COUNTY GOVERNMENT OF KISUMU

COUNTY ASSEMBLY OF KISUMU

THE HANSARD

Official Report

THIRD ASSEMBLY – FOURTH SESSION

Tuesday, 29th April, 2025

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

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

PRAYERS

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

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

COMMUNICATION FROM THE CHAIR

The Speaker (Hon. Oraro): Honourable Members, I have got two communications to make. One is to welcome you back from the short recess which we had ending yesterday.

Consequently, I want to communicate that we have not received any bad news from all our Members except other County Assemblies in which we have received information of the loss of a number of Members. It's quite unfortunate that in this term, we have lost a number of members from different County Assemblies. So, on behalf of Kisumu County, we stand with them.

Number two, I want to inform you that we have got a lot in our in-tray. This is the month that we expect to receive the Kisumu County Budget Estimates for the Fiscal Year 20255/2026. I have also been informed of two Legislative Proposals that have arrived and one Policy document that will require our joint attention owing to the fact that we only have next month before we come to the close of the financial year which is 30th June 2025.

Again, I want to request that despite the busy schedule, let's avail ourselves for House Committee works. Similarly, let us avail ourselves for Assembly Sessions just like we have been doing. Otherwise, enjoy your session.

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

STATEMENT HOUR

The Speaker (Hon. Oraro): yes Honourable Chief Whip.

The Majority Whip (Hon. Kanga, MCA, Market/Milimani): Thank you, Mr. Speaker. Mr. Speaker, I rise while citing the provisions of Standing Order No. 42. Mr. Speaker, I believe it's a personal statement at the same time it is one concerning Members' monthly contributions to the Orange Democratic Party.

Mr. Speaker, I will not read names however, I want to inform the House that as the Majority Whip of the County Assembly, I have received a statement on the financial status of our monthly contribution to the ODM party. Fortunately, not all Members are contributing but I will not read names and this is for personal reasons and for confidentiality purposes. However, I want to request members who are not up to date with their contributions to the party to liaise with the office of the Director Finance or the Office of the Whip so that they update their financial contributions. Thank you, Mr. Speaker.

The Speaker (Hon. Oraro): Thank you, Honourable Whip. It is my belief that this is a party issue but I believe that there was an arrangement that the members should have their Standing Orders/Charges done from their payslips. So, maybe the party Chief Whip can confirm with the Clerk what could be the issue unless somebody did not sign a Standing Charge because I believe that this was the arrangement that there should be a standing charge from the payslip to the party. Otherwise, I think that's noted.

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

Deputy Leader of Majority (Hon. Lumumba, MCA, South East Nyakach): Thank you, Mr. Speaker. I rise on Order No. 42 (2) (C) of the County Assembly Standing Orders which mandates me as the County Assembly Deputy Majority Leader to present and lay on the table of the County Assembly a Statement informing the County Assembly on the business coming before the House in the following week.

Mr. Speaker, this is therefore to bring to the attention of Members and the County Assembly that for the week commencing Wednesday 30th April 2025 to Tuesday 6th May 2025 the Select Committee on Assembly House Business at its last meeting approved the following tentative businesses to appear in the order papers as follows;

Wednesday 30th April 2025 at 0900 Hours,

SUSTANTIVE BUSINESS

The Chairperson of the Select Committee on Public Investments and Accounts Honourable Kennedy Ouko will move a motion for the Adoption of the House Committee report on the Examination of the reports of the Auditor General on the Financial Statement of Jaramogi Oginga Odinga Teaching and Referral Hospital for the Financial Year 2023-2024

Wednesday 30th April 2025 at 02.30p.m.

SUSTANTIVE BUSINESS

Chairperson of the Sectoral Committee on Administration of Law, Justice, Constitutional Affairs, Good Governance and Security Committee, Honourable Moses Ochele will move a motion for the Adoption of Departmental Committee report on the Matter of the Kisumu County Village Administrators.

Tuesday 6th May 2025 at 02.30 p.m.

1. The Leader of the Majority will issue a statement pursuant to Orders No. 41, (2) (c) of the Standing Orders on the businesses coming before the County Assembly for the week commencing Wednesday 07th May 2025.
2. The Chairperson of the Select Committee on Select Committee on Public Investments and Accounts Honourable Kennedy Ouko will move a motion for the Adoption of the House Committee report on the Examination of the Reports of the Auditor General on the Financial Statement of Kisumu County Social Health Insurance Fund for the Financial Year Ended 30th June, 2024. Thank you Mr. Speaker, that is all.

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

MOTION

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

PRESENTED BY;

HON. KENNEDY OUKO, MCA, WEST KISUMU.

(CHAIRPERSON, PUBLIC INVESTMENTS AND ACCOUNTS)

The Speaker (Hon. Oraro): Honourable Members, I have communication from Honourable Kennedy Ouko that the report of the Auditor General on the Financial Statements of Miranga Sub-County Hospital for the financial years 2021/2022 and 2022/2023 by the Select Committee on Public Investments and Accounts shall be moved by Hon. James Were.

The Speaker (Hon. Oraro): Honourable James Were.

Hon. Were (MCA, Nyalenda "A"): Thank you, Mr. Speaker, On behalf of the Chairperson, Select committee on Public Investments and Accounts; I rise to move a motion on the Examination of the reports of the Auditor General on the Financial Statements of Miranga 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 Miranga 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.

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 Miranga Sub-County Hospital for the financial years 2021/2022 and 2022/2023.

Honorable 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 Miranga 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 February 2025

	NAME	POSITION
	MEMBERS	
1.	Hon. Ken Ouko	Chairperson
2.	Hon. Tom Onditi	Vice Chairperson
3.	Hon. Habil Nyasuna	Member
4.	Hon. Nancy Matara	Member
5.	Hon. Rueben Rakwach	Member
6.	Hon. James Were	Member
7.	Hon. Mickey Ochieng	Member
8.	Hon. James Omollo	Member
9.	Hon. Seth Okumu	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 MIRANGA SUB-COUNTY HOSPITAL FOR THE FINANCIAL YEARS 2021/2022 AND 2022/2023 -COUNTY GOVERNMENT OF KISUMU

Hon. Speaker, the Medical Superintendent, Dr. Samuel Ongwech appeared before the Committee on 15th January 2025 to adduce evidence on the Audited Financial Statements of the Miranga Sub-County Hospital for the financial years 2021/2022 and 2022/2023.

