

COUNTY GOVERNMENT OF KISUMU



COUNTY ASSEMBLY OF KISUMU

THE HANSARD

Official Report

THIRD ASSEMBLY – FOURTH SESSION

Wednesday, 02nd July, 2025

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

(The Temporary Speaker (Hon. Seth Okumu) in the Chair)

PRAYERS

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Good afternoon Honourable members, and welcome to this session. However, in line with the provisions of Standing Order No. 32 (2), I direct the Serjeant-at-Arm to ring the quorum bell for the first five minutes.

(Quorum bell rang for the first five minute)

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Honourable members, I still want to direct that the Serjeant-at-Arm to ring the quorum bell for further five minutes.

(Quorum bell rang for further five minute)

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Honourable Deputy Leader of Majority, could you please confirm if we have quorum.

Deputy Leader of Majority (Hon. Lumumba, MCA, South East Nyakach): Mr. Speaker, we have quorum.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Clerk, could you please take us through the order of this afternoon.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Next order!!

COMMUNICATION FROM THE CHAIR

COMMUNICATION ON PENDING BUSINESSES BEFORE VARIOUS HOUSE COMMITTEES AS OF TUESDAY, 1ST JULY 2025.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Honourable members. I have two communications to make. I will start with communication on Pending Businesses before House Committees as of Tuesday, 01st July 2025.

First, the Select Committee on Public Accounts and Investment, chaired by the Honourable Ken Ouko, has the following pending businesses.

- a) Report on consideration of the Auditor General's Report on the Kisumu County Revenue Fund for the year ended 30th June 2022. The date requested was 24th May 2023, and the due date was 14th June 2023.
- b) Report on consideration of the Auditor General's Report on the Examination of Kisumu County Lakefront Development Corporation for the year ended 30th June 2022, which will be due on 31st August 2023.
- c) Report on the Examination of the Auditor General's Report on Kisumu County Emergency Fund for the year ended 30th June 2023, which is due on 13th June 2024.
- d) Report on the Examination of the Auditor General's Report on the County Government of Kisumu Receiver of Revenue Statements for the year ended 30th June 2023.
- e) Report on the Examination of Auditor General's Report on Kisumu Revenue Fund for the year ended 2023, which was due in 13th June 2024.
- f) Report on the Examination of the Auditor General's Report on the Gulf Water Service Company Limited for the year ended 30th June 2023. That was due on 30th June 2024.
- g) Report on the Examination of the Auditor General's Report on Nyanas Water and Sanitation Company Limited for the year ended 30th June 2023, which was due on 13th June 2024.
- h) Report on the Examination of the Auditor General's Report on Kisumu County COVID-19 Emergency Fund for the year ended June 2023.
- i) Report on the Examination of the Auditor General's Report on Kisumu Lake Fund Development Corporation for the year ended 30th June 2023.
- j) Report on the Examination of the Auditor General's Report on Nyangande Sub-County Hospital Level 4 for the year ended 30th June 2022.
- k) Report on the Examination of the Auditor General's Report for Nyangande Sub-County Hospital Level 4 for the year ended 30th June 2023.
- l) Report on the Examination of the Auditor General's Report on Masogo Sub-County Hospital Level 4 for the year ended 30th June 2022. Honourable members, all those reports are supposed to be due by 09th of October 2024.

- m) Report on the Examination of Auditor General's Report on Masogo Sub-County Hospital Level 4 for the year ended 30th June 2024.
- n) Report on the Examination of Auditor General's report on Ober-Kamoth Sub-County Hospital Level 4 for the year ended 30th June 2022. And 30th June 2023. That's both for Ober –Kamoth
- o) Report is the report on the Examination of the Auditor General's Report on Ojola Sub-County Hospital for the year ended June 2022 and June 2023.
- p) Report on the Examination of the Auditor General's Report on Nyangoma Sub-County Hospital for the year ended 30th June 2023 and 30th June 2022.
- q) Report on the Examination of Auditor General's Report on Nyamarimba Sub-County Level 4 Hospital for the year ended 30th June 2022 and 30th June 2023.
- r) Report is report on the Examination of the Auditor General's Report on Kisumu County Alcoholic Drinks Control Fund for the year ended 30th June 2024.
- s) Report on the Examination of the Auditor General's Report on Kisumu Executive for the year ended 30th June 2024.
- t) Report on the Examination of Auditor General's Report on Kisumu County Gulf Water Services Company Limited for the year ended 30th June 2024.
- u) Report on the Examination of Auditor General's Report on Kisumu County Lakefront Development Corporation for the year ended 30th June 2024.
- v) Report on the Examination of the Auditor General's Report on Nyanas Water Services Company Limited for the year ended 30th June 2024.
- w) Report on the Examination of the report of the Auditor General for Kisumu County Revenue Board for the year ended 30th June 2024.
- x) Report on the Examination of the Auditor General's Report on the Kisumu County Revenue Fund for the year ended 30th June 2024.
- y) Report on the Examination of the Auditor General's Report for Kisumu County Receiver of Revenue Statements for the year ended 30th June 2024.
- z) Report on the examination of the Auditor General's report on Ojola Sub-County Hospital Level 4 for the year ended 30th June 2024.

Honourable Members, the Departmental; Committee on Lands, Housing, Physical Planning, Housing and Urban Development chaired by the Honourable Boitone Ratib as the following pending works that needs to be submitted to the House;

- a) Report on the matter of Recent Demolition within the City and the location of County Premises to Business Operators as sought by Honourable Nereah Okombo which was due on 22nd of May 2024.
- b) Report on the matter of Allocation of parcel of land Kisumu Municipality/ block 1143 to EACC
- c) Report on the request for Approval to transfer on Ondiek Estate Kisumu KSM UN block 9/29 and 9/15 to National Housing Corporation NHC.

Honourable members, the Departmental Committee on Labour Welfare and Social Services chaired by the Honourable Zachary Okoyo have the following pending work;

- a) Report on the matter of Non-compliance with Section 80 of the Public Service Commission Act 2017 and Regulation 71 of the Public Commission Regulation 2020 by the County Public Service Board on the Mandatory Retirement Age provision;
- b) Report on alleged severe labor violation corruption and exploitation at KEDA ceramics.

Honourable members, the Departmental Committee on Education, Technical Training, Innovation and Social Welfare which has one pending report;

- a) Report on matter of stalled ECD projects within Awasi Onjiko Ward.

