UHC) Requirements

Review of Hospital record and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by 100 staff requirements or 99% of the authorized establishment.

STAFF	LEVEL 4 HOSPITAL STANDARD	NUMBER IN HOSPITAL	VARIANCE	PERCENTAGE %
Medical Officers	16	0	16	100
Anesthesiologists	2	0	2	100
General Surgeons	2	0	2	100
Gynecologists	2	0	2	100
Pediatricians	2	0	2	100
Radiologists	2	0	2	100
Registered Community Health Nurses	75	1	74	99
Total	101	1	100	99

In addition, the Hospital lacked the necessary equipment and machines outlined in the Health Policy Guidelines as detailed below'

SERVICE	LEVEL 4 HOSPITAL STANDARD	ACTUALS IN THE HOSPITAL	VARIANCE	PERCENTAGE %
Bed capacity	150	22	128	85
Incubators (Newborn)	5	0	5	100
Cots	5	1	4	80
Resuscitaire in Theatre	1		1	100
Resuscitaire in		0	1	50

Labour Ward	2			
Functional ICU Beds	6	1	6	100
HDU Beds	6	0	6	100
Renal unit with at least 5 Dialysis machines	5	0	5	100
Functional operating Theatres- Maternity and General wards	2	0	2	100

Honourable Speaker, these deficiencies contravene the First schedule of Health Act,2017 and imply that accessing the highest attainable standard of health, which includes the right to health care services, including reproductive health care as required as required by Article 43(1) of the Constitution of Kenya,2010 may not be achieved.

In the circumstances, the Hospital will not be able to deliver on its mandate.

Management Response

The Management takes note of the audit findings. However, we will seek guidance through the County Executive Member of Health on the way forward on this matter.

Committee Observation

That the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by 100 staff requirements or 99% of the authorized establishment.

Committee Recommendations

1. That the County Executive Committee member responsible for Medical Services, Public Health and Sanitation make necessary arrangements to drive the facility towards adhering to the requirements of Kenya Quality Model for Health Policy Guidelines.
2. That the matter is unresolved

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

5.1 Board of Management

5.1.1 Lack of a Board Charter

The Hospital Board of Management does not have a charter which is a violation to Section 1.11 of Mwongozo code of Governance for state corporations ,2015 which states that, the board should develop and adopt a Board Charter that define the role, responsibilities and functions of the Board in the governance of the organization.

Management Response

The Management takes note of the audit findings. However, we will seek guidance through the County Executive Member of Health on the way forward on this matter.

Committee Observation

That the hospital does not have a charter contrary to Section 1.11 of Mwongozo code of Governance for state corporations ,2015 which states that, the board should develop and adopt a Board Charter that define the role, responsibilities and functions of the Board in the governance of the organization.

Committee Recommendations

1. That the management initiate immediately initiates the process of having a charter to ensure adherence to Section 1.11 of Mwongozo code of Governance for state corporations, 2015.
2. That the matter is not resolved

5.1.2 Board Members without Appointment Letter

The Hospital Management did not submit the gazette notifications or the corresponding appointment letters for Board members of the Hospital. This is a violation of Section 1.11 of Mwongozo Code of Governance for State Corporations,2015 which states that, each board member shall be formerly appointed to the board through a gazette notice and thereafter an appointment.

Management Response

Honourable Speaker, the Management takes note of the audit findings. However, a Gazette Notice dated 11th October 2019 on the same has been attached as stated in ANNEXE III to prove their appointment.

Committee Observations

1. That the management failed to provide gazette notifications or the corresponding appointment letters for Board members of the Hospital.
2. The same had been provided at the time of committee deliberations

Committee Recommendation

The matter is resolved

5.1.3 Payment of Allowances to Non-Board Members

Review of the statement of financial performance indicate Board of Management expenses of Kshs.62,000. However, included in the balance Kshs.16,500 relating to payments to eight (8) individuals who are not board members. This is a violation of Article 226(5) of the Constitution of Kenya,2010 which states 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, whenever the person remains the holder of the office or not.

In the circumstances, the effectiveness of overall governance of the Hospital could not be confirmed.

Management Response

The Management takes note of the audit findings and are looking into the issue to find out why the individuals were paid.

Committee Observation

That the Accounting Officer during the year under review paid Kshs. 16,500 to eight (8) individuals who were not Board Members.

Committee Recommendations

1. That going forward, the Accounting officer must ensure only Board Members are remunerated.
2. That the matter is resolved

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF NYAHERA SUB-COUNTY HOSPITAL FOR THE FINANCIAL YEARS 2022/2023

BASIS OF QUALIFIED OPINION FY 2022/2023

6.1 Inaccuracies in the Statement of Financial Position

The statement of financial position reflects Nil balance in respect of prior year comparative balance on trade and other payables. However, prior years' financial statements indicate a balance of Kshs 98,761. Further, the statement reflects a Nil balance under inventories which differs from Note 16 which reflect Kshs.544 and Kshs. 103,888 in respect of trade and other payables which was not supported with a disclosure Note.

In addition, the statement reflects Nil balance in respect of net assets however a re- computation of the same results in Kshs.788,522. The re-computed balance on total assets differs with the total net assets and liabilities balance of Kshs.793,105 resulting into unexplained and unreconciled variance of Kshs.4,583. Further, the same statement reflects Kshs.896,993 in respect of total assets and liabilities however, computation of the same balance results in Kshs.793,105.

In the circumstances, the accuracy and completeness of the statement of financial position could not be confirmed.

Management Response

Honourable Speaker, the Management agrees with the auditor's findings and will ensure that the errors are corrected to ensure accurate financial reporting. The adjustments will be done in the subsequent financial year. These mistakes can impact the accuracy of the reported figures and need to be rectified to present the financial statements correctly.