The Medical Superintendent was accompanied by the following Officers;

1. Sharon Amondi – Hospital Administrator
2. Lucy Atieno Aloo – Nurse in charge

The following officers represented the Office of the Auditor General in the Committee meeting;

1) David Mutunga – Office of the Auditor General
2) Calvins O. Ngala -Office of the Auditor General

FY 2021/2022

BASIS FOR QUALIFIED OPINION

Undisclosed balances

Undisclosed Receivables from Exchange Transactions

The statement of financial position reflects a Nil balance for receivables from exchange transactions as disclosed in Note 16 to the financial statements. However, a review of medical services receivables data from the hospital's Health Insurance Claim System (HICS) revealed that National Health Insurance Fund (NHIF) claims amounting to Kshs.2,071,980 had not been settled as at the time of audit and were not disclosed in the financial statements. In the circumstances, the accuracy and completeness of the Nil receivables balance could not be confirmed.

Management Response: The variances were occasioned by inaccurate data captured by the accountants during preparation of financial statements.

Committee Observations

That National Health Insurance Fund (NHIF) claims amounting to Kshs.2,071,980 had not been settled as at the time of audit and were not disclosed in the financial statements

Committee Recommendations

1. That in the subsequent financial years, the hospital management should ensure that all receivables from exchange transactions are accurately captured and disclosed in the financial statements in accordance with applicable financial reporting standards
2. That the matter is resolved

Property, Plant, and Equipment

The statement of financial position reflects Nil balance in respect to property, plant and equipment as disclosed in Note 16 to the financial statements. However, the facility had movable and non-movable assets of undetermined value relating to land, buildings, furniture and fittings, motor vehicles and ICT equipment which were not valued and undisclosed in financial statements. Further, excluded is the value of land on which the facility has set up own buildings. Although Management indicated that the title deed was misplaced, efforts being made to replace the title deed were not disclosed. In addition, the land was registered under Miranga District Hospital which has since changed to Miranga Sub-County Level 4 Hospital.

In the circumstances, the accuracy and completeness of the financial statements as presented could not be confirmed.

Management Response: *The variances were occasioned by inaccurate data captured by the accountants during preparation of financial statements.*

Committee Observations

That the management failed to disclose the value of property, plant and equipment in the financial statements for lack of values

Committee Recommendations

1. That the Accounting Officer initiates and fast-track the process of valuation of all Property, Plant, and Equipment and ensure that the assets are appropriately disclosed in the financial statements for subsequent financial years.

2. That the Accounting Officer should ensure that the issue of the misplaced title deed is addressed urgently, including pursuing its replacement through the relevant authorities, and that the ownership documents are updated to reflect the current name of the facility.

3. That the matter is not resolved

Non-Disclosure of donated drugs

The statement of financial performance reflects a Nil amount on grants from donors and development partners as reported in the financial statements. However, distribution data from Kenya Medical Supplies Authority (KEMSA) revealed that the Hospital received donations and program commodities drugs amounting to Kshs.5,186,739 and Universal Health Coverage of Kshs.288,929.02 but were not disclosed in the financial statements. In the circumstances, the accuracy and completeness of Nil grants from donors and development partners could not be confirmed.

Management response

The entries were done by the accountants on the financial statements

Committee Observations

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.5,186,739 and Universal Health Coverage of Kshs.288,929.02

Committee Recommendations

1. That in the subsequent financial statements, the Accounting Officer ensures full disclosure of all donations, gifts, grants, and program commodities received in the financial statements in compliance with Section 138(8) of the Public Finance Management Act, 2012, and Regulation 71(5) of the Public Finance Management (County Governments) Regulations, 2015.
2. The matter is resolved

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Inconsistencies in Presentation and Disclosure of the Financial Statements

Review of the annual report and financial statements revealed the following anomalies on presentation and disclosure:

i. The table of content does not indicate the correct numbering for the report of the Board of Management, statement of the Board of Management's responsibilities and statement of changes in net assets for the year ended 30 June, 2022.
ii. The statement of performance against predetermined objectives does not give details on its pillar's quality improvement, human resource development and infrastructure development.
iii. The financial statements have not been signed by the Head of Finance, further the ICPAK number for the Head of Finance is not indicated.
iv. Appendix III Inter – Miranga Sub-County Hospital confirmation letter has not been signed.

In the circumstances, Management did not comply with the presentation and disclosure requirements of the Public Sector Accounting Standards Board (PSASB).

Management Response:

The hospital did not have a qualified accountant as prescribed by ICPAK to ensure compliance with the Public Sector Accounting Standards

Committee Observations

That the financial statements of Miranga Sub-County Hospital did not conform to the format prescribed by the Public Sector Accounting Standards Board (PSASB

Committee Recommendations

1. That in the subsequent financial statements, the Management must comply with the presentation and disclosure requirements of the Public Sector Accounting Standards Board (PSASB).
2. That the matter is resolved

Non-Compliance with Law on Budget Preparation

Review of the budget provided for audit revealed that the entity did not comply with the County Treasury standard for budget preparation, since the Facility did not prepare budget estimates for revenue from non-exchange transactions and revenue from exchange transactions. Failure to prepare the budget in the required format was contrary to Regulations 29(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that, the Accounting Officer shall ensure that the draft estimates relating to his or her department are prepared in conformity with the Constitution, the Act and the Regulations.

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

Management Response:

We acknowledge the observation by the OAG on this matter, the norm has been doing a budget on a quarterly basis based on the FIF and reimbursements from the COK but we shall comply with the Law moving forward

Committee Observations:
That the facility failed to prepare comprehensive annual budget estimates as required by law, instead relying on ad hoc quarterly budgeting based on funds received.

Committee Recommendations:

1. That the Accounting Officer must ensure that comprehensive, annual budget estimates are prepared and submitted in full compliance with the Public Finance Management Act 2012, and the Public Finance Management (County Governments) Regulations, 2015.
2. That the matter is resolved

Failure to Prepare a Procurement Plan

During the financial year under review, Management did not prepare and submit its annual procurement plan to the County Department of Health and Medical Services for review and consolidation. This was contrary to the requirements of Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which requires a procuring entity to prepare a procurement plan for each financial year as part of annual budget process.