Honourable members, the Departmental Committee on Finance and ICT Committee by the Honourable Carren Ajwang' has the following pending works;

- a) Report on the consideration of the Annual Report and Financial Statements of Jaramogi Oginga Odinga Teaching and Referral Hospital Level 5 for the year ended 30th June 2023.
- b) Report on consideration of the Financial Statements of Kisumu County Education Fund Quarterly Report for the period ended 30th 31st December 2023
- c) Report on consideration of the Quarterly Report and Financial Statement of Kisumu County Revenue fund for the period ended 31st December 2023.
- d) Report on consideration of the Quarterly Reports and Financial Statement of Kisumu County Revenue Fund for the period ended 31st March 2024.
- e) Report on consideration of the Statement by Frederick Adonijah regarding the Status of the Cess Deducted from the Sugarcane Farmers in Muhoroni and Nyando sub counties.
- f) Report on the consideration of Kisumu County Education Fund Annual Report and Financial Statements for the year ended 30th June 2024;
- g) Report on the Petition by Kisumu Contractors and Suppliers Association to the County Assembly on the matter of Prioritization of Pending Bills in Kisumu County Government.
- h) Report on the consideration of City of Kisumu annual report and financial statements for the year ended 30th June 2024 for Kisumu Urban Project AFD Credit No. CKE1035OLG.
- i) Report on the consideration of the Kisumu County Emergency Fund Annual Report and Financial Statements for the year ended 30th June 2024.
- j) Report on the consideration of Kisumu County Revenue Fund Annual Report and financial statements for the year ended 30th June 2024
- k) Report on the consideration of the Kisumu County Car Loan and Mortgage Scheme Annual Report and Financial Statements for the financial year 2023-2024.

- l) Report on the consideration of the Kisumu County Executive Annual Report and Financial Statements for the financial year 2023-2024.
- m) Report on the consideration of the City of Kisumu Annual Report and Financial Statements for the year ended 30th June 2024;
- n) Report on the consideration of Kisumu County Climate Change Fund Annual Report and financial statements for the year ended 30th June 2024.
- o) Report on the consideration of the Kisumu County Revenue Board Annual Financial Statements and Receiver of Revenue Report for the period ended 30th June 2024.
- p) Report on the consideration of the Revenue Statements of the County Government of Kisumu receiver of revenue for the Financial Year ended 30th June 2024.
- q) Report on the matter of Disposal of Movable Assets in the County
- r) Report on the consideration of the Kisumu County Revenue Fund Quarterly Report and Financial Statements ended 30th September 2024.
- s) Report on the consideration of the Kisumu County Executive Quarterly Report and Financial Statements for the period ended 30th September 2024.
- t) Report on the consideration of the Kisumu County Assembly Reports and Financial Statements for the period ended 30th June 2024
- u) Report on the consideration of the Kisumu County Executive Quarterly Reports and Financial Statements for the period ended 31st March 2025
- v) Report on the consideration of the Kisumu County Revenue Fund Quarterly Reports and Financial Statements for the period ended 31st March 2025.

Honourable Members, you have noticed that the Select Committee on Public Investments and Accounts and the Departmental Committee on Finance and ICT have a lot of pending work on their Report because of mandatory reports that are brought by the County Executive.

Honourable members, we now move to the Departmental Committee on Sports Culture Gender and Youth affairs Chaired by the Honourable Nancy Matara which has two pending reports;

- a) Report on the matter of the expenditure of FESTAC event
- b) Report on the matter of the status of renovation of Kanyakwar Cultural Center in railways ward.

Honourable members, we now move to the Departmental Committee on Water Environment and Natural resources Water and Climate change chaired by the Honourable Samuel Dede has two reports pending;

- a) Report on the Kisumu County Quarry Bill 2024 County Assembly Bills No. 5 of 2024
- b) Report on the matter of Pollution of Oroba River and Nyakoko Stream by KEDA Ceramics.

Honourable members, we now move to the Departmental Committee on Infrastructure Energy and Public Works, chaired by the Honourable Reuben Rakwach has one report that is pending

- a) report on the matter of dilapidated state on Kuruma road and the need for intervention by Kura.

Honourable members, we now move to the Departmental Committee on Administration of Law Justice Constitutional Affairs Good Governance and Security chaired by the Honourable Moses Ochele has the following pending reports;

- a) Report on the matter of loss of life and injuries caused by quarrying and steel mining in Awasi Onjiko ward.
- b) Report regarding the escalating and widespread incidents of insecurity within Kisumu County.
- c) Report on the matter of escalating cases of cattle rustling in Awasi Onjiko ward.

The Select Committee on Procedure and Rules, chaired by the Honourable Pamela Oyoo, I am being informed that the member is the Vice Chairperson. This House Committee is chaired by the Honourable Speaker has this report not worked on;

- a) Report on the Amendments of the Kisumu County Standing Orders.

Honourable members, the Select Committee on Appointment, chaired by the Honourable Speaker. It has one report to bring before the House which is;

- a) Report on the Suitability of the new board Members of the Kisumu County Investment and Cooperation.

I believe Honourable Millicent Omuya is noting down so that the member can liaise with the Chairperson of that House Committee and I believe that Honourable Pamela Oyoo is doing the same.

Honourable members, we now move to the Departmental Committee on Trade, Tourism, Industry and Marketing, chaired by the Honourable Alice Wajewa has one pending report;

- a) Report on the Operations of Kisumu County Trade Fund.

Honourable members, there is the Joint Departmental Committees on Trade, Tourism, Industry and Marketing and that of Water, Environment and natural Resources and Climate Change which

is supposed to be co-chaired by Honourable Samuel Dede and Honourable Alice Wajewa. This Joint Committee has the following report;

- a) Report on the matter of the deteriorating state of cleanliness and waste management at the Awasi market.

Honourable members, similarly, there is the Joint Departmental Committees on Administration of Law, Justice, Constitutional Affairs, Good Governance and Security with that of and Labour and Social Welfare which is co-chaired by the Honourable Moses Ochele and the Honourable Zachary Okoyo which has the following pending report;

- a) Report on the matter of the Ongoing Investigations into the Allegations of Embezzlement by Employees of Kisumu County Revenue Board;

Honourable members, the Joint Departmental Committee on Sports, Culture Gender and Youth Affairs and that of Education, Technical Training, Innovation and Social Services has a pending work

- a) Report on County Child Protection Policy 2024 which I believe we did read so I think that is that is not true.

