

**COUNTY GOVERNMENT OF KISUMU**



**COUNTY ASSEMBLY OF KISUMU**

**THE HANSARD**

**Official Report**

**THIRD ASSEMBLY – FIFTH SESSION**

**Tuesday, 28<sup>th</sup> April, 2026**

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

**[The Temporary Speaker (Hon. Carren) in the Chair]**

**PRAYER**

**The Temporary Speaker** (Hon. Carren, MCA, Kaloleni/Shaurimoyo): Honourable Members, good afternoon. I want to refer you to the provisions of Orders No. 32 (2) of the Kisumu County Assembly Standing Orders. Therefore, I direct that the Serjeant-at-Arms, kindly ring the quorum bell for the first five minutes.

*(Quorum bell rung for the first five minutes)*

**The Temporary Speaker** (Hon. Carren, MCA, Kaloleni/Shaurimoyo): Honourable Members, I am not able to see the Majority Chief Whip, but his Deputy is present. Honourable Jennifer, kindly confirm if we have quorum.

**The Deputy Majority Whip** (Hon. Obonyo, MCA, South West Kisumu): Thank you, Madam Speaker. There is no quorum.

**The Temporary Speaker** (Hon. Carren, MCA, Kaloleni/Shaurimoyo): Honourable Members, I refer you to the same Orders and again direct the Serjeant-at-Arms to ring the quorum bell for a further five minutes.

*(Quorum bell rung for further five minutes)*

**The Temporary Speaker** (Hon. Carren, MCA, Kaloleni/Shaurimoyo): Honourable Members, Madam Whip, Hon. Jennifer Obonyo, kindly confirm if we have quorum to proceed.

**The Deputy Majority Whip** (Hon. Obonyo, MCA, South West Kisumu): Thank you, Madam Speaker. We have enough quorum.

**The Temporary Speaker** (Hon. Carren, MCA, Kaloleni/Shaurimoyo): Mr. Clerk, kindly take us through the Order of the Day.

**The Temporary Speaker** (Hon. Carren, MCA, Kaloleni/Shaurimoyo): Next order!!

## STATEMENTS

STATEMENT INFORMING THE HOUSE OF THE BUSINESS COMING BEFORE THE IT WEEK COMMENCING WEDNESDAY, 29TH APRIL 2026 TO TUESDAY, 05TH MAY 2026

BY

HONOURABLE LUMUM BA OWADE

[DEPUTY LEADER OF MAJORITY]

**The Temporary Speaker** (Hon. Carren, MCA, Kaloleni/Shaurimoyo): Honourable Members, Honourable Members, it is Statement Time. Yes, Deputy Leader of Majority, Honourable Lumumba Wade.

**The Deputy Leader of Majority** (Hon. Owade, Mca, South East Nyakach): Thank you, Madam Speaker.

Madam Speaker, I rise to make a Statement pursuant to the provisions of Standing Order No. 41(2)(c), in my capacity as the Deputy Majority Leader, to present and lay on the Table of the County Assembly a Statement informing the House of the business coming before it in the following week.

Madam Speaker, this is therefore to bring to the attention of Members of the County Assembly that, for the week commencing Wednesday, 29th April 2026 to Tuesday, 05th May 2026, the Select Committee on Assembly Business, at its last meeting, approved the following tentative business to appear in the Order Papers as follows;

Wednesday, 29th April 2026 at 9:00 a.m.

PAPERS TO BE LAID

The Chairperson, Departmental Committee on Administration of Law, Justice, Constitutional Affairs, Good Governance and Security, Honourable Moses Ochele, will table the following Committee Reports on

1. The Inquiry into the State of Security in Kisumu County; and
2. Consideration of the Kisumu County Access to Information Policy, 2024.

#### NOTICES OF MOTION

Chairperson, Departmental Committee on Administration of Law, Justice, Constitutional Affairs, Good Governance and Security, Honourable Moses Ochele, will give Notices of Motion for the Committee Reports on;

1. The Inquiry into the State of Security in Kisumu County; and
2. Consideration of the Kisumu County Access to Information Policy, 2024.

#### SUBSTANTIVE BUSINESS

The Chairperson, Ad Hoc Committee on Own Source Revenue, Honourable Lumumba Wade, will move a Motion for Approval of their Request for Extension of Time.

Wednesday, 29th April 2026 at 2:30 p.m.

#### SUBSTANTIVE BUSINESS

The Chairperson, Select Committee on County Budget and Appropriations Committee, Honourable Joachim Okech, will move a Motion for the adoption of the Committee Report on the Proposed Kisumu County Fiscal Strategy Paper for the Financial Year 2026–2027.