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

Management Response:

We acknowledge the observation by the OAG on this matter, we lacked the knowledge on how to prepare a Procurement Plan however we visited JOOTRH and KCRH Procurement Department and we were taught on how to prepare it and we are glad to report that we have a Procurement Plan for FY 2023/2024 and 2024/2025.

Committee Observations

That the management violated the requirements of Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020, which requires a procuring entity to prepare a procurement plan for each financial year as part of the annual budget process

Committee Recommendations

1. That the Accounting Officer ensures strict compliance with Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020, by preparing and submitting an annual procurement plan as part of the annual budgeting process.
2. That the matter is resolved

4.0 Employee Costs

The statement of financial performance reflects employee costs of Kshs.561,000 as disclosed in Note 10 to the financial statements. However, the following was noted;

Failure to Deduct and Remit Statutory Deductions for Temporary Staff

Honourable Speaker, the Review of records provided revealed that the Hospital did not deduct and remit statutory deductions from the temporary workers as required by law. This was contrary to Section 20 of the National Social Security Fund (NSSF) Act, 2013 and Section 16 of the National Hospital Insurance Fund (NHIF) Act, 2012 which requires the deductions to be remitted to both Funds within the due dates.

Management Response:

We acknowledge the observation by the OAG on this matter, we failed to deduct and remit the statutory deductions as the temporary staff are paid way below the minimum allowable wags as per the Labor laws. However, the BOM approved a salary increment for this FY and we hope to meet the minimum wage to enable us start deducting the statutory deductions

Committee Observations

That, during the financial year, the management did not deduct and remit statutory deductions from temporary workers.

Committee Recommendations

1. That, statutory deductions for NSSF and NHIF contributions be deducted and remitted promptly for all qualifying staff, in accordance with Section 20 of the NSSF Act, 2013 and Section 16 of the NHIF Act, 2012.
2. That, the matter is resolved

Underpayment of Casual workers

Review of records relating to the employee costs expenditure revealed that the casuals were paid monthly wage ranging from Kshs.2,500 to Kshs.7,000 against the recommended minimum wage of Kshs.8,109 for general casuals as per the Kenya Gazette Supplement No.114 dated 1 July, 2022.

In the circumstances, Management was in breach of the law and the Hospital risks legal action for payment of wages below the recommended rates.

Management Response

We acknowledge the observation by the OAG on this matter, we failed to deduct and remit the statutory deductions as the temporary staff are paid way below the minimum allowable wages as per the Labor laws. However, the BOM approved a salary increment for this FY and we hope to meet the minimum wage to enable us start deducting the statutory deductions.

Committee Observations

Review of records relating to the employee costs expenditure revealed that the casuals were paid monthly wage ranging from Kshs.2,500 to Kshs.7,000 against the recommended minimum wage of Kshs.8,109 for general casuals as per the Kenya Gazette Supplement No.114 dated 1 July, 2022

Committee Recommendations

1. That the Accounting Officer ensures that all employees, including temporary staff, are paid wages that comply with the national minimum wage regulations.
2. That the matter is resolved

Deficiencies in Implementation of Universal Health Coverage (UHC)
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 ninety-three (93) staff requirements or 92% of the authorized establishment.

In addition, the Hospital lacked the necessary equipment and machines outlined in the Health Policy Guidelines.

Management response
We acknowledge the observation by the OAG on this matter, we did notify the County Department of Health of the discrepancies and shortage of staff as recommended by KQMH Policy Guideline, kind find the attached letter to the chief officer Department of Health CGK

Committee Observation
That the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by ninety-three (93) staff requirements or 92% of the authorized establishment

Committee Recommendations

1. That the Management make necessary efforts to ensure progressive compliance with the Kenya Quality Model for Health (KQMH) Policy Guidelines to support the realization of Universal Health Coverage goals.
2. That the matter in unresolved

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE
Basis for Conclusion

Failure to implement inventory management measures
During the year under review, Management did not conduct stock take in respect of the Hospital's inventories as required by Section 162(1) of the Public Asset Disposal Act, 2015.

In the circumstances, the effectiveness of the internal controls over inventory could not be confirmed.

Management response

We acknowledge the observation by the OAG on this matter, we are currently updating our inventory and doing stock takes on a quarterly basis.

Committee Observations

That the management did not conduct stock take in respect of the Hospital's inventories as required by Section 162(1) of the Public Asset Disposal Act, 2015

Committee Recommendations

1. That the Accounting Officer ensures that a comprehensive annual physical stock takes is taken regularly as required by law
2. That the matter is resolved

Weaknesses in management of Pharmaceuticals and non-pharmaceuticals
Review of procurement records revealed that the Hospital procured, received and recorded pharmaceuticals products in the stock control cards at the store. However, review of the drug stock control cards revealed that batch numbers and expiry date for the drugs were not captured in the bin cards. As a result, the First Expiry First Out (FEFO) stock control method was not applied leading to expiry of drugs worth Kshs.35,000.

In the circumstances, effectiveness of internal controls designed for effective stock control management for pharmaceuticals and non-pharmaceuticals could not be confirmed.

Management response*; No response*

Committee observations

1. The failure to capture essential information such as batch numbers and expiry dates on drug stock control cards undermined the application of the First Expiry First Out (FEFO) stock control method.
2. The expiry of drugs worth Kshs.35,000 demonstrates a lack of effective inventory management and poses a risk to patient safety and financial loss.

Committee Recommendations:

1. That in the subsequent financial years, the Accounting Officer must ensure that all pharmaceuticals and non-pharmaceuticals are recorded accurately on stock control cards, including batch numbers and expiry dates, to facilitate effective management and stock rotation.
2. That the matter is resolved

Weaknesses in Revenue Collection System
Review of receipt books and monthly collection analysis sheets revealed that the facility collected revenue in the form of cash. The banking of cash collected was done on irregular intervals, where cash collected sometimes remained at the Hospital for up to a month before banking, exposing the Hospital to misappropriation of funds. Further, review of the revenue

collection system revealed that there was no evidence of segregation of duties. There was also no accountant, procurement officer or cashier and the Hospital Medical Superintendent was in charge of cash transactions of the facility, signifying weak controls over cash receipts and payments made by the entity.