Honourable members, we have the Joint Departmental Committees on Medical Services, Public Health and Sanitation and Labour and Social Welfare has a pending report;

- a) Report on the matter of Payment and Deductions of Stipends of Community Health Promoters. I believe the Chairperson, Honourable Vincent Jagongo has picked it up and

Honourable members, lastly the Joint Departmental Committees on Administration of Law, Justice, Constitutional Affairs, Good Governance and Trade, Tourism, Industry and Marketing has a pending work;

- a) Report on the Alleged Unfair Trade Practices Exploitative Lending and Alleged Sexual Abuse in the Markets.

Honourable Members, these reports are pending before various House Committees and I know that we are adjourning tomorrow for a short recess. Nonetheless, the Committee work should continue so that by the time we are resuming the Assembly we have all House Committees ready with their reports for tabling and discussion in the floor of the House. Thank you.

Honourable members, the next communication I want to deliver is that, I am pleased to inform you that seated in the Public Gallery this afternoon are Teachers and form twos, threes and fours Students of St. Bedas Bukaya Secondary school in Kakamega County, Mumias West Sub-

County who have joined us to observe the proceedings of this Honourable House and be part of the educational visit.

Honourable members, accompanying the students are their teachers Mr. Munai Shikuvale-Steven. Thank you, Mr. Opeyo-Zakayo. Thank you, Ms. Veronica Achayo. Thank you and Mr. Obiero-Vincent. Thank you.

Honourable Members, such visits you know play a very significant role in nurturing and shaping the understanding of students and the role of County Assemblies in governance and democracy. Honourable Members, by engaging directly with the legislative processes these learners and their teachers are able to gain practical insight in the values of public participation, accountability and leadership. Therefore, on behalf of the County Assembly of Kisumu and indeed in my own behalf I extend a warm welcome to this school and their teachers and I want them to feel most welcome. I trust that their experience here will be both enriching informative and inspiring.

Honorable Members as per our tradition, I will allow a few Members to also share a word of encouragement with the students before we proceed to the next order. I want to start with my brother the Honourable Samuel Dede.

Hon. Dede (MCA, Kisumu North): Thank you Mr. Speaker for giving me the opportunity to welcome our guests from the neighboring region. I neighbor western region exactly coming from Kiboswa bordering western, I take the opportunity to welcome the team from Kakamega County as they feel free while they are in the House.

To our students, once upon twenty to thirty years ago, we were also in uniforms the way you are, We were in school and we did not know that we will be in this House at this age and time. So, I urge you that you take your studies with the seriousness it deserves. This is because each and every one of you might one day find themselves in this House as legislatures. In this House we have got different professions, there are those who are professionals in doctorate like Doctor, business ladies.

Similarly, and it is in this House that we have got three roles to play as the representative of the people we represent the people from the locality, two, we do the legislation, three, we do the oversight of projects being undertaken by the County Executive that are done in our respective wards. Some of you might be in this House because it is not all the same sex there are always comprises of different sex the Honourable ladies and the Honourable gentlemen all in this House. So, if you are taking your studies, please take them seriously. Otherwise, feel welcome as you partake your studies serious. Thank you.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Honourable members, I do agree to give a few members to equally give remarks. Please allow me to give the Deputy Majority Leader.

The Deputy Leader of Majority (Hon. Owade, MCA, South East Nyakach): Thank you Mr. Speaker. I rise to personally welcome our students from Mumias, I feel very grateful for such kind of exchange and exposure that the teachers and the staff are giving the students because we have a lot in common as Kisumu County and Kakamega County that we share, both in sports and even in politics. So, do not feel strangers in this House because this is the House of ODM and it is there in Mumias.

So, you are at home in this House, because this is your House this is the house of ODM, Secondly, Mr. Speaker, I would like to urge our visitors that the future belongs to them and they are here to have an exposure and also by extension learning. This is because some of you I know are aspiring to be politicians; this will be a motivation and serious motivation to you.

I know you know where you are that one time you would want to sit here. You know that sitting here is Parliament but there is for visitors for you to come here and tell you have you have to be elected or nominated. I would urge many of you to continue or to pursue that aspiration of becoming politicians and by becoming politicians you are the future you become future leaders of this nation.

All the time we keep on saying you are future leaders but, you are only future leaders if you struggle and work hard for it to come because it is not an easy walk-over but you must struggle and work hard because, working hard is now that you are in class you can all come to this House and start speaking Luhya language or Luo , you can only speak English if you have learned well, if you have you have good education which is what you are doing now. So, I am urging you to take your studies seriously and achieve your goals and be what you want to be. I wish you all the best that you can wish for yourself. Thank you.

The Temporary Speaker (Hon. Okumu (MCA, East Seme): Yes Honourable Emily Oginga.

Hon. Oginga (Nominated Member): Thank you, Mr. Speaker for giving me this opportunity. First, I would like to take this chance to welcome the school from Mumias to the Assembly which is the Kisumu County Assembly. I am specially elected Member of this Assembly, although, I come from Siaya. The reason why I say this is because I have my ancestry traced all the way back to the Nabongo Kingdom. I know from Mumias you know what I mean, I would like to welcome you and feel at home when you see me here know that you have relative.

Mr. Speaker, because these are our next group of people and leaders that are coming up, let me give them a brief understanding on what are our roles are at the Kisumu County Assembly because as we all know, there are three arms of government at the National level which is the Judiciary, Executive and the Legislative arm. When we come down to the Devolved Units, we actually have two arms of government that is, Legislative Arm which is the Assembly where we are and Executive Arm headed by the Governor.

Mr. Speaker, I would like to elaborate briefly on the roles of the Assembly, I know you have been taken round briefly the Assembly and the person who was taking you through must have told you the roles carried by these legislatures. Mr. Speaker, I would like to let them know that in the Assembly, we have three roles that is;

Representation: We represent people from different areas that we come from because we represent different areas around Kisumu County.

Legislation: This is where we also develop policies and legislative document within this Assembly. I believe when Mr. Speaker was beginning, I know you mentioned a few documents that are pending before committee.

Oversight: this is a role we executive over the County Executive. It is our duty to ensure that the Executive is held accountable and remains aligned with the mandate entrusted to them. We must consistently monitor their actions to confirm that public resources are being utilized properly. Additionally, we are deeply involved in the Budget-making Process. In fact, we recently passed the Kisumu County Budget Estimates for the Financial Year 2025–2026.

Thank you for visiting and please feel at home. You are always welcome here. You're invited to return anytime, enjoy our hospitality, and of course, taste the delicious fish from Lake Victoria. Thank you, and may God bless you.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Thank you, Honourable Oginga. I will now invite Honourable Millicent Omuya to offer a few words. I often refer to her as "Honourable Mother." She hails from Western Kenya and I am sure she has something meaningful to share with our visiting students.