As per our response, the management are in the process of acquiring a qualified accountant with the help of the department as per the attached letter dated 15th May 2024. ANNEXE I

Committee Observation

That there were inaccuracies in the statement of financial position

Committee recommendations

1. That, going forward, the management ensures that the financial statements are accurate and present the true and fair view of the financial position of the facility.
2. The matter is resolved

6.2 Variances between Financial Statements Amounts and the Ledgers

The statement of financial performance and the statement of financial position reflects balances on various components which differ with balances indicated in the ledger resulting into unreconciled variances as tabulated below;

Component	Item Description	Statement Figure (Kshs)	Ledger Figure (Kshs)	Variance (Kshs)
Rendering of Services	Pharmaceuticals	251,160	294,010	(42,850)
Rendering of Services	In-Patient Services	223,820	96,030	127,790
Rendering of Services	Maternity	-	12,100	(12,100)
Rendering of Services	NHIF and UHC	1,308,043	155,043	1,153,000
Rendering of Services	Medical Records	227,550	24,100	203,450
Medical/Clinical Costs	Health Information Stationery	75,784	-	75,784
Board of Management Expenses	Sitting Allowance	64,500	84,000	(19,500)
Repairs and Maintenance	Property- Buildings	66,950	10,000	56,950
General Expenses	Contracted Services	294,491	328,396	(33,905)
Cash and Cash Equivalents	Co-operative Bank Account	829,410	892,411	(63,001)
Receivables from Exchange Transactions	Transfers from the County Government	-	1,603,100	(1,603,100)
Trade and Other Payables	Trade and Other Payables	103,888	29,700	74,188

Honourable Speaker, in the circumstances, the accuracy of the statement of financial performance and the statement of financial position could not be confirmed.

Management Response

We acknowledge the difference as put forward but with the help of an accountant will be able to provide a clear guideline with respect to the variance.

Committee Observation

That the statement of financial position reflects balances on various components which differ with balances indicated in the ledger resulting into unreconciled variances.

Committee Recommendations

1. That going forward, the management must ensure that the financial statements are accurate and present a true and fair view of the financial position of the facility
2. That the matter is resolved

6.3 Unsupported Cash and Cash Equivalents Balance

The statement of financial position as disclosed in Note 15 to the financial statements reflects a balance of Kshs.892,410 in respect of cash and cash equivalents which was held in the Hospital's operation account. However, Management did not provide monthly bank reconciliation statements to support the balance reflected in the financial statements. In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.892,410 could not be confirmed.

Management Response

We acknowledge the difference as put forward but with the help of an accountant will be able to provide a clear guideline with respect to the variance.

Committee Observation

That the management failed to provide monthly bank reconciliation statements to support the balance reflected in the financial statements of Kshs. 892,410 related to Cash and Cash equivalents.

Committee Recommendations

1. That going forward, the management must adhere to Section 62(b) and (c) on timely provision of information as required by the auditors
2. That the matter is resolved

6.4 Undisclosed Receivables from Exchange Transactions

The statement of financial position reflects Nil balance in respect of receivables from exchange transactions. However, data obtained from the National Health Insurance Fund (NHIF) indicates that the Fund owes the Nyahera Sub-County Hospital an amount of Kshs.3,142,060 resulting into non-disclosure of the same balance in the financial statements. In addition, support schedules indicate that during the financial year the Hospital received Kshs.256,000 in form of NHIF rebates however, data obtained from the National Health Insurance Fund indicate that Kshs.

1.247, 100 had been transferred to the facility resulting to understatement of receipts by Kshs.991,100.

In the circumstances, the accuracy and completeness of revenue and receivables from exchange transactions balances could not be confirmed.

Management Response

The Management through the department of Health want to start the process of reaching out to NHIF to get documents to help us in reconciliation and also with the help of an Accountant.

Committee Observation

That the financial position reflected Nil balance in respect of receivables from exchange transactions although data obtained from the National Health Insurance Fund (NHIF) indicated that the Fund owed the Nyahera Sub-County Hospital an amount of Kshs.3,142,060

Committee Recommendations

1. That going forward, the management must ensure that the financial statements are accurate and present a true and fair view of the financial position of the facility
2. That the matter is resolved

6.5 Non-Disclosure of Grants from Donors and Development Partners

The statement of financial performance reflects Nil balance in respect of grants from donors and development partners. However, information available from Kenya Medical Supplies Agency revealed that the Hospital during the 2022-2023 financial year received medical and pharmaceutical drugs valued at Kshs.8,607,792 and Kshs.684,499 all totaling Kshs.9,292,291 from International Donors and Government of Kenya respectively. This revenue in kind was not recognized in the financial statements.

In the circumstances, the revenue amount for the year had been understated by a similar amount and the accountability for the medical drugs could not be confirmed.

Management Response

Honourable Speaker, it is true the statement of financial performance reflects Nil balance in respect of grants from donors and development partners. However, based on the Hospital records, medical and non-pharmaceutical drugs valued at Kshs.7,340,409.20 can be reported as per the attached invoices. ANNEXE II which will be amended in the subsequent financial year's statement once the department posts the accountant to the facility.

Committee Observation

That Contrary to Section 138(8) of the Public Finance Management Act, 2012, which requires that recipients of grants or donations from development partners to record the value of such grants or donations in their books of account, and Regulation 71(5) of the Public Finance Management Regulations, 2015, which mandates the disclosure of gifts, donations, or sponsorships in the annual and quarterly financial statements.

Committee Recommendations

1. That going forward, the management must adhere to Section 138(8) of the Public Finance Management Act, 2012, and Regulation 71(5) of the Public Finance Management Regulations, 2015
2. The matter is resolved

6.6 Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects Kshs.544 in respect of purchase of property, plant and equipment however; the balance has not been reflected in the statement of financial position. Further, the statement reflects Kshs.374.322 on net cash flows from investing activities however, a re-computation of the balance indicates Kshs.544. The variance of Kshs.373,778 has not been explained or reconciled.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed.

Management Response

The Management takes note of audit findings; however, this will be amended in the subsequent financial statement once the Department posts an accountant to the facility.