In the circumstances, the effectiveness of internal controls on management of revenue collection could not be confirmed

Management Response

No response

The Committee observed that:

1. The irregular banking of collected cash and the lack of timely deposits significantly increased the risk of misappropriation and theft.
2. The absence of segregation of duties and the concentration of responsibility in one individual (the Hospital Medical Superintendent) for handling all cash transactions exposed the facility to potential financial mismanagement.
3. The lack of critical financial roles, such as an accountant, procurement officer, and cashier, further weakened internal controls over revenue collection and financial management.

Committee Recommendations:

1. That the County Executive Committee Member responsible for Medical Services, Public Health, and Sanitation ensures the immediate recruitment or deployment of a qualified accountant to the facility, in order to strengthen financial oversight and improve the management of public funds.
2. That the facility establishes segregation of duties by designating appropriate staff members (e.g., accountant, cashier, and procurement officer) to handle different aspects of revenue collection, processing, and banking.
3. That the matter is resolved

Delayed Disposal of Unserviceable Assets

The statement of financial position as at 30 June, 2022 reflects Nil balance with respect to property, plant and equipment and as disclosed in Note 16 to the financial statements. Physical verification at the facility in the month of April 2024 revealed numerous assets, which were grounded, unserviceable and abandoned. The disposal plan for these assets had not been approved as at the time of audit and the Management did not provide clear explanation why the assets had not been disposed. In the circumstances, the effectiveness of the controls on assets could not be confirmed

Management Response

We acknowledge the observation by the OAG on this matter, we have written a letter to the chief officer department of health a letter requesting for initiation of this process to dispose the unserviceable assets within the hospital

The Committee observed that:

1. The failure to dispose of unserviceable assets has led to the accumulation of non-productive items that take up valuable space and may pose a financial burden on the facility.
2. The lack of a disposal plan approval at the time of the audit suggests weak internal controls and delays in addressing asset management issues.

Committee Recommendations:

1. That the County Executive Committee Member responsible for Medical Services, Public Health, and Sanitation ensures the immediate approval and implementation of a disposal plan for the unserviceable assets, in accordance with the Public Procurement and Asset Disposal Act, 2015.

2. That Management expedites the process of identifying and disposing of unserviceable assets, ensuring that all necessary documentation is in place, and that any proceeds from the disposal are properly accounted for.

3. That the matter is resolved

Failure to Maintain Fixed Asset Register
The statement of financial position reflects Nil property, plant and equipment as disclosed in Note 16 to the financial statements. However, it was noted that the Hospital does not maintain fixed asset register to control its assets. This was contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. In addition, there was no evidence to show that the fund has ever evaluated its assets to ascertain the correct market values.

In the circumstances, the existence of an effective mechanism to safeguard assets could not be confirmed and Management was in breach of the regulations.

Management Response

We acknowledge the observation by the OAG on this matter, we had an improvised file as facility assets register however, we are pleased to report that we managed to get the right template from the National Treasury Website which is currently in use for this purpose.

The Committee observed that:

1. The absence of a proper fixed asset register at the time of the audit indicates non-compliance with the Public Finance Management (County Governments) Regulations, 2015, and exposes the facility to risks of mismanagement or loss of assets.
2. While management has now obtained the correct asset register template from the National Treasury website, the fact that the system was not in place previously suggests inadequate planning and weak internal controls regarding asset management.
3. There is still a need for proper evaluation and valuation of the assets to determine their current market value and ensure their accurate reflection in the financial statements.

Committee Recommendations:

1. That the County Executive Committee Member responsible for Medical Services, Public Health, and Sanitation ensures the immediate and continuous implementation of a proper fixed asset register in line with Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015.

2. That the facility conducts a comprehensive physical verification and valuation of all assets to ascertain their current market values and ensure the accuracy of financial reporting.

3. That the matter is not resolved

Stock-Outs of Essential Medical Supplies
Review of the Hospital stock cards for controlling stores indicated that the Hospital experienced stock out of medical supplies ranging from days fifteen (15) to sixty (60) days.

In the circumstances, the effectiveness of internal controls on the management of pharmaceutical and non-pharmaceutical inventory to achieve the Hospital mandate could not be confirmed.

Management Response

We acknowledge the observation by the OAG on this matter, the stock outs were occasioned by the delay by the supplier KEMSA to deliver the drugs in time

The Committee observed that:

1. The prolonged stock-outs, ranging from 15 to 60 days, significantly affected the hospital's ability to provide essential medical services and meet the healthcare needs of the population.
2. The delays in drug delivery from the supplier, KEMSA, although acknowledged by management, point to a lack of proactive measures and contingency planning for managing supply chain disruptions.

Committee Recommendations:

1. That the Accounting Officer ensures that the hospital establishes and maintains an effective inventory management system that allows for better monitoring of stock levels and timely procurement of essential medical supplies.
2. That the hospital implements a minimum stock threshold policy to ensure that essential medical supplies are ordered in advance to prevent stock-outs and ensure the hospital is always prepared to meet the healthcare needs of patients
3. That the matter is not resolved

FY 2022/2023
Honourable Speaker, upon reviewing the issues flagged by the Auditor-General for the Financial Year 2022/2023, it was noted that all the issues are the same issues that were raised during the FY 221/2022. The Committee has therefore considered all these issues in the first financial year, with the necessary observations and recommendations outlined in the report. The issues include;

1. Undisclosed Receivables from Exchange Transactions
2. Undisclosed Property, Plant, and Equipment
3. Undisclosed Inventory Balances
4. Non-Disclosure of Donated Drugs
5. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Template
6. Non-Compliance with the Law on Budget Preparation
7. Failure to Deduct and Remit Statutory Deductions for Temporary Staff
8. Deficiencies in the Implementation of Universal Health Coverage (UHC)
9. Failure to Dispose of Unserviceable Assets
10. Poor Inventory Management Practices
11. Failure to Implement the First Expiry, First Out (FEFO) Stock Control Method

12. Commingling of Funds
13. Stock-Outs of Essential Medical Supplies
14. Failure to Maintain Fixed Asset Register

SUMMARY OF OBSERVATIONS

The committee summarized the following observations;

1. That the management failed to disclose the value of property, plant and equipment in the financial statements for lack of values
2. 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
3. That the financial statements of Miranga Sub-County Hospital did not conform to the format prescribed by the Public Sector Accounting Standards Board (PSASB
4. That the management violated the requirements of Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020, which requires a procuring entity to prepare a procurement plan for each financial year as part of the annual budget process
5. That during the financial years, the management did not deduct and remit statutory deductions from temporary workers.
6. Review of records relating to the employee costs expenditure revealed that the casuals were paid monthly wage ranging from Kshs.2,500 to Kshs.7,000 against the recommended minimum wage of Kshs.8,109 for general casuals as per the Kenya Gazette Supplement No.114 dated 1 July, 2022
7. That the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by ninety-three (93) staff requirements or 92% of the authorized establishment
8. That the management did not conduct stock take in respect of the Hospital’s inventories as required by Section 162(1) of the Public Asset Disposal Act, 2015
9. The failure to capture essential information such as batch numbers and expiry dates on drug stock control cards undermined the application of the First Expiry First Out (FEFO) stock control method.