Hon. Omuya (MCA, North Seme): Thank you, Mr. Speaker, for the opportunity. Let me take this moment to welcome what I will call my sons and daughters; our visitors today. I represent North Seme Ward in this Assembly and border Vihiga County, where I was born. I am originally from Bunyore and I am married into the Luo community. Today, I proudly serve in this Assembly. I say this to show that Kisumu County is inclusive. When you are capable and willing to lead, leadership opportunities are given regardless of background.

(Laughter)

I echo my colleagues' sentiments and add a word of advice to the students. This is a time in your life to value your education and listen to your parents and guardians. Please stay focused and avoid distractions that may derail your future. Let me especially emphasize this: be cautious with your phones. They can be helpful tools or harmful distractions. Use them wisely. Feel warmly welcomed. This Assembly and its members are friendly, caring, and nurturing, just like the mothers and grandmothers you have at home. Thank you.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Thank you, Honourable Members. A gentle reminder: in the House, all communication must be addressed through the Speaker. Let us maintain that protocol moving forward.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Next order!!

MOTION

ADOPTION OF THE REPORT OF THE SELECT COMMITTEE ON PUBLIC INVESTMENTS AND ACCOUNTS ON THE EXAMINATION OF THE AUDITOR GENERAL'S REPORT FOR THE KISUMU COUNTY CLIMATE CHANGE FUND FOR THE FINANCIAL YEAR 2023/2024

BY:

HON. KENNEDY OUKO, MCA, WEST KISUMU

(CHAIRPERSON, PUBLIC INVESTMENTS AND ACCOUNTS)

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Yes, Honourable Kennedy Ouko.

Hon. Ouko (MCA, West Kisumu): Thank you, Mr. Speaker. I now formally move the motion for the adoption of the report by the Select Committee on Public Investments and Accounts (PIC/PAC) on the Examination of the Auditor General's Report on the Kisumu County Climate Change Fund for the Financial Year 2023/2024.

Honourable Speaker, on behalf of the Public Accounts and Investments Committee (PICPAC), and pursuant to Standing Order 188 of the Kisumu County Assembly Standing Orders, I am honored to present to this Honorable House the Committee's report on the examination of the report of the Auditor-General on the Financial Statements of Kisumu County Climate Change Fund FY 2023/2024.

Honourable Speaker, the Kisumu County Climate Change Fund was established under the provision of the Kisumu County Climate Change Act, 2020 with the objective and purpose of operationalizing the County Climate Change Institutional support and the County Climate Resilience Investment Grant.

As such, it is one of the County Public Funds audited annually in accordance with Article 229(4)(b) of the Constitution of Kenya, 2010, which provides for audit of the accounts of all funds and authorities of the national and county governments.

Honourable Speaker, Article 229(8) further requires that within three months of receipt of such reports, the County Assembly debates and takes appropriate action. This obligation is discharged through the Public Accounts and Investments Committee, which is the oversight arm of the Assembly responsible for examining public expenditure and investments, ensuring that County entities utilize public funds lawfully, effectively, efficiently, and transparently.

Honourable Speaker, in executing its mandate, the Committee held three sittings during which it received and considered both oral and written submissions from the Accounting Officer.

The deliberations were also supported by technical officers from the Office of the Auditor-General. Hon. Speaker,

The Committee observed that the Auditor General issued a Qualified Opinion on the financial statements of the Fund. This implies that, except for the specific issues highlighted under the Basis for Qualified Opinion, the financial statements presented a true and fair view of the financial position and performance of the Fund.

Honourable Speaker, in the basis for opinion section of the report, the Auditor General highlighted issues on inaccurate statement of comparison of budget and actual amounts, budgetary control and performance, lack of approved budget, failure to transfer funds to the fund by the County Treasury as enshrined in the regulations, and lack of risk management policy.

On the matter of inaccurate statement of comparison of budget and actual amounts, there were unexplained variances in general expenses and total income figures due to casting errors and misclassifications.

Honourable Speaker, notably, an amount of Kshs. 2,149,970 reported under general expenses was attributed to the acquisition of ICT equipment. However, the relevant procurement documents were not availed during the time of audit but were only presented during the Committee's deliberations.

Upon review, the Committee took note of the lack of crucial elements such as market survey report to verify price competitiveness.

Further, the Committee established that the procurement process for the ICT equipment was poorly managed, and appeared to have been conducted retrospectively, contrary to the provisions of the Public Procurement and Asset Disposal Act, 2015. Prices quoted for the items were deemed non-competitive and potentially inflated, in breach of Section 54(2) of the Act. The Fund Accountant openly admitted that the procurement process was mismanaged. Additionally, failure

to provide timely documentation to the Auditor-General constituted a violation of Section 62(1)(b) and (c) of the Public Audit Act, 2015. These findings raised serious concerns about the integrity of the Fund's financial and procurement processes.

Honourable Speaker, the Committee further observed weaknesses in budgetary control and financial performance, notably the lack of an approved and itemized budget for the Fund during the year under review. This was contrary to Section 149 (2)(h) and (i) of the Public Finance Management Act, 2012 which require that the accounting officer to prepare estimates of the expenditure of the entity with strategic plan and submit the estimates of an entity which is not a County Corporation to the Executive Committee Member for Finance.

In addition, the County Treasury failed to transfer the initial capital of the fund of 2% or Kshs.83,731,025 of the development budget to Kisumu County Climate Change Fund Account as required under Regulation 5 and 6 (a) of the Kisumu County Climate Fund Regulations, 2023.

The Committee also noted that the Fund operated without a Risk Management Policy, contrary to Regulation 158(1) of the same Regulations, exposing the Fund to unmanaged financial and operational risks.

Honourable Speaker, in light of the above findings the committee has made a number of corrective recommendations.

Honourable Speaker, on the matter of the Kshs. 2,149,970 attributed to the acquisition of ICT equipment, the Committee recommends to this House to resolve that the Supply Chain Management Officer, the Fund Administrator, and the Fund Accountant be relieved of their duties within the Fund. This recommendation is based on their collective failure to uphold procurement and financial management procedures, which resulted lack of transparency, and non-compliance with applicable laws and regulations.