Committee Observation

That there were inaccuracies in the statement of cash flows

Committee Recommendations

1. That going forward, the management must ensure that the financial statements are accurate and present the true financial position of the facility
2. That the matter is resolved

6.7 Unconfirmed Inventory Balance

The statement of financial position reflects Nil balance for inventories. However, no inventory valuation report was provided for audit and no evidence of conducting of the annual stock take to confirm the quantities, value and status of closing inventory balances as at 30 June, 2023.

In the circumstances, the accuracy, completeness and valuation of the Nil balance could not be confirmed.

Management Response

The Management takes notes of the audit findings and acknowledges that no stock take report was availed at the time of audit. However, provided at the time of audit. However, moving forward the management has put measures to ensure in place to ensure there's annual stocktaking at the end of the financial year.

Committee Observations

That the management failed to provide inventory valuation report and evidence of conducting of the annual stock take to confirm the quantities, value and status of closing inventory balances as at 30 June, 2023

Committee Recommendations

1. That going forward, the management must conduct annual stock take to confirm the quantities, value and status of closing inventory balances.
2. That the matter is resolved

6.8 Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects Nil property, plant and equipment balance. However, review of Hospital records and physical verification revealed various assets including land, buildings, motor vehicles, furniture, computers and equipment which were not disclosed in the financial statements. Further, the ownership documents for land were not provided for audit.

In the circumstances, the accuracy, completeness and ownership of Nil property, plant and equipment balance could not be confirmed.

Management Response

The Management takes notes of the audit findings and acknowledges that there was no data provided at the time of audit. However, the management wrote a letter to the Department through the Chief Officer's office requesting for the services of the relevant departments to follow up in getting ownership documents (Title Deed) and provision of a valuer to evaluate the value of the assets within the facility as per the attached letter. Annex III.

Committee Observation

That the statement of financial position reflected Nil property, plant and equipment balance. However, review of Hospital records and physical verification revealed various assets including

land, buildings, motor vehicles, furniture, computers and equipment which were not disclosed in the financial statements

Committee recommendations

1. That the That the County Executive Committee Member Medical Services, Public Health and Sanitation make necessary arrangements for the valuation of Property, Plant, and Equipment within a period of 90days upon adoption of this report.
2. That the matter is unresolved

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

7.1 Non-Compliance with the Prescribed Reporting Format

Review of the financial statements revealed the following anomalies;

- (i) The Accounting Officer did not sign and indicate the date the financial statements were approved in the statement of Board of Management's responsibilities.
- (ii) The statement of financial performance, the statement of financial position, statement of changes in net assets and the statement of comparison of budget and actual the amount was not signed by the head of finance and whose ICPAK number was also not indicated.
- (iii) The title on the cover page of the financial statements indicates annual financial reports and financial statements instead of annual reports and financial statements provided for in the Public Sector Accounting Standards Board reporting template.
- (iv) The header on page one of the financial statements contains the caption XX County Government instead of indicating the actual name of the county.
- (v) The statement of financial position indicates the statement as of 30 June 202 instead of as at 30 June 2023 required under Implementation Guideline 1 under IPSAS 1.
- (vi) The components in the financial statements refers to supporting notes ranging from Note 22 to 27 whereas the notes to the accounts ranges from Note 6 to 21 thereby misleading the users of the financial statement.

In the circumstances, the financial statements were not prepared in a format that complies with the Public Sector Accounting Standards Board reporting template.

Management Response

It's true that the Accounting Officer did not sign and indicate the date the financial statements were approved in the statement of Board of Management's responsibilities. The Management takes and note of the audit findings and will ensure that the corrections are made as indicated to ensure compliance.

It is true that the statement of financial performance, the statement of financial position, the statement of changes in net assets and the statement of comparison of budget and actual amount

were not signed by the head of finance and whose ICPAK number was also not indicated. The Management takes note of the audit findings and will ensure that the corrections are made as indicated to ensure compliance.

It is true that the title on the cover page of the financial statements indicates annual financial reports and financial statements instead of annual reports and financial statements provided for in the Public Sector Accounting Standards Board reporting template. The Management takes note of the audit findings and will ensure that the corrections are made as indicated to ensure compliance.

It is true that the header on page one of the financial statements contains the caption XX County Government instead of indicating the actual name of the county. The Management takes note of the audit findings and will ensure that the corrections are made as indicated to ensure compliance.

Honourable Speaker, it is true that the statement of financial position indicates the statement as of 30 June 202 instead of as at 30 June 2023 required under Implementation Guideline 1 under IPSAS 1. The Management takes note of the audit findings and will ensure that the corrections are made as indicated to ensure compliance.

It is true that the components in the financial statements refers to supporting notes ranging from Note 22 to 27 whereas the notes to the accounts ranges from Note 6 to 21 thereby misleading the users of the financial statements. The Management takes note of the audit findings and will ensure that the corrections are made as indicated to ensure compliance.

Committee Observation

That the financial statements were not prepared in a format that complies with the Public Sector Accounting Standards Board reporting template.

Committee recommendations

1. That going forward, the management must ensure that financial statements are prepared in a format that complies with the Public Sector Accounting Standards Board reporting template.
2. That the matter is resolved

7.2 Irregular Procurements

The statement of financial performance reflects an amount of Kshs.1,593,869 and Kshs. 1.140,754 in respect of medical/clinical costs and general expenses respectively. Included in these balances is Kshs.525,006 incurred in procurement of goods and services which were not supported with procurement records such as awards to the firms that were engaged. It is therefore, not possible to confirm whether the procurements were competitive.

In the circumstances, Management was in breach of the law and value for money on the procurements could not be confirmed.

Management Response

The Management takes note of the audit findings and will do a follow up with the department and provide a prequalification list in the subsequent financial year.

Committee Observation

That a balance of Kshs.525,006 incurred on procurement of goods and services was not supported with procurement records such as awards to the firms that were engaged.