10. The absence of segregation of duties and the concentration of responsibility in one individual (the Hospital Medical Superintendent) for handling all cash transactions exposed the facility to potential financial mismanagement.
11. The lack of critical financial roles, such as an accountant, procurement officer, and cashier, further weakened internal controls over revenue collection and financial management.
12. The failure to dispose of unserviceable assets has led to the accumulation of non-productive items that take up valuable space and may pose a financial burden on the facility.
13. The absence of a proper fixed asset register at the time of the audit indicates non-compliance with the Public Finance Management (County Governments) Regulations, 2015, and exposes the facility to risks of mismanagement or loss of assets.

SUMMARY OF RECOMMENDATIONS

The committee summarized the following recommendations;

1. That in the subsequent financial years, the hospital management should ensure that all receivables from exchange transactions are accurately captured and disclosed in the financial statements in accordance with applicable financial reporting standards
2. That the Accounting Officer initiates and fast-track the process of valuation of all Property, Plant, and Equipment and ensure that the assets are appropriately disclosed in the financial statements for subsequent financial years.
3. That the Accounting Officer should ensure that the issue of the misplaced title deed is addressed urgently, including pursuing its replacement through the relevant authorities, and that the ownership documents are updated to reflect the current name of the facility.
4. That in the subsequent financial statements, the Accounting Officer ensures full disclosure of all donations, gifts, grants, and program commodities received in the financial statements in compliance with Section 138(8) of the Public Finance Management Act, 2012, and Regulation 71(5) of the Public Finance Management (County Governments) Regulations, 2015
5. That the Accounting Officer must ensure that comprehensive, annual budget estimates are prepared and submitted in full compliance with the Public Finance Management Act 2012, and the Public Finance Management (County Governments) Regulations, 2015.
6. That the Accounting Officer ensures strict compliance with Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020, by preparing and submitting an annual procurement plan as part of the annual budgeting process
7. That in future, statutory deductions for NSSF and NHIF contributions must be deducted and remitted promptly for all qualifying staff, in accordance with Section 20 of the NSSF Act, 2013 and Section 16 of the NHIF Act, 2012

8. That the Accounting Officer ensures that all employees, including temporary staff, are paid wages that comply with the national minimum wage regulations.
9. That the Accounting Officer ensures that a comprehensive annual physical stock takes is taken regularly as required by law
10. That in the subsequent financial years, the Accounting Officer must ensure that all pharmaceuticals and non-pharmaceuticals are recorded accurately on stock control cards, including batch numbers and expiry dates, to facilitate effective management and stock rotation.
11. That the County Executive Committee Member responsible for Medical Services, Public Health, and Sanitation ensures the immediate recruitment or deployment of a qualified accountant to the facility, in order to strengthen financial oversight and improve the management of public funds.
12. That the County Executive Committee Member responsible for Medical Services, Public Health, and Sanitation ensures the immediate approval and implementation of a disposal plan for the unserviceable assets, in accordance with the Public Procurement and Asset Disposal Act, 2015.
13. That Management expedites the process of identifying and disposing of unserviceable assets, ensuring that all necessary documentation is in place, and that any proceeds from the disposal are properly accounted for.
14. That the County Executive Committee Member responsible for Medical Services, Public Health, and Sanitation ensures the immediate and continuous implementation of a proper fixed asset register in line with Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015.
15. That the Accounting Officer ensures that the hospital establishes and maintains an effective inventory management system that allows for better monitoring of stock levels and timely procurement of essential medical supplies

Conclusion

Hon. Speaker, 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 Miranga Sub County Hospital FYs 2021/2022 and 2022/2023.

Hon. Were (MCA, Nyalenda "A"): Mr. Speaker, may I call upon on Honourable Nyaoke to second the motion. Oh, sorry, Mr. Speaker, may I call on Honourable Ouko to second the motion. Thank you.

Change of Chair (Hon. Oraro left the chair). Hon. Okombo (in the Chair)

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Were, we now have Madam Speaker in the Chair.

Hon. Were (MCA, Nyalenda "A"): Sorry, Madam Speaker, I believe that I was blind. May I call upon Honourable Nyaoke to second, Madam Speaker. Thank you.

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

Hon. Nyaoke (MCA, North Nyakach): Thank you Madam Speaker. I stand to support. Apologies, to second, rather. Thank you.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Members, a motion on the adoption of the report of the Select Committee on Public Investments and Accounts on the Examination of the Reports of the Auditor General on the Financial Statements of Miranga Sub-County Hospital for the Financial Years 2021/2022, and 2022/2023 has been moved and seconded. It is therefore, my pleasure to propose that the motion be opened for discussion.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Yes, Honourable Kennedy Ouko.

Hon. Ouko (MCA, West Kisumu): Thank you, Madam Speaker, for giving me this opportunity. Madam Speaker, being the Chairperson of the Select Committee on Public Investments and Accounts, I do not need to apologize because we followed the due process by doing a letter to the Speaker giving...

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Ouko, the communication was made and...

Hon. Ouko (MCA, West Kisumu): Thank you Madam Speaker, we really thank the office of the Auditor General for coming up with the auditing of these entities. Madam Speaker, most of these hospitals have problems, and the problems cannot be handled if they are not highlighted. We realised that these facilities have a lot of loopholes, and Miranga Sub-County Hospital, being a Sub-county Hospital, we need a proper management system put in place.