Honourable Speaker, on the matter of lack of risk management policy, the committee recommends that the County Treasury urgently finalize and adopt the Risk Management Policy, and ensure that it is disseminated to all County Government entities, including the Fund, for immediate implementation.

on the matter of lack of approved budget, it is here by recommended that in subsequent financial years, the management of the fund must ensure that the Fund operates under an approved budget that is fully itemized and incorporated within the County's annual budget under the Department of Water, Environment, Climate Change, and Natural Resources. This is to ensure compliance with the provisions of Section 149(2)(h) and (i) of the Public Finance Management Act, 2012, which require that all expenditure be based on approved plans and budgets

Honourable Speaker, on the matter of failure to transfer funds to the fund, the committee recommends that in the subsequent financial years, the County Executive Committee Member

Finance, Economic Planning and ICT must ensure transfer of the initial capital of the fund of 2% or Kshs.83,731,025 of the development budget to Kisumu County Climate Change Fund Account as required under Regulation 5 and 6 (a) of the Kisumu County Climate Change Fund Regulations, 2023

Honourable Speaker, I wish to express my sincere appreciation to Members of the Committee for their commitment and diligence in interrogating this report.

I also thank the Offices of the Speaker and the Clerk of the Assembly, the Committee Secretariat, and the Office of the Auditor-General for their facilitation and technical support.

Honorable Speaker, on behalf of the Public Accounts and Investments Committee, I now wish to present the report on the consideration of the Auditor General's report on the Financial Statements of Kisumu County Climate Change Fund FY 2023/2024 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 the following Honorable Members,

Table 1: Committee Membership as of November 2024

Name	Position
Members	
1. Hon. Ken Ouko	Chairperson
2. Hon. Tom Onditi	Vice Chairperson
3. Hon. Seth Okumu	Member
4. Hon. Mickey Ochieng	Member
5. Hon. Habil Nyasuna	Member

6.	Hon. Nancy Matara	Member
7.	Hon. Rueben Rakwach	Member
8.	Hon. James Were	Member
9.	Hon. James Omollo	Member
SECRETARIAT		
1.	Austine Ochieng'	Committee Clerk
2.	Chispine 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 - Legal Framework

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”.

2. The Committee also relied on Article 226(5) of the Constitution of Kenya, 2010 which provides that if the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not.

3. Public Audit Act 2015; Section 7 of Public Audit Act 2015 mandates the Auditor General to (i) Give assurance on the effectiveness of internal controls, risk management, and overall governance at National and County Governments; (ii) Undertake audit activities in state organs and public entities to confirm whether or not public money has been applied lawfully and in an effective way
4. Public Finance Management Act, 2012: Section 149 (1) of the Public Finance Management Act, 2012 which states that “An accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is –
 - a) Lawful and authorized; and
 - b) Effective, efficient, economical, and transparent”

Guiding Principles

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

These principles include the following;

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

4. Section 203(1) of the Public Finance Management Act, 2012 enacts that; a public officer is personally liable for any loss sustained by a County Government and is attributed to;
(i) The fraudulent or corrupt conduct, or negligence of the officer or, (ii) The officer's having done any act prohibited by Sections 196, 197, and 198

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

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KISUMU COUNTY CLIMATE CHANGE FUND FOR THE YEAR ENDED 30, JUNE 2024

Honourable Speaker, Mr. Erick Omondi Ogallo, the fund administrator and the Accounting Officer as at the time of committee deliberations, appeared before the Committee on 14th March 2025 at 0900hrs to adduce evidence on the Audited Financial Statements of the Kisumu County Climate Change Fund for the year ended 30, June 2024. He was accompanied by the following;

1. Judith Aluoch – County Executive Committee member, Water, Environment, Climate Change and Natural Resources
2. Evans Mageto Gichana - Director Climate Change Fund, Former Fund administrator
3. Maurice Onyango Akumu – Fund Accountant
4. Philip Awili – Supply Chain Management Officer

The following officer represented the Office of the Auditor General in the meeting on 14th March 2025 at 0900hrs;

Mr. Fanuel Otiende Oloko– Office of the Auditor General.

BASIS OF QUALIFIED OPINION

Honourable Speaker, Inaccurate Statement of Comparison of Budget and Actual amounts

The statement of comparison of budget and actual amounts reflects general expenses amount of Kshs.21,123,837 while the statement of financial performance and the statement of cash flows reflects a balance of Kshs.18,973,867 resulting in unexplained variance of Kshs 2,149,970. The variance amount is attributed to acquisition of property plant and equipment. However, the details on the procurement of assets were not provided for audit review.

In addition, the statement of comparison of budget and actual amounts reflects an amount of Kshs. 19,591,334. However, a casting of the balances results to a total of Kshs. 8,591,334 and the variance of Kshs. 11,000,000 was not explained.

Further, the column for original budget for total income reflects a total income balance of Kshs. 114,627,984 while a recasting of the income totals to a balance of Kshs. 112,309,119 resulting to a casting error of Kshs. 2,318,865.

Honourable Speaker, In addition, column for final budget reflects a balance of total income of Kshs. 152,127,984. However, a casting of the balances results to a total of Kshs. 149,809,119 resulting to unexplained variance of Kshs. 2,318,865.

In the circumstances, the accuracy, completeness and fair statement of amounts in the statements of comparison of budget and actual amounts could not be confirmed

Management Response

Honourable Speaker, it is true the statement of comparison of budget and actual amounts reflects the amount of ksh 21,123,837 while the statement of financial performance and statement of cashflow reflects a balance of Ksh. 18,973,867 resulting in a variance of Ksh. 2,149,970.

The variance is attributed to acquisition of property and equipment (ICT Equipment) procured at the value of ksh. 2,149,970. (Procurement documents attached refer to Annex I).

The amount of ksh 2,149,970 was included in general expenses while it should have been capitalized and moved to property, plant and equipment Schedule. The reporting template had no provision for plant and equipment. However, it was corrected by inserting a row for it (see Annex II).

Honourable Speaker, In the statement of Financial performance, the amount of ksh 2,149,970 is removed from expenses (21,123,837-2,149,970) resulting in expenses of ksh. 18,973,867. It can be noted that the amount of ksh. 2,149,970 is rightfully categorized under property, plant and equipment (refer to page 25) of the financial statement. The correct tabulation is herewith annexed .(refer to Annex II).

Committee Observations:

1. That there were unexplained variances in the Statement of Comparison of Budget and Actual Amounts, including:
 - a) A difference of Kshs. 2,149,970 between general expenses in the statement of comparison and figures in the statement of financial performance and statement of cash flows.
 - b) A difference of Kshs. 11,000,000 in reported amounts for budgeted income due to a casting error.
 - c) A variance of Kshs. 2,318,865 in total income between the original budget and the recasted figures.