Committee Observations

1. That going forward, the management must ensure that all procurements are supported with all procurement records.
2. That the matter is resolved

7.3 Non-Compliance with Universal Health Coverage (UHC) Requirements

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by 100 staff requirements or 99% of the authorized establishment.

Management Response

The Management takes note of the audit findings. However, we will seek guidance through the County Executive Member of Health on the way forward on this matter.

Committee Observation

That the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by 100 staff requirements or 99% of the authorized establishment.

Committee Recommendations

1. That the County Executive Committee member responsible for Health, make necessary arrangements to drive the facility towards adhering with the requirements of Kenya Quality Model for Health Policy Guidelines
2. That the matter is unresolved

Summary of Observations

The committee summarized the following observations:

1. THAT, there were variances between the financial statements and the supporting ledgers. Therefore, the financial statements were not accurate, contrary to Section 42 (a) of the PFM regulations, 2015 which requires an Accounting Officer to sign a financial statement thereby making him/herself responsible for the correctness.
2. THAT, Contrary to Section 62(b) and (c) of the Public Audit Act, 2015, the management failed to provide the Auditors monthly bank reconciliation statements
3. THAT, Contrary to Section 138(8) of the Public Finance Management Act, 2012, which requires that recipients of grants or donations from development partners to record the value of such grants or donations in their books of account, and Regulation 71(5) of the Public Finance Management Regulations, 2015, which mandates the disclosure of gifts, donations, or sponsorships in the annual and quarterly financial statements, the management failed to disclose donations and program commodities drugs worth Kshs.8,474,086 and Universal Health coverage of Kshs.306,447.
4. THAT, the Nil balances were reflected for Property, Plant and Equipment due to lack of values for the same.
5. THAT, the management failed to provide to the Auditors, inventory valuation report
6. THAT, there was no evidence of conducting the annual stock take to confirm the quantities, value and status of closing inventory balances as at 30 June 2022.
7. THAT, during the financial year, the preparation of the financial statements did not comply with the Public Service Accounting Standards Board reporting template.
8. That the Management failed to provide the annual approved budget for audit, but instead submitted copies of the Authority to incur Expenditure (AIEs) in support of allocations received contrary to Section 131(6) of the Public Finance Management (County Governments) Act, 2015 which states that the County Executive Committee Member for finance, shall take all reasonably practicable steps to ensure that the approved budget estimates are prepared and published in a form that is clear and easily understood by and readily accessible to the members of the public.
9. The Hospital procured security guard services worth Kshs.328,396 under contracted services. However, no procurement records were provided to support the awards during the time of audit therefore not possible to confirm whether the procurement was competitive in line with article 227(1) of the constitution of Kenya,2010 which states that, when a state organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective.”
10. THAT, an amount of Kshs. 1,560,456 related to medical services income was not transferred to the County Revenue Fund during the financial year Regulation 81(1-3) of Public Finance and Management (County Governments) Regulations 2015 which states that a receiver of revenue shall promptly deposit into the County exchequer account all receipts due to the County Revenue Fund.

11. THAT, currently monies collected are directly transferred to County Revenue account via pay bill, which is later transferred to facility operations account for use.
12. THAT, the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by 100 staff requirements or 99% of the authorized establishment.
13. THAT, the hospital does not have a charter contrary to Section 1.11 of Mwongozo code of Governance for state corporations ,2015 which states that, the board should develop and adopt a Board Charter that define the role, responsibilities and functions of the Board in the governance of the organization.
14. THAT, the management failed to provide gazette notifications or the corresponding appointment letters for Board members of the Hospital.
15. THAT, gazette notifications had been provided at the time of committee deliberations
16. THAT, the Accounting Officer during the year under reviews paid Kshs. 16,500 to eight (8) individuals who were not Board Members.
17. THAT, there were inaccuracies in the statement of financial position
18. THAT, the statement of financial position reflects balances on various components which differ with balances indicated in the ledger resulting into unreconciled variances.
19. THAT, the management failed to provide monthly bank reconciliation statements to support the balance reflected in the financial statements of Kshs. 892,410 related to Cash and Cash equivalents.
20. THAT, the financial position reflected Nil balance in respect of receivables from exchange transactions although data obtained from the National Health Insurance Fund (NHIF) indicated that the Fund owed the Nyahera Sub-County Hospital an amount of Kshs.3,142,060
21. THAT, there were inaccuracies in the statement of cash flows
22. THAT, the management failed to provide inventory valuation report and evidence of conducting of the annual stock take to confirm the quantities, value and status of closing inventory balances as at 30 June, 2023
23. THAT, the statement of financial position reflected Nil property, plant and equipment balance. However, review of Hospital records and physical verification revealed various assets including land, buildings, motor vehicles, furniture, computers and equipment which were not disclosed in the financial statements
24. THAT, a balance of Kshs.525,006 incurred on procurement of goods and services was not supported with procurement records such as awards to the firms that were engaged.

Summary of Recommendations

The committee summarized the following recommendations:

1. THAT, the Accounting Officer must adhere to Section 42 (a) of the PFM Regulations, 2015.

2. THAT, going forward, the management must adhere to Section 62(b) and (c) of the Public Audit Act, 2015, on timely provision of information as required by the Auditors.
3. THAT, going forward, the management must adhere to Section 138(8) of the Public Finance Management Act, 2012, and Regulation 71(5) of the Public Finance Management Regulations, 2015.
4. THAT, the County Executive Committee Member Medical Services, Public Health and Sanitation makes necessary arrangements for the valuation of Property, Plant, and Equipment within a period of 90 days upon adoption of this report.
5. THAT, going forward, the management must conduct an annual stock take to confirm the quantities, value, and status of closing inventory balances as at 30 June 2022.
6. THAT, going forward, the management must ensure compliance with the Public Service Accounting Standards Board reporting template in preparation of financial statements.
7. THAT, going forward, the management must adhere to Section 131(6) of the Public Finance Management (County Governments) Act, 2015.
8. THAT, going forward, the management must adhere to article 227(1) of the constitution of Kenya, 2010
9. THAT, the County Executive Committee member responsible for Medical Services, Public Health and Sanitation makes necessary arrangements to drive the facility towards adhering to the requirements of Kenya Quality Model for Health Policy Guidelines.
10. That the management initiate immediately initiates the process of having a charter to ensure adherence to Section 1.11 of the Mwongozo Code of Governance for State Corporations, 2015.
11. THAT, going forward, the Accounting officer must ensure only Board Members are remunerated.
12. THAT, going forward, the management ensures that the financial statements are accurate and present the true and fair view of the financial position of the facility.
13. THAT, going forward, the management must adhere to Section 138(8) of the Public Finance Management Act, 2012, and Regulation 71(5) of the Public Finance Management Regulations, 2015
14. THAT, going forward, the management must conduct annual stock take to confirm the quantities, value and status of closing inventory balances.
15. THAT, the That the County Executive Committee Member Medical Services, Public Health and Sanitation make necessary arrangements for the valuation of Property, Plant, and Equipment within a period of 90days upon adoption of this report.
16. THAT, going forward, the management must ensure that all procurements are supported with all procurement records.

In Conclusion

Honourable Speaker, I hereby request that this House adopts this report of the Public Accounts and Investments Committee on the consideration of the Auditor General's Report on the

Financial Statements of the Nyahera Sub County Hospital FYs 2021/2022 and 2022/2023. May I call upon Hon Seth Okumu to second. Thank you.

(Hon Okumu bowed)

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Members, and now that the Report of the select committee on Public Accounts and Investments on the Examination of the report of the Auditor General on the financial statements of Nyahera Sub-County Hospital for the financial years 2021/2022, and 2022/2023, has been presented and seconded. As per our the provisions of our Standing Orders, I want to propose a question, and I propose that this report is now open for debate.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Joachim Okech of Kondele Ward.

Hon. Oketch (MCA, Kondele): Thank you very much Madam Speaker. Sometimes if you look at these audited reports, you get amazed at how our health institutions are being run. If you are very keen on what the Member of Nyalenda “B” Ward was presenting, some of these audit queries, sometimes we ask ourselves if we really have professionals running these health facilities.

Madam Speaker, when you are questioned on the most basic, like not having Bank Reconciliations, which I believe that is the most basic duties of having accountants in those institutions. Madam Speaker, when there are no Closing Balances of Inventory. So basically, what that means is that even in that hospital alone, they cannot tell you the balance of all the materials they had as at 30th of June. If they had 20 pieces of Panadol. The hospital is simply trying to inform you that they could not ascertain the quantity of stock of any pharmaceutical commodities they had at as close of business as 30th of June. So, it shows that we have a lot of unprofessionalism in our institutions.

Madam Speaker, again, you are being informed that they could not even have what we call the Kisumu County Approved Budget Estimates as at 30th of June. I mean, they were running the hospital without a budget. There was nothing. So, I believe if you have a hospital and we have a professional running it, the first thing we will ask is that; how much do I need to run this institution? However, they are saying that they have no clue of the budget that they want to run that facility with. Again, they are informing this House that, they were given Authority to Incur Expenditure (AIE). Madam Speaker, the Authority to Incur Expenditure is a particular ceiling that you have probably every month or every quarter or probably every half of the year. So, I find it very difficult for them just to quote the amount of budget that they had to run the hospital, even the amount of that authority to incur expenditure, Madam Speaker.

So, Madam Speaker, this is why I am saying this. I have a hospital in my ward that we have been struggling to operate. We signed an MoU with JOOTRH to have it probably run by JOOTRH. Two weeks ago, they tried to open the institution but after some few days, there was a letter communicating that they had to stop operating. So, I believe that these are probably the issues that what we are talking about. If they knew that there were issues with public health, why were they rushing to open the hospital?

Again, after some few days, they were saying that they had to close it. So, it is my belief that shows the glaring nature of discrepancies and probably weak support staff that we have in this institution that we used to run. Therefore, it is my belief that this House Committee has done a very commendable job trying to get information from the management to explain. However, some of the explanation given by management are very clumsy. They are just trying to have their way. So, it means that we have offered them an open cheque. We have given non-professionals to run these institutions and they are minting money. From this hospital. And therefore, I believe as a House, we have a lot of work to do so that we stop such incidences from happening. Otherwise, it is my belief that this House Committee did a very good job, and I want to support the report. Thank you very much.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Majority Whip, Honourable Seth Kanga.

Chief Whip (Hon. Kanga, MCA, Market/Milimani): Thank you Madam Speaker. I rise to make my comments on the report with some observations which I believe that this House Committee ignored.

Madam Speaker, the Select Committee on Public Investments and Accounts over the years, since we came to this Assembly, has been presenting very elaborate reports. However, they failed to give us remedies on failures to adhere to the relevant Laws as highlighted by Honourable James Oyugi Were. Madam Speaker, for example, in their recommendations, the first recommendation they have indicated to this House that, moving forward, the facility must adhere to section 62(b) (a) (c) of the Public Audit Act, 2015 on timely provision of information as required by the Act. This section talks about monthly reconciliation.

Further, Madam Speaker, by highlighting so, in bullet two, they say that the matter is resolved. What if the facility fails to adhere to the recommendations as per how the Chairperson has read to us? Madam Speaker, you will find that the same people, or the same officers who are working in this facility, going by the financial year 2021-2022, will bring another report with the same discrepancies. And you will find that the same recommendation which has been presented by this House Committee will be presented again in the next financial year. Madam Speaker, we cannot be like a Catholic priest who is reading for congregants at a mass, then we are asked as the choir

to sing the way we have always been asked to sing. Then we pass the report like that. Then in the next financial year, you will find that the same officers who are running that facility will appear before the same House Committee which will interrogate them. This House Committee will bring to us the same report without taking necessary steps against these officers.