Thursday 30<sup>th</sup> April, 2026 at 2.30 p.m.

#### SUBSTANTIVE BUSINESS

The Chairperson, Select Committee on Implementation, Honourable James Omollo, will move a Motion for the adoption of the Committee Report on the Implementation Status of House Resolution on the Encroachment of Riparian Areas along Paga Beach in Kisumu West.

Tuesday 05<sup>th</sup> May, 2026 at 2.30 p.m.

#### STATEMENTS

The Leader of Majority who will issue a Statement pursuant to Orders No. 41 (2) (c) of the Standing Orders. That is, the Business coming before the County Assembly for the week commencing on Wednesday 06<sup>th</sup> May, 2026.

**SUBSTANTIVE BUSINESS**

The Chairperson, Departmental Committee on Administration of Law, Justice, Constitutional Affairs, Good Governance and Security Committee, Honourable Moses Ochele, will move a Motion for the adoption of the Report on consideration of the Kisumu County Access to Information Policy, 2024. Thank you, Madam Speaker.

**The Temporary Speaker** (Hon. Caren, MCA, Kaloleni/Shaurimoyo): Honourable Members, it is still Statement time.

**The Temporary Speaker** (Hon. Caren, MCA, Kaloleni/Shaurimoyo): Next Order!!

**MOTION**

ADOPTION OF THE REPORT OF PICPAC COMMITTEE ON THE EXAMINATION OF THE REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KOMBWA COUNTY LEVEL 4 HOSPITAL FOR THE FINANCIAL YEAR 2024/2025.

BY

HON. KENNEDY OUKO, MCA, WEST KISUMU

[CHAIRPERSON, PUBLIC INVESTMENTS AND ACCOUNTS COMMITTEE]

**The Temporary Speaker** (Hon. Caren, MCA, Kaloleni/Shaurimoyo): Yes, Honourable Kennedy Ouko, Chairperson, Public Investments and Accounts Committee.

**Hon. Ouko** (MCA, West Kisumu): Thank you, Madam Speaker. I will be using the Moving Notes. On behalf of the Select Committee on Public Investments and Accounts (PICPAC), and pursuant to the Kisumu County Standing Orders No. 188, I wish to present to this House the Report of the Committee on the Audited Financial Statement of Kombewa County Hospital Financial Year 2024/2025.

It is instructive that Article No. 229 (8) of the Constitution of Kenya 2010 requires the County Assembly within the three months after receiving an Audit Report to debate, consider the report and take appropriate action. The Committee held three Sittings during which it received both written and oral evidence from the Management on audit queries raised by the Auditor General on the Financial Statements of Kombewa County Level 4 Hospital for the Financial Year 2024/2025.

Honourable Speaker, the Opinion of the Auditor General on the Financial Statement of Kombewa County Level 4 Hospital for the Financial Year 2024-2025 was Qualified opinion, implying that, except for a few issues that the Auditor General highlighted under the basis for opinion sections of the Report, the Financial Statement of the facility presented a true and a fair reflection of the financial position of the facility.

The Committee noted weaknesses in financial reporting and internal control affecting key balances in Financial Statement. There were inconsistencies in the reporting of cash and cash equivalent, excluding unexplained variances between the statement of financial position and the supporting notes, as well as unreconciled bank items and inadequate support M-PESA receipts. Similarly, revenue from the rendering of services, particularly SHA and NHIF claims, reflected major discrepancies across the Financial Statement. SHA portalled records and the County receiver of revenue.

Further, the Committee observed deficiencies in record management and compliance with reporting standards. Inventory records were unsupported by signed stock sheet and exhibited significant unreconciled variances between bill cards and ledger balances, raising concern of accountability and internal control. In addition, receivables from exchange transactions lacked adequate supporting schedules and aging analysis at time of audit, limiting verifications of their accuracy and recoverability.

Honourable Speaker, in the Report on lawfulness and effectiveness in the use of public resources, the Committee observed that although statutory deductions were eventually remitted, this was done outside the prescribed timeline, exposing the facility to penalties and demonstrating non-compliance with legal requirements. Further, there was significant revenue risk arising from high volume of rejected SHA claims, amounting to Kshs. 18,865,880 mainly due to incomplete documentations and weak internal verification controls.

The Committee also established that the hospital lacked a proper and compliance asset management system, the asset register did not meet national tracer requirements, key asset details were missing and assets had not been tagged, exposing them to potential loss and misuse. Despite management indication of planned action, no tangible progress was demonstrated.