- d) A variance of Kshs. 2,318,865 in the final budget between the reported total income and the recasted figures.
2. That the variance in general expenses of Kshs. 2,149,970 was attributed to the acquisition of property, plant, and equipment, whose supporting documentation/procurement details were not provided for audit review during the time of audit. The same was provided at the time of committee deliberations. The following were noted on the same;
- i. That the contract agreement was signed on 30th May, 2023 between the County Government of Kisumu, Water, Environment, Climate Change and Natural Resources and M/S Raja Technologies & Consultancy Limited for supply and delivery of ICT Equipment
 - ii. That Raja Technologies & Consultancy Limited issued an acceptance letter on 30th May, 2023.
 - iii. That the Local Purchase Order was not dated but stamped on 31st May, 2023
 - iv. That the invoice, dated 15th June, 2023 indicated that 2 HP Spectre laptops were procured at a cost of Kshs. 377,500 each, 3 HP Pavilion Core i7 at Kshs. 328,150 each, 1 canon EOS 250 Camera at Kshs. 195,160, 1 printer HP Color at Kshs. 215,360.
 - v. The market survey report was not provided for verification, both to the committee and the Office of the Auditor General
 - vi. That during the committee proceedings, the Fund Accountant, when given an opportunity to comment on the procurement process, admitted verbally that the process was poorly managed and lacked adherence to procurement procedures, describing it as “a mess.”
3. It is the observation of this committee that without the market survey report, the above prices were unfair, non-competitive. This contravenes Section 54(2) of the Public Procurement and Asset Disposal Act, 2015 which states that; Standard goods, services and works with known market prices shall be procured at the prevailing market price.
4. That failure to provide documentation to the Auditor General during the time of audit was a violation of Section 62(1)(b) and (c)
5. The Committee observed that the procurement process appeared to have been conducted in reverse order, with documentation and justifications being prepared after the fact to regularize an already executed transaction. This indicates that the procurement team was working backwards, rather than following the proper sequence of procurement planning, approval, execution, and documentation as required under the Public Procurement and Asset Disposal Act, 2015. Such an approach undermines transparency, accountability, and value for money.

Committee Recommendations:

1. That in view of the above and failure to uphold principles of accountability and transparency, the Committee recommends that Mr. Evans Gichana (then Fund

Administrator), Mr. Maurice Onyango Akumu (then Fund Accountant), and Mr. Philip Awili (then Supply Chain Management Officer) be relieved of their duties within the Fund. Their continued involvement poses a risk to prudent financial management and effective service delivery.

2. That going forward, the management of the fund must ensure that supporting documents are provided to the auditors during the time of audit and upon request

3.2 Budgetary Control and Performance

Honourable Speaker, the statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis totaling Kshs.152,127,984 and Kshs.141,217,785 respectively, resulting to an underfunding amounting to Kshs.15,963,350 or Further, note 40 to the revised financial statements reflect a balance of Kshs.54,172,464 in respect of accrued expenses under current liabilities. However, this balance was revised from a figure of Kshs.51,800,636 in the previous financial statements submitted for audit resulting to a difference of Kshs.2,371,828 which has not been supported by a journal. No prior adjustments have been made or seven (7) percent of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totaling Kshs.36,950,658 and Kshs.21,123,837 respectively, resulting to under expenditure of Kshs. 15,826,821 or 43 % of the budget.

Further, there was Nil expenditure against capital expenditure budget of Kshs.137,500,000.

Management Response

Honourable Speaker, the total budgeted Revenue of Kshs.152,127,984 comprises of both capital and recurrent expenditure. Since capital expenditure was not executed, the actual expenditure of Kshs.21,123,837 can only be compared to the recurrent budget of Kshs.36,950,658 to bring a burn rate of 57%. The Fund received about half of capital fund late in the month of April and the remainder in the month of July, 2024 after the reporting period. The procurement process could not be completed in time necessitating the projects to roll over to next financial year 2024/2025

Committee Observations

1. That, there was Underfunding of the Budget – The final revenue budget was Kshs. 152,127,984, while actual revenue was Kshs. 141,217,785, resulting in an underfunding of Kshs. 15,963,350 (7% of the budget).
2. That, there was a Significant Under-expenditure – The final expenditure budget was Kshs. 36,950,658, while actual expenditure stood at Kshs. 21,123,837, leading to an under-expenditure of Kshs. 15,826,821 (43% of the budget).
3. That, the management attributed the failure to implement capital projects to late disbursement, with part of the funds received in April 2024 and the remainder in July

2024, beyond the reporting period. However, the management provided no evidence to confirm receipt of funds in April and July 2024 as indicated

Committee Recommendations

1. That going forward, the Fund must adopt realistic budgeting practices to align expenditure projections with actual revenue inflows, to reduce cases of underfunding and under-expenditure.
2. That, the matter is resolved

3.3 Lack of Approved Budget

Honourable Speaker, the Management did not provide an approved budget for audit review contrary to Section 149 (2)(h) and (i) of the Public Finance Management Act ,2012 which require that the accounting officer to prepare estimates of the expenditure of the entity with strategic plan and submit the estimates of an entity which is not a County Corporation to the Executive Committee Member for Finance. In the circumstances, Management was in breach of the law.

Management Response

Honourable Speaker, the FLLOCA budget and workplan approved by the executive is available and hereby annexed (Annex III).

Committee Observations

1. The Management did not provide an approved budget for audit review contrary to Section 149 (2)(h) and (i) of the Public Finance Management Act ,2012 which require that the accounting officer to prepare estimates of the expenditure of the entity with strategic plan and submit the estimates of an entity which is not a County Corporation to the Executive Committee Member for Finance. In the circumstances, Management was in breach of the law
2. Information provided by the management at the time of committee deliberations was not sufficient since it did not indicate whether the budget was incorporated in the itemized county budget under the department of Water, environment, Climate Change and Natural Resources

Committee Recommendations

1. That, in subsequent financial year, the management must ensure that the Fund operates under an approved budget that is fully itemized and incorporated within the County's annual budget under the Department of Water, Environment, Climate Change, and Natural Resources. This is to ensure compliance with the provisions of Section 149(2)(h) and (i) of the Public Finance Management Act, 2012, which require that all expenditure be based on approved plans and budgets.