Madam Speaker, I want to implore this House Committee to inform us that if they fail to adhere to the recommendations of the House Committee, what will be done to them? Will they be able to appear before this House Committee again with the same report, with the same issues, which have been highlighted by the Auditor General? Madam Speaker, this is because, if you look at the recommendations provided by this House Committee, it is just the same. Madam Speaker, finally, the matter is resolved. How is it resolved? What are the remedies when these same officers fail to adhere to the provisions of Public Finance Management Act, 2012, the Public Audit Act, 2015 and the Public Disposal and which Act? I do not know because I am not an expert in that area. But you will find the recommendations are just the same. So, I want to ask this House Committee to provide remedies to such circumstances. When these officers fail to adhere to these Laws, what punitive measures will the Assembly do to them? That is my recommendation. Otherwise, the report is good. The Public Accounts and Investments Committee under the stewardship of Honourable Ouko and the members are doing a commendable job. Nevertheless, they should give us recommendation concerning these officers. Otherwise, thank you, Madam Speaker.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Tom Nyaoke of North Nyakach Ward.

Hon. Nyaoke (MCA, North Nyakach): Thank you Madam Speaker. Madam Speaker, my colleague has addressed quite substantial issues. I would want to restrict myself to item number 3.3 of the report that is the Non-disclosure of Donated Drugs.

Madam Speaker, foremost, I stand to support the adoption of this report, having looked at the recommendations that have been given by the relevant House Committee on the same. Madam Speaker, the reason why I am picking on this is probably one of the common mistakes that if we are not careful, we are going to be seeing several of them going ahead. I am actually drawing this to the attention of the Select Committee on Implementation to pick up this particular issue and ensure that during the implementation of this report, these particular issues are taken into consideration. Madam Speaker, the 3.3 talks about Non-disclosure of Donated Drugs. There is no area which has got a lot of money, particularly when it comes to donations of drugs. Pharmaceutical and non-pharmaceutical commodities are very expensive items and that the donations of such items to a hospital or a dispensary must be taken into consideration and with serious concerns. Madam Speaker, we are informed in this report that, it is also even with the admission of the management that if we look at the management response, it is true that at the

time of audit, bank reconciliation statements were not available for audit. Let me move to that particular area. It is true that the statement of financial performance reflects a nil amount of grants from donors and development partners and a nil amount for transfer from other government entities. However, data from KEMSA revealed that the hospital received donations and pharmaceutical and non-pharmaceutical commodities worth Kshs. 8.474 million, and Universal Health Coverage of Kshs. 306,447, which were not disclosed in the financial statements.

Madam Speaker, failure to include this in the financial statements can be deliberate and it is very possible that such kind of omissions can be considered as deliberate. Madam Speaker and that is why I am imploring upon the Select committee on Implementation that, they try to dig as they look at the implementation of this report after the adoption. This House Committee should be able to look at some of those areas, why such items are not declared or put onto record,

Madam Speaker, Kshs. 8.4 million is not something that you can just omit in an institution such as the one we are talking about. Madam Speaker, I do not want to take much on these matters but, the fact of the matter is, as we go through the implementation of this report after the adoption, then we should pay attention to such kind of very pertinent issues that keep on recurring each and in every report. Thank you, Madam Speaker. I beg to support.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Ruben Rakwach.

Hon. Rakwach (MCA, Kolwa East): Thank you, Honourable Speaker. I also wish to contribute to this report. Honourable Speaker, we realised that there are some things that can be avoided, and if at all the government entities can do what is required, then they can even help in improving the opinion of the Auditors.

Madam Speaker, you realize that there are mismatch or variances when comparing the financial statement with the supporting ledger and these are the same people who spent these money. So when it comes to reconciliation, you will always realize that there are discrepancies, and this is something which can really be avoided if at all we had serious officers.

Madam Speaker, in light of the same, I would also say that the County Executive or rather the Department of Health is also letting us down, because the management even talks of lack of accountant, and this is something which has been there for some times. And they are even reporting that because the reporting format was also an issue, and they are saying that it is because they are lacking those who have the accounting know-how. If at all the Department knows that Nyahera Sub-county Hospital needs an accountant, then it is good that they hire one so that the Auditor's Opinion can move from the Qualified to Unqualified.

Madam Speaker, we also realized that some of the things that have contributed to this opinion are issues to do with Non-disclosure of donated pharmaceutical and non-pharmaceutical commodities, which we know their value. So it is just a matter of reporting, knowing the value of the pharmaceutical and non-pharmaceutical commodities, and then listing.

Madam again, there is also Non-disclosure of the Property, Plant and Equipment. You will realize that most of the government entities, sit on parcels of land which are not registered under the County Government of Kisumu and this one is going to bring a lot of problems. Yearly, you get that it is an issue which is being flagged by the Office of the Auditor General, but the County Executive is doing very little about this. This is because, sometimes we realize that the management have even written to the relevant County Executive department, and they even come here and adduce the evidence showing that they have engaged the County Executive on this. But still you get that we have got even the Department of Lands, Physical Planning, Housing and Urban development is not even aware that they need to help a facility to secure a title deed. There are even properties, Honourable Speaker, and we realize that just valuating those properties and keeping the register is a problem that keeps on recurring.

So, I would really wish that these entities, with the support of the County Executive do something so that we do not get into these problems. Again, Honourable Speaker, as a member of this House Committee, we realize that we give recommendations. Some of them are the same, just as the Honourable Chief Whip has observed. But you will get that each and every report will be looked at on its own account. When somebody steals a chicken today, if it is in the regulation or in the law, it should be in prison for one month. Even if it steals again, it will remain one month, Honourable Speaker.