Madam Speaker, remember we do not have a Qualified Accountant in Miranga and the inventory is not kept as required. Again, we do not have the Board in place that is working. They took the oath of office, they were given letters, but the management of the hospital headed by the Superintendent now is a lone ranger in the hospital. Madam Speaker we did not know this until it was brought to the attention of the Assembly by the Office of the Auditor General. It is high time we adhered to the recommendations of this House Committee and the House in general so that accountants, maybe be deployed as roving accountant for these sub-county facilities, Seme Sub-County, be put in place, or seconded to these facilities, so that their accounting and their financial statements be done accordingly.

These facilities are also going to be guided by the accountants, because most of the works of the accountants are being guided by the provisions of the PFM Act, which is very important for the running of these hospitals. Madam Speaker, I beg to contribute. Thank you. I support.

The Deputy Speaker (Hon. Okombo): Honourable Members, the report is still open for discussion, unless you want to tell me that PIC/PAC did more than you expected, and now you do not have any more recommendations, any more observations to make on the same report.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Yes, Honourable Millicent Omuya.

Hon. Omuya (MCA, North Seme): Thank you Madam Speaker. I arise to support what this House Committee did, at the same time, what the auditors did, however, my observation is, these reports, this House Committee presents in this House are the same things, same recommendations, same deficit of accountants, the story is the same.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Order!! Honourable Millicent. (*Inaudible*)...comparing these reports to other ones maybe a different report. Which report in particular are you comparing it with?

Hon. Omuya (MCA, North Seme): Madam Speaker, I am just reflecting back on a number of reports from health facilities, and my observation is informing me that they are almost the same.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Member, could it be an indication that the status of all our health facilities is deplorable?

Hon. Omuya (MCA, North Seme): Seemingly, because we cannot read the same recommendations for Miranga, we will read for Kombewa, they are the same things. When you talk of Kombewa, there is no accountant. When you talk of Miranga, there is no accountant. The recommendations are the same, but I stand to support. Thank you.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Millicent, thank you, but that only tells us the deplorable situation that our facilities are in, considering that this is a report coming from the Auditor General.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Yes, Deputy Leader of Majority.

Deputy Leader of Majority (Hon. Lumumba, MCA, South East Nyakach): Thank you, Madam Speaker. Much as I stand to support the report, I am inclined to concur with my colleague, Honourable Omuya, that these reports are more or less copy-pasted. More often than not, there is no report that passes here...

(Hon. Nyaoke interjects with a Point of Order)

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Nyaoke, order granted,

Hon. Nyaoke (MCA, North Nyakach): Madam Speaker, it is my colleague...

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Order!! Honourable Nyaoke. You are rising on a point of order. Which order are you citing?

Hon. Nyaoke (MCA, North Nyakach): Madam Speaker, I suppose it is Statement of Facts, Orders No. 89.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Member, you suppose or it is Statement of Facts?

Hon. Nyaoke (MCA, North Nyakach): It is, in fact, Madam Speaker.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Please proceed Honourable Member.

Hon. Nyaoke (MCA, North Nyakach): Thank you, Madam Speaker. I wish to reiterate that on the statement my colleague has just stated that this report is copy-pasted. Madam Speaker, that is not the same as comparing our different and our various hospital facilities. Madam Speaker, these reports are actually independent reports. There is nothing like a report being copy-pasted. It may be the same in terms of...

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Order!! Honourable Nyaoke. Do you mean to say when Honourable Members say that these reports are more or less the same, then, they want to insinuate that this House Committee does copy-pasting of previous reports?

Hon. Nyaoke (MCA, North Nyakach): Madam Speaker, that is exactly what I want to refute. My colleague has just stated that this report is copy-pasted. That is what I want to say that it is not true that these reports are copy-pasted. They might be identical but not copy-pasted. Thank you, Madam Speaker.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Deputy Leader of Majority, you have the responsibility of stating the facts.

Deputy Leader of Majority (Hon. Lumumba, MCA, South East Nyakach): Thank you, Madam Speaker...

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Order!! Deputy Leader of Majority. What proof do you have to back your claim that these reports are copy pasted? What informs you that the reports could be copy pasted because this is an independent report coming from the office of the Auditor General? It was not a report emanating from a House Committee visit to Miranga.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Please continue Deputy Leader of Majority

Deputy Leader of Majority (Hon. Lumumba, MCA, South East Nyakach): Madam Speaker, allow me to therefore say that that was a slip of the tongue and I apologize. What I meant to say is that they have been more or less the same in terms of lack of qualified staff, and these, Madam Speaker, I now ask myself that is this House really doing their duty of oversight? I expect the Select Committee on Implementation to equally bring a report back on the action that the departments concerned have taken.

We are now doing the third year and since became an MCA, and the same report are being tabled and we have never had any report stating that action has been taken. Yet, this facility has a qualified accountant.

Madam Speaker, there was a time, we were embarrassed here. I do not know whether the so-called Medical Superintendent was acting as the Accountant. It was so embarrassing that that facility did not even have an accountant that was handling millions of shillings. I believe that there is something very wrong. Others are being taken for granted. We make recommendations and nothing is done. It is high time that the Select Committee on Implementation brings us the report on all these recommendations we have made in this house so that we are made aware where the problem is. Otherwise, we are going to oversight a really messed up institutions.

Secondly, Madam Speaker, I believe that the body responsible for posting and recruiting the staff in this county has failed totally. We cannot have institutions that we expect to get as revenue, yet they do not have qualified accountants. Really, that is a big joke. Yet, we have so many Revenue Enforcement Officers who were recruited the other day, but they are more focused on Kibuye Market leaving important facilities like health. Madam Speaker, it is embarrassing. I support. Thank you.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Thank you, Honourable Members, for your observation. But this only confirms what the Health Committee has been telling this

House for a while now. A number of reports have been tabled here, through which this Departmental Committee has shared their frustrations, made recommendations. However, Members, you also know that the Implementation Committee can only recommend. They cannot execute.

Honourable members, allow me to give this opportunity to the Deputy Chair of the Departmental committee on Health, to also give her observations in this, because these are facts that she has said here over and over. So, her observations would also act to confirm the report that has been tabled by Public Investments and Accounts Committee.