2. That, the matter is resolved

3.4 Failure to transfer Funds by the Kisumu County

Honourable Speaker, a review of appropriation accounts under budget showed that the County Government of Kisumu had a development budget of Kshs.4,186,551,233. However, the County did not transfer the initial capital of the fund of 2% or Kshs.83,731,025 of the development budget to Kisumu County Climate Change Fund Account as required under Regulation 5 and 6 (a) of the Kisumu County Climate Fund Regulations, 2023. In the circumstances, Management of the Kisumu County were in breach of law.

Management Response

Honourable Speaker, it is true by the close of the financial year ended 30th June ,2024 the County Government did not transfer its own contribution to the Special Purpose Account (SPA). However, it had initiated the process of fund transfer by that time. The process was not completed by June 30th 2024, but the cash reflected a few days after the year end. This was attributed by approval delays and IFMIS System shut down by year end. Attached is the bank statement showing credit balance being transfer from County to SPA by first week of July 2024 (annex IV).

Committee Observations

That the County did not transfer the initial capital of the fund of 2% or Kshs.83,731,025 of the development budget to Kisumu County Climate Change Fund Account as required under Regulation 5 and 6 (a) of the Kisumu County Climate Fund Regulations, 2023.

Committee Recommendations

1. That in the subsequent financial years, the County Executive Committee Member Finance, Economic Planning and ICT must ensure transfer of the initial capital of the fund of 2% or Kshs.83,731,025 of the development budget to Kisumu County Climate Change Fund Account as required under Regulation 5 and 6 (a) of the Kisumu County Climate Change Fund Regulations, 2023
2. That the Auditor General to follow up on the above recommendation and report on the same in the subsequent audit
3. That the matter is unresolved

3.5 Lack of Risk Management Policy

The Fund operated without a Risk Management Policy during the year ended 30 June, 2024 contrary to Regulation 158(1) of the Public Finance Management (County Governments Regulations, 2015 which requires each County Government Entity to develop risk management strategies and a system of risk management.

In the circumstances, it was not possible to confirm the effectiveness of the Fund's risk management.

Management Response

Honourable Speaker, it is true the Fund operated without risk management policy during the year under review. However, the document is being prepared by the Kisumu County Treasury which will be shared on its completion.

Committee Observations

That the Fund operated without a Risk Management Policy, which is a violation of Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015.

Committee Recommendations

1. That the County Treasury urgently finalize and adopt the Risk Management Policy, and ensure that it is disseminated to all County Government entities, including the Fund, for immediate implementation.
2. That the matter remains unresolved until the approved Risk Management Policy is formally adopted and implemented

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 Kisumu County Climate Change Fund for the year ended 30, June 2024. With your permission, I now call upon Honourable Geoffrey Warindu to second the motion.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Yes, Honourable Warindu

Hon. Warindu (MCA, Miwani): Thank you Mr. Speaker, for the opportunity. Let me begin by commending this House Committee for their diligent and consistent work. This House Committee has remained one of the most active in the Assembly, handling a significant share of the business before the House.

Mr. Speaker, the Kisumu County Climate Change Fund was a substantial financial allocation intended to address climate-related initiatives and also help bridge a budget deficit. Upon reviewing the Auditor General's Report, it's clear that while a Qualified Opinion was issued—

which suggests partial compliance—there remain significant gaps in accountability and financial prudence.

Among the key findings:

- a) **Unexplained Variances:** An inaccurate comparison between the budget and actual expenditure revealed an unexplained variance of Kshs. 2,179,970. The Fund Administrator and Accountant failed to provide supporting documentation. The report recommends their immediate removal from office and referral of the matter to the EACC.
- b) **Lack of Approved Budget:** The fund operated without an approved budget, violating Section 149(2) of the Public Finance Management Act, 2012. This has become an alarming trend that undermines financial oversight and must be addressed.
- c) **Failure to Transfer Funds:** There was a failure to remit funds to the Kisumu County Government as required, which reinforces the need for serious administrative action.
- d) **Absence of Risk Management Policy:** The lack of Internal Controls and Risk Policies opens the door to financial mismanagement. There is a need to implement internal audit mechanisms within funds like this to catch such issues early before they are flagged by the Auditor General.

We appreciate the audit team for shedding light on these financial discrepancies. It is essential that we protect public funds from misuse. With those remarks, I second the motion and urge the Honourable House to adopt the report.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Honourable members, the motion for the adoption of the report by the Select Committee on Public Investments and Accounts (PIC/PAC) on the Examination of the Auditor General's Report on the Kisumu County Climate Change Fund for the Financial Year 2023/2024 has been moved and seconded. I now open the floor for debate.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Yes, Honourable Tom Nyaoke of North Nyakach.

Hon. Nyaoke (MCA, North Nyakach): Thank you Mr. Speaker. I want to commend this House Committee for a well-structured and firm report. Often, our reports end with soft recommendations, but this one is different. It takes a strong stand.

Mr. Speaker, one glaring issue in the report is the Supply of ICT Equipment at suspiciously inflated prices. A basic market survey would confirm that the listed amounts are highly exaggerated.

Mr. Speaker, section 54(2) of the Public Procurement and Asset Disposal Act, 2015 clearly mandates that goods must be procured at market rates. This was not the case here. I applaud the

recommendation that the officers involved be dismissed and that the matter be forwarded to the relevant investigative bodies like the EACC to enable them conduct for thorough investigation. Mr. Speaker, as a member of the Select Committee on Implementation, I propose that we prioritize this report in our follow-ups to ensure the recommendations are not only noted but fully enforced. With those remarks, I support the motion. Thank you.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Yes, the Honourable Mildred Ajumbo.

Hon. Ajumbo (MCA, Central Seme): Thank you Mr. Speaker. I rise to support the report tabled by this House Committee on the Examination of the Auditor General's Financial Statements for the Kisumu County Climate Change Fund for the Financial Year Ending 30th June 2024.

Mr. Speaker, my attention has particularly been drawn to a very serious concern—this fund has been operating without a Risk Management Policy. This is highly alarming, especially for a fund mandated to support Climate Change Initiatives across the entire county.

Mr. Speaker, I also wish to align myself with the sentiments expressed by Honourable Nyaoke, in supporting this House Committee's recommendation that the Fund Accountant and the Fund Management Team be referred to the Ethics and Anti-Corruption Commission (EACC) for further investigation. This is a necessary and bold step, and I commend the committee for taking it. Mr. Speaker, the absence of a Risk Management Policy exposes the fund to significant operational risks. Without such a guiding framework, the fund is vulnerable to misallocation—resources may be directed to low-impact or non-priority areas, undermining the very purpose for which the fund was established.