So, it is upon the Select Committee on Implementation, that once a report is approved in this House with the recommendations, they need to take it up and follow up so that all that was recommended is implemented. Madam Speaker, it is my belief that, by doing this, it is going to help us avoid some of the recurring problems in this reports. I can also remember, there is a report which we approved in this House against the County Executives and we recommended that that report be referred to Ethic and Anti-Corruption Commission (EACC) to do some investigations. Up to now, we have not been given any update as of whether that resolution was given to the EACC and what they are doing about it. So, it is my belief that, it is not a matter of the Select Committee on PIC&PAC but, it is a matter to be taken up by the select Committee on Implementation. Otherwise, I support. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Peter Obaso.

Hon. Obaso (Nominated Member): Thank you Madam Speaker. I also rise to add a my voice on this report that is before this House. Madam Speaker, if you look at this report and the previous

ones that have been presented here by this House Committee on Public Investments and Accounts you will noticed a trend in all these hospitals that are around. One thing you will notice is they do not conform to the financial regulations that are provided. And that's a big mistake. You know, if you want to go forward as a county, then there are some stringent measures that we should put in place to guide how these people use funds that are available to them to develop these hospitals and without that, then, we will continue losing funds and non-services to our people. This will not be good for the people that we serve.

Madam Speaker, from this report we can see variances, unexplained amount of funds that have been lost and it is my opinion that as a House Committee, we should have put some stringent recommendations so that when this report after it has been approved by this House, will be forwarded to the Select committee on Implementation then, I believe that they should have something that will make these people accountable for those variances that have been noticed in this report. Madam Speaker, with those few remarks, I beg to support. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Benny Oiko.

Hon. Oiko (MCA, Kabonyo/Kanyagwal): Thank you, Madam Speaker. Madam Speaker, I also want to make a little contribution on this report. Madam Speaker, Kisumu County has been praised for the enactment of Facility Improvement Fund. And when we were in Nairobi last week, this strongly came out that Kisumu County is among the few counties that have enacted this Act. And the picture that was given is that collection in the health facilities is good not bad.

Madam Speaker, the big picture we are getting, the management of these funds is now poor. The question now comes, is this intentional? Because the department that is supposed to see that these funds are properly used is the Department of Finance, Economic Planning and ICT. The accountants, the procurement officers who are supposed to be employed are supposed to be employed by the Department of Finance, Economic Planning and ICT. Madam Speaker, why is it that these health facilities are being given the power to manage themselves and they are not being given the human resource required to run these facilities? Is it for nothing that this is being done?

Madam Speaker, it is known that Kisumu County is overstaffed. The wage bill is worrying. Why can't the government take measures to see to it that the necessary personnel are employed and the ones that are not needed, are not employed? To give us a good picture of the management of our finances.

Madam Speaker, when you go through this report, the Department of Audit is not well established in this county. The question comes, why? Why is it that the Department of Audit is not well established? And Madam Speaker, without saying a lot, the problem lies with the

County Executive of this county. And a message should be sent to the Governor that the Chief Officer, Department of Finance should be employed. Not people working on acting capacity since he became the Governor. This is a major weakness in the Department of Finance of Kisumu. And some of the reports brought to this Assembly have given direction to that line.

Madam Speaker, why has it become so challenging for the Governor to have a Substantive Chief Officer in the Department of Finance? We do not know who will explain. If it is that that cannot be remedied by this Assembly, and with all the reports we get here, the negative reports, the Assembly cannot inform the Governor, these are the reports you are getting here, and we need the Department of Finance to improve in its services, the assembly shall have failed the people of Kisumu County. A member mentioned that a recommendation was previously made for a report to be submitted to the Ethics and Anti-Corruption Commission. That was indeed done, so where is that report?

Madam Speaker and Honourable Members let us not burden the Select Committee on Implementation with such matters. Once this House makes a recommendation, it is the duty of the Clerk of the Assembly to act on it by writing the necessary letter, referencing the Hansard report, and ensuring the report is submitted to the Ethics and Anti-Corruption Commission.

However, the bigger issue at hand is the urgent need for a Substantive Chief Officer in the Department of Finance. Having acting officers in that position since Governor Nyong'o took office has significantly weakened the department. I submit my contribution, Madam Speaker.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Odari.

Hon. Odari (MCA, Chemelil/Tamu): Thank you, Madam Speaker. I wish to call the mover to reply.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable James Were.

Hon. Were (MCA, Nyalenda "B"): Thank you, Madam Speaker. Notable, I would like to commend the members of the Select committee on Public Investments and Accounts (PIC/PAC) for their dedication and effort in ensuring that all the issues flagged out are thoroughly examined and deliberated upon in this Honourable House. Madam Speaker, I acknowledge that several weaknesses and concerns have emerged from this report, and as highlighted in the recommendations, there is a concerning trend that must be addressed.

Madam Speaker, Honourable Seth Kanga touched on preferred remedies, and it is indeed the responsibility of this House, having received these findings, to take decisive action. It is upon us to ensure that financial controls are properly instituted and adhered to. Madam Speaker, during

audits, some compliance issues are often addressed retrospectively through the submission of additional documentation, which is where claims of resolution arise.

Madam Speaker, if we consider recommendation one, which has been widely discussed by Honourable Members, adherence to the provisions of Section 42 of the Public Finance Management Act of 2012 is critical. As an Assembly, we must ensure that all financial transactions, reporting mechanisms, expenditure approvals, and accountability frameworks strictly comply with established financial regulations. If these measures are effectively implemented, we can address many of the ongoing challenges.

Madam Speaker, capacity building among staff may also be a contributing factor. If some officers lack adequate training, equipping them with the necessary skills could help rectify some of these issues. Additionally, strengthening internal controls and oversight must be a priority in our oversight mandate. Ensuring strict compliance with internal audits will go a long way in addressing the concerns raised in this report.

Madam Speaker, I sincerely appreciate the Honourable Members who have contributed to this discussion, whether in support or opposition. I believe that moving forward; we will work collectively to strengthen these entities, restore public confidence, and ensure accountability in financial management. With those remarks, Madam Speaker, I beg to reply. Thank you.