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

Hon. Oginga (Nominated Member): Thank you, Madam Speaker. Actually, I was a bit reluctant to comment on this report, because we as a House Committee brought reports to this House with very serious recommendations, and nothing has been done. Just like Honourable Owade has just mentioned, the Select Committee on Implementation has never brought before us any report.
Madam Speaker, from the first report that we brought to the House, with very good recommendations, nothing has been brought here so that we can know exactly what is being done by the Department of Health regarding the issues at the health facilities. Madam Speaker, it is my belief that, we need to pull up our socks, especially on the Committee of Implementation, that we can be able to know, because we cannot keep on making trips all the time to these facilities to go back and check. So, we actually need the Select Committee on Implementation to come up with a concrete report and bring it to the House so that we can know whether we are moving on with a positive progress or a negative progress. Thank you, Madam Speaker.

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

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Yes, Honourable Regina do you want to say something.

Hon. Kizito (Nominated Member): Thank you, Madam Speaker. I was just confirming from my colleague, Honourable Emily, to clarify who Honourable “Fujo” is. This is because we don’t have a member in this House gong by that name.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta “B”): Order!! We all know who Honourable “Fujo” is, unless you know another side of Honourable “Fujo” that you don't know, would you mind sharing with us? Honourable “Fujo”, do you mind?

Hon. Kizito (Nominated Member): Madam Speaker, we don't have Honourable “Fujo”. We have Honourable Lumumba Owade.

The Deputy Leader of Majority (Hon. Lumumba, MCA, South East Nyakach): Madam Speaker, Honourable Regina has just confirmed that Honourable "Fujo" is Lumumba Owade. I don't know why she's asking. She's asking yet she knows. Thank you.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Yes, Honourable Members, we are still on the Motion on the adoption of the report of Public Investments and Accounts on Miranga Sub-County Hospital.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Silence means that...

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Yes, Honourable Chief Whip.

The Majority Whip (Hon. Kanga, MCA, Market Milimani): Thank you, Madam Speaker. Madam Speaker, I rise to contribute on the motion which has just been moved to us by Honourable James Were on behalf of the Chair of the Public Investments and Accounts Committee and duly seconded.

Madam Speaker, these reports of the Select Committee on Public Investments and Accounts Committee are becoming boring in this House. Madam Speaker, this is because, they are just the same recommendations every day. Just copy-pasting and bringing to this House.

Madam Speaker. Madam Speaker, I happen to sometimes attend some of the House Committee meetings of the Public Investments and Accounts. Madam Speaker, you will find that this House Committee today interrogates an accountant in such and such a facility and they do recommendations over a certain officer. And, Madam Speaker, you will find that in the next subsequent Audit Report, you will find that the same, same accounting officer whom they interviewed and recommendations were done against him appears before the same House Committee in another facility where now he appears as an accountant while the same House Committee recommended some actions to be taken against him or her.

Madam Speaker, going this way, it is my opinion that the work of the Public Investments and Accounts Committee is going to be rendered null and void. Madam Speaker, I believe, it's just a tradition of just bringing recommendations here which they should make stronger recommendations that if an officer is found culpable, he should not hold any office. And thereby, these recommendations should be forwarded to even the County Secretary so that action is taken against these officers. This is because, you will find that the County Secretary, the Human Resources Department of the county is just rotating the same officers today you are in this facility, tomorrow you are in another facility, just doing the same vices you have been doing in this department.

Madam Speaker, which is why you do not see Members contributing to these reports. It is just the same thing, reading them and seconding them. The Public Investments and Accounts Committee now must bite. You have brought very good reports in this House with good recommendations, Mr. Chair. But, now is the time to show your teeth…

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Order!! Honourable Seth Kanga.

(Deputy Leader of Majority interjects with a Point of Order)

The Deputy Speaker (Hon. Okombo, MCA, Manyatta B): Deputy Leader of Majority, what is it?

The Deputy Leader of Majority (Hon. Lumumba, MCA, South East Nyakach): Madam Speaker, I just want to inform Honourable Whip that…

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Order!! Deputy Leader of Majority, have you inquired as to whether the Chief Whip want to be informed?

Deputy Leader of Majority (Hon. Lumumba, MCA, South East Nyakach): Madam Speaker, of course, yes. I would want to, I would want the Honourable Whip on the same note that he is mentioning the County Secretary to also include the name of our Clerk of the County Assembly because certain recommendations made in this House do not reach the County Secretary. They rot here in the Clerk's office. For whatever reason, I don't know. Thank you.

The Majority Whip (Hon. Kanga, MCA, Market/Milimani): Thank you Madam Speaker, I am equally informed. Thank you, Mr. Majority Leader. I am addressing the Chair, Public Investments and Accounts Committee, Honourable Ouko, who has taken a lot of his time, presenting very good reports. But it has now become a tradition, Mr. Chair. Now, I am requesting you and your House Committee, take even one officer alone, recommend, then the Assembly will be seen to be working. That is because, you will just be recommending these things, the next day, and these accounting officers will be transferred from this department. This accounting officer will again be transferred to another department. These accountants will continue committing the same atrocity in each and every audit report.

Madam Speaker, those are my contributions and I believe the Chair of that House Committee, Honourable Ouko, will take up that matter and act, together with the members of the Public Investments and Accounts Committee. And as an Assembly, if you bring good reports with those recommendations, as the Whip of this House, I will be number one to support. Thank you, Madam Speaker.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Ouko, Chairperson, Public Investments and Accounts Committee, the House is questioning the credibility of your reports, number one.

Number two, they are exposing the inability of the Watchdog Committee to hold officers accountable. What do you have to say about that?

Hon. Ouko (MCA, West Kisumu): Thank you, Madam Speaker. As the Public Accounts and Investments Committee, our work is strictly guided by the law and established principles—we cannot operate outside of that legal framework.

However, Madam Speaker, it is disappointing to note that while in our reports we have made sound recommendations, many of them have not been implemented. In fact, there are instances where we have recommended surcharging of certain officers, yet no funds have been recovered to date. This concern, as rightly pointed out by our Chief Whip, it is valid. Unfortunately, some of these officers continue to evade accountability and move around with impunity.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Order!! Honourable Ouko. Are you suggesting to this House that the Watchdog Committee lacks the authority, credibility, and capacity to take action against errant officers?

Hon. Ouko Kennedy (MCA, West Kisumu): Madam Speaker. Yes, I'm confirming that because...

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Ouko, are you sure you want to confirm that to the House?

Hon. Ouko Kennedy (MCA, West Kisumu): Madam Speaker, our report ends immediately the report is adopted.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Ouko, do you know the powers that have been bestowed on you by the Constitution and the County Governments Act?