Mr. Speaker, for instance, during public participation, when communities propose meaningful projects such as drilling boreholes in water-scarce areas, the absence of risk guidelines can result in funds being redirected to less impactful or even irrelevant projects. This not only defeats the spirit of participatory governance but also denies communities the benefits they desperately need.

Mr. Speaker, it is disheartening that despite consistent budgetary allocations to this fund, little or no tangible impact is felt on the ground. The loss of public funds, including the Kshs 2 million meant for the procurement of ICT equipment, is particularly disturbing. The process was marred with irregularities, with no documentation to support procurement, and what has been described as "reverse procurement"—procurement done outside the legal and procedural frameworks. Even the acquisition of printers was done without conducting a thorough market survey, leading to questionable spending.

Mr. Speaker, I want to commend this House Committee for its bold and responsible recommendations. Referring the matter to the investigative bodies which is the EACC signals that this House is ready to take decisive action in protecting public resources and promoting accountability. With those remarks, I strongly support the report and urge this Honourable House to adopt it in full. Thank you.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Yes, Honourable Deputy Majority Leader.

The Deputy Leader of Majority (Hon. Owade, MCA, South East Nyakach): Thank you Mr. Speaker. I rise to support the report as presented. However, I must express one significant concern—these reports often come and go, with recommendations made, but rarely do we receive any tangible feedback on their implementation.

Mr. Speaker, we have reached a point where Members risk becoming disillusioned with the process. Without proper follow-up from the Implementation Committee, it becomes difficult to remain motivated or confident that our oversight role is yielding results. Even in cases where reports have recommended further investigation by the EACC, we have yet to receive confirmation that any action has been taken—or is even underway. To the best of my knowledge, many of these reports are gathering dust within this institution. They have not reached the relevant authorities, and no follow-through is evident. Mr. Speaker, what are we doing about this?

Let me take this opportunity to commend this House Committee for their consistent and commendable efforts. They have conducted their work with diligence and integrity, without fear or favour. However, unless action is taken on their findings, we risk demoralizing such House Committee that is clearly leading from the front. It is high time we consider suspending the tabling of new oversight reports until we receive a comprehensive update from the Select Committee on Implementation on the Status of all reports previously passed by this House. Accountability does not end with tabling a report—it must be followed by concrete action. With those remarks, Mr. Speaker, I support the report and urge for a more robust approach to implementation and follow-up. Thank you.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Yes, the Honourable Obaso.

Hon. Obaso (Nominated Member): Thank you, Mr. Speaker, Going by the mood of the House, I wish to call the mover to reply.

The Temporary Speaker (Hon. Okumu (MCA, East Seme): Honourable Ouko, Chairperson, Public Investments and Accounts

Hon. Ouko Kennedy (MCA, West Kisumu): Thank you Mr. Speaker. Please allow me to sincerely thank and commend all the Honourable members who contributed to this important debate, and to appreciate the Office of the Speaker for giving us the opportunity to present this report.

Mr. Speaker, the presentation and consideration of this report is not a matter of choice—it is a legal obligation. Article 229(4) of the Constitution of Kenya 2010 requires the Auditor-General, within six months after the end of each financial year, audits and reports on the accounts of public entities. Furthermore, Article 229(8) states that within three months after receiving an audit report, Parliament or the County Assembly shall debate, consider, and take appropriate action on it. So, Mr. Speaker, to enlighten any member who may question the process—this is a constitutional mandate. We cannot stop it, postpone it, or ignore it.

Mr. Speaker, this particular report concerns a Conditional Grant, and as the term implies, it comes with specific conditions from the donor. One such condition was a Matching Fund of 12%, which, unfortunately, was not initially disbursed to the fund as required. However, upon further inquiry, we established that the money was eventually released and will reflect in future audit reports.

Mr. Speaker, failure to submit documents during an audit exercise is a criminal offense punishable by law. It is not a procedural error, it is a breach of the legal. This House Committee is evidence-based in its analysis. When invited, the accounting officers were given an opportunity to produce any documentation which they had failed to present during the Auditor-General's review. Again, they failed to do so. That raises serious concerns and justifies our recommendation to forward the matter to the Ethics and Anti-Corruption Commission (EACC), and that those responsible be relieved of their duties for failing to safeguard public resources.

Mr. Speaker, the other critical issue, is the absence of a Risk Management Policy in the fund. Risk policies are essential for protecting an organization from operational, financial, legal, and reputational threats. Their absence contributes to many of the cases we keep losing in court—and exposes the county to avoidable liabilities. The County Executive should prioritize the development of such policies, while this Assembly must put in place proper Regulations to guide risk management and internal controls.

Mr. Speaker, the situation becomes even more worrying when we look at Procurement Practices. In this case, the Bidding, Submission, Evaluation, and Award of Tenders all happened on the same day. In which government institution does that happen legitimately? Procurement procedures are well-defined by law, and this kind of conduct is a blatant violation of those Regulations. It points to impunity and complete disregard for public accountability. This is

exactly why the Constitution has entrusted this Assembly with oversight powers—to hold the County Executive accountable and to act when public funds are mishandled.

With those remarks, Mr. Speaker, I beg to reply and once again thank all Members for their contributions and support of the report. Thank you.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Honourable members, a motion was moved by the Select Committee on Public Investments and Accounts on the Examination of the Report of the Auditor General on the Financial Statements of Kisumu County Climate Change Fund for the year ended 30th June 2024. This motion was moved by the Honourable Chairperson, Select Committee on Public Investments and Accounts (PIC/PAC) and seconded by Honourable Geoffrey Warindu, debated by the Honourable members. And it's time for me to put a question on the adoption of the same.

(Question put and agreed to)

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Honourable members, the report by the Select Committee on Public Investments and Accounts on the Examination on the Auditor General's Report on the Financial Statements of Kisumu County Climate Change Fund for the year ended 30th June 2024 has been adopted today, 02nd July 2025 at 15:52 hours.

Honourable Members, I direct that this report and its recommendation be made available in the website as provided for in our Standing Orders. Consequently, all the recommendations touching on the department be communicated to them for implementation.

Further, the Select Committee on Implementation to follow up on the House Resolution of the House today. Thank you.

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Next order!!

ADJOURNMENT

The Temporary Speaker (Hon. Okumu, MCA, East Seme): Honourable members, there being no any other business, this House stands adjourned until Thursday, 03rd of July 2025 at 02.30 p.m.

(House rose at 03.54 p.m.)

Addendum

The 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

Emanuel Omondi – Attache'

Stella Ogada – Attache'

Melissa Hellen – Attache'

Sylvia Awino - Attache'