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Members, and now that the Public Accounts and Investments Committee report on the Examination of the Report of the Auditor General on the Financial Statements from Nyahera Sub-county Hospital for the Financial Years 2021/2022 and 2022/2023 has been presented, seconded and debated, I therefore want to put a question on the adoption of the same.

(Question put and agreed to)

The Temporary Speaker (Hon. Oginga Nominated Member): Honourable Members, the report by the Public Accounts and Investments Committee report on the Examination of the report of the Auditor General on the Financial Statements from Nyahera Sub-county Hospital for the Financial Years 2021/2022 and 2022/2023 has been adopted today, Tuesday, the 25th of March, 2025 at 15.37 hours. I direct that House submissions together with the Hansard report be submitted to the relevant department for purposes of implementation.

The Temporary Speaker (Hon. Oginga, Nominated Member): Next Order!

MOTION

ADJOURNMENT ON DEFINITE MATTER OF URGENT COUNTY IMPORTANCE UNTIL
THURSDAY, 03RD APRIL, 2025.

BY

HON. KENEDY OUKO, MCA, AHERO

(LEADER OF MAJORITY)

The Temporary Speaker (Hon. Oginga, Nominated MCA): Yes, Leader of Majority.

The Leader of Majority (Hon. Ooko, MCA, Ahero): Thank you Madam Speaker. Madam Speaker, I rise to move a motion for adjournment.

AWARE THAT, the proposed Kisumu County Fiscal Strategy Paper CFSP for the financial year 2025/2026 was laid on the table of the counter assembly during its sittings on of Wednesday, 05th March, 2025 at 9.00 a.m. and committed to the all Sectoral/Departmental Committees to deliberate upon according to their respective mandates and make recommendations to the Select Committee on Budget and Appropriations for consideration.

FURTHER AWARE THAT, the First Proposed Kisumu County Supplementary Budget Estimates for the Financial Year 2024/2025 was also laid on the table in the House during the sitting on Wednesday, 05th March, 2025 and consequently committed to the Select Committee on Budget and appropriations for consideration.

ACKNOWLEDGING THAT, in the spirit of fostering inclusivity, transparency and accountability in the budgeting process and in accordance with Article 201 of the Constitution of Kenya, section 117 and 125 of the PFM Act, 2012, the County Assembly conducted and today concluded public participation on the Kisumu County Fiscal Strategy Paper FY 2025/2026.

FURTHER ACKNOWLEDGING THAT, to ensure alignment of budget priorities with Sectoral Committee needs, enhance policy and expenditure scrutiny and promote transparency and accountability, there is need of Departmental Committees to engage with their respective line departments in discussions geared towards stakeholder input, compliance with the legal frameworks and effective resource allocation to improve service delivery.

Additionally, it will also provide an opportunity to refine Sectoral allocations and propose necessary amendments before these two documents can be finalized and tabled for adoption.

Therefore, the assembly urges members to adjourn the House until Thursday, 03rd April, 2025 at 2.30 pm to allow for Sector engagements between the Departmental Committees and the line departments for the Proposed Kisumu County Fiscal Strategy Paper for the FY 2025/2026 and the 1st Proposed Kisumu County Supplementary Budget Estimates for the financial year 2024/2025. Madam Speaker, finally, I would like to call upon Honourable Seth Okumu to second.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes Honourable Okumu.

Hon. Okumu (MCA, East Seme): Thank you so much Madam Speaker. I rise to second the adoption of the Adjournment Motion. Madam Speaker, before us are the 1st Proposed Kisumu County Supplementary Budget for the fiscal Year 2024/2025 and the County Fiscal Strategy Paper for the fiscal Year 2025/2026, two crucial documents that require thorough review by this Assembly. These documents will not only guide the next budget estimates but also provide essential insights into the current budget framework.

Madam Speaker, with only three months remaining in the 2024-2025 budget cycle, it is imperative that we move swiftly to process the 1st Proposed Kisumu County Supplementary Budget for the fiscal Year 2024/2025. Delays could disrupt the implementation of ongoing projects, which we must work to prevent.

Therefore, I urge Honourable Members to view this adjournment not as time away from the plenary but as an opportunity to actively participate in processing both the County Fiscal Strategy Paper and the Proposed Kisumu County Supplementary Budget estimates. Thank you, Madam Speaker. I second.

The Temporary Speaker (Hon. Oginga, Nominated Member): Honourable Members, now that the motion on the Adjournment of Definite Matter of Urgent County Importance until the Thursday, 03rd of April, 2025, has been moved and seconded, and as per our Standing Orders, I want to propose that this motion is now open for debate.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Honourable Tom Nyaoke.

Hon. Nyaoke (MCA, North Nyakach): Madam Speaker, I wish to call the mover to reply.

The Temporary Speaker (Hon. Oginga, Nominated Member): Yes, Leader of the Majority.

Leader of Majority (Hon. Ooko, MCA, Ahero): Thank you Madam Speaker, I extend my gratitude to the members for supporting the adjournment. These two documents before this House are critical to the effective governance of our county, and we must act promptly to ensure they are processed without delay, as any setbacks could disrupt our financial year plans.

Additionally, I implore all the Honourable Members to actively participate in the upcoming deliberations with the relevant line departments. Your presence is crucial to ensure that no concerns or priorities from your wards are overlooked. With that, Madam Speaker, I reply. Thank you.

The Temporary Speaker (Hon. Oginga Nominated MCA): Honourable Members, since the Motion for Adjournment on a Definite Matter of Urgent County Importance until the Thursday, 03rd of April, 2025, has been moved, seconded, and debated, and in accordance with Standing Order No. 31, no question shall be put.

ADJOURNMENT

The Temporary Speaker (Hon. Oginga Nominated MCA): Accordingly, this House stands adjourned until Thursday, 03rd April 2025, at 2:30 p.m.

(House rose at 4.03 p.m.)

Addendum

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