Hon. Ouko (MCA, West Kisumu): Madam Speaker, to clarify, our role does not include enforcement. Our mandate is to examine and prepare the report up to the point of its adoption by the House. Beyond that, it is the responsibility of the Implementation Committee to take the necessary follow-up actions.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Ouko, please remember that as a House Committee, you do not operate in isolation. Your role as the Chairperson is a delegated responsibility from this House. Therefore, when you encounter challenges beyond the committee's capacity, it is your duty to bring those issues before the House. May I ask—have you shared these frustrations with the House and failed to receive the necessary support?

Hon. Ouko (MCA, West Kisumu): Madam Speaker, to some extent, all these reports must go through the Clerk of the Assembly and then forwarded to the County Secretary.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Order!! Honourable Ouko. You've indicated that recommendations were made but no action has been taken. May I ask—have you submitted any reports on this matter to the House, and if so, have you received no support or response?

Hon. Ouko (MCA, West Kisumu): Madam Speaker, I'm bringing a report soon. But for now, I've not done that.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Thank you, Honourable Ouko.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Yes Chief Whip.

The Majority Whip (Hon. Kanga, MCA, Market/Milimani): Madam Speaker, the core responsibility of the Public Investments and Accounts Committee (PIC/PAC) extends beyond fiscal and monetary matters—it also includes oversight of human resource issues. When an officer fails to address anomalies related to human resource management, it is well within the Public Investments and Accounts Committee's mandate to report and recommend appropriate action to this House.

If a County Secretary or a Chief Officer neglects their duty—such as failing to transfer or discipline a wayward officer as required—then that failure must be noted and addressed. It becomes a matter for Public Investments and Accounts Committee because the responsible authority has failed in their obligations.

Honourable Ouko, let me emphasize: the work you're doing is commendable, and we appreciate your efforts. However, it's becoming apparent that we are moving in circles on the same issues, year after year. Officers now assume that even with repeat audit findings—whether it's Adverse Opinions or unresolved queries—there will be no consequence. That perception must change.

Madam Speaker, as we approach the final quarter of the financial year, I urge you, Honourable Ouko, in your capacity as Chairperson, Public Investments and Accounts Committee, to escalate these matters. Make your recommendations and present them to this House. Let it be the responsibility of this Assembly to adopt or alter them. Your role is to fulfil the committee's mandate by recommending action. Should the House fail to act on those recommendations, the responsibility then rests with us—not you. As the Majority Whip of this Assembly, I assure you that if you bring those reports and recommendations before us, you will have done your part. Thank you, and I wish you continued success in your duties.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Yes, Deputy Leader of Majority.

The Deputy Leader of Majority (Hon. Owade, MCA, South East Nyakach): Madam Speaker, I would like to inform the House further. Honourable Ouko is frustrated.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Owade, you had contributed, you are out of order. Order!! You cannot sneak back through the window.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Nyaoke, why are you on your feet?

Hon. Nyaoke (MCA, North Nyakach): Madam Speaker, with your permission, I would like to briefly inform the House. This matter is of great importance, especially considering the significance of the on-going debate. I kindly request just one minute to make my point.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta B): Honourable Members let us avoid digressing from the matter at hand. The motion currently before us concerns the Public Investments and Accounts Committee Report on the Examination of the Auditor General's Financial Statements for Miranga Sub-County Hospital. If there are concerns or frustrations you wish to raise regarding the conduct of specific officers or general oversight issues, those should be brought before this House through a substantive motion. That way, individual officers can be held accountable appropriately. We cannot use this report to initiate discussion on unrelated officers or matters. Please ensure such concerns are presented through the proper procedure. I trust you are duly guided. The motion remains open for discussion.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Yes, Honourable Pamela?

Hon. Oyoo (MCA, Migosi): Thank you, Madam Speaker, I wish to call the mover to reply.

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

Hon. Were (MCA, Nyalenda B): Thank you, Madam Speaker. Allow me to sincerely thank my Honourable colleagues for their contributions to this report—both supportive and critical.

Constructive feedback is always welcome, and where corrections or improvements have been suggested, we shall certainly take them into account to enhance our future work.

Madam Speaker, with regard to the concern raised by the Honourable Majority Whip about alleged copy-pasting within the report. I wish to clarify that this is not the case. The facilities under audit often face similar challenges. For instance, the absence of a substantive accountant is an issue not unique to one facility—Kombewa, Chulaimbo, and Pap-Onditi hospitals are facing the same concern. Naturally, this leads to similar recommendations, just as the Auditor General's reports reflect recurring issues across these institutions.

Finally, Madam Speaker, once recommendations are made by the Public Investments and Accounts Committee and adopted by this Honourable House, it becomes the responsibility of the Implementation Committee to ensure they are acted upon. Our role is to present the findings and guide the House; implementation must follow accordingly. With that, Madam Speaker, I beg to reply. Thank you.

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Members, a motion on the adoption of the report of the PIC/PAC committee, on the Examination of the Reports of the Auditor General, on the Financial Statements of Miranga Sub-County Hospital for the Financial Years 2021-2022 and 2022-2023 has been moved, seconded and sufficiently deliberated upon. I therefore want to put a question on the adoption of the same.

(Question put and agreed to)

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Members, the motion on adoption of the Report of PIC/PAC Committee, on the Examination of the Reports of the Auditor General, on the Financial Statements of Miranga Sub-County Hospital for the year, for the Financial Years ended 2021-2022 and 2022-2023, stands adopted today, Tuesday 29th April 2025 at 15:26 hours.

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

ADJOURNMENT

The Deputy Speaker (Hon. Okombo, MCA, Manyatta "B"): Honourable Members, there being no any other business to transact, the House stands adjourned until tomorrow Wednesday 30th April 2025 at 09.00 a.m.

(House rose at 03.27 p.m.)

Addendum

Hansard Team

Zablon Otiende – Assistant Director, Hansard Services

Hansard Reporters

Fanuel Okode - Chief Hansard Reporter

Edward Odanga - Senior Hansard Reporter

Patrick Okoyo - Senior Hansard Reporter

Jackline Otieno - Senior Hansard Reporter

Jesca Otieno - Senior Hansard Reporter

Vallery Achieng - Senior Hansard Reporter