Honourable Speaker, the Committee having held sittings with management and the Office of the Auditor General had made a number of corrective recommendations and aimed at strengthening financial management and accountability within the facility. These are; enforcement of a timely remittance of statutory deductions in compliance with legal requirements, strengthening of internal control, including regular reconciliations and proper documentation of financial transactions and the establishment of robust revenue assurance mechanisms. Further, the

committee has recommended for preparations and approvals of comprehensive staff establishment to guide human resource management as well as the development and maintenance of compliance and up to date asset register. This is coupled with immediate tagging of all hospital assets. In addition, the committee has emphasized the need to enhance record management, periodic internal audit, clear accountability of frameworks to address lapse and prevent recurrence. These measures are intended to promote transparency, safeguard public resources and improve service delivery at the facility.

Honourable Speaker, I wish to register my appreciation to fellow honourable members of the committee, the office of the Speaker and the Clerk of the assembly, the committee secretariat and the office of the Auditor general for the facilitation and technical support that made the production of this report possible. I also thank the management for Kombewa County Hospital for honouring committee invitations and timely submissions of their responses. Honourable speaker, on behalf of the Public accounts and Investment committee, I now wish to present this report on the consideration of Auditor general's report on the financial statement of Kombewa County Hospital for the year ended 30th, June, 2025 and urge this House to adopt it.

Honourable Speaker, I hereby request that this House adopts the report of the Public accounts and investment committee on the consideration of Auditor general's report on the financial statement of Kombewa County level IV hospital for the financial year 2024/ 2025. May I call upon Honourable Rakwach to second. Thank you.

**The Temporary Speaker** (Hon. Carren, MCA, Kaloleni/Shaurimoyo): Yes, Honourable Reuben Rakwach.

**Hon. Rakwach** (MCA, Kolwa East): Thank you, Honourable Speaker. Honourable. I rise to second the motion which has just been moved by our very competent chair, Honourable Ouko. Honourable Speaker, I have to say that our facilities need to be a little bit more serious so that they can improve on the Auditor's Opinion because here we have Qualified Opinion but I believe that if they would have tightened their belt a little bit more, then the facility would have moved from Qualified Opinion to Unqualified Opinion.

Madam Speaker, there are simple mistakes like the preparation of the Asset Register not meeting the National Treasury requirements with the key asset details missing and this is a standard which is there and it is known. So, if at all they would have complied with the National Treasury Standard, Honourable Speaker, then it would have not appeared in the Auditor's Report as a query.

Honourable Speaker, even when it comes to the variances, you get that there were variances which the facility could not explain. These are the variances between the statement of financial position and the supporting notes. So, we realized that, there is some expenditure which are not well supported and they could not explain as at the time that the documents were being given to the Auditors. Some even up to the time that this House Committee was deliberating on the same.

Honourable Speaker, on the Statutory Deductions, especially on NSSF and SHA, we realised that the deductions are made but are not remitted on time. The financial year lapses on 30th of June while as from January they have been deducting but they are not remitting until in July when we are in the following financial year, that is when they remit. Additionally, this one has even exposed the facility to penalties because of non-compliance. These are simple things. We do not know whether the facility or the management was still keeping money somewhere to attract some interest. Honourable speaker, these are things that if can be avoided by our facilities, then I believe that all our facilities can have Unqualified Opinion which is the best opinion. Thank you, honourable Speaker, I second the report.

**The Temporary Speaker** (Hon. Carren, MCA, Kaloleni/Shaurimoyo): Honourable members, a motion on adoption of the report of the Select Committee on Public Investments and Accounts (PIC/PAC) on the Examination of the report of the Auditor General on the Financial Statement of Kombewa County Level IV Hospital for the Financial Year 2024-2025 has been presented and seconded.

Honourable Members, I want to propose a question and I propose that the motion on adoption of the report of the Select Committee on Public Investments and Accounts (PIC/PAC) on the Examination of the report of the Auditor General on the Financial Statement of Kombewa County Level IV Hospital for the Financial Year 2024-2025 is open for debate.

**The Temporary Speaker** (Hon. Carren, MCA, Kaloleni/Shaurimoyo): Yes, Honourable Pamela Oyoo.

**Hon. Oyoo** (MCA, Migosi): Thank you, Madam Speaker. I have perused through the report of the Auditor General and I want to say that once money is deducted from an employee, it needs to be remitted. Monies like SHA deductions means that people are denied health if not remitted, and we are being unfair to our employees. Secondly, we are ever in one stage of the Auditor General's opinion. I believe that we should try to work harder so that we get better opinions. The report is well done and I want to thank this House Committee that did this report.

Madam Speaker, the gaps need to be addressed expeditiously. Besides, how I wish that this County would have a Department of Evaluation and Monitoring to make a follow-up on what has been audited so that we improve on our work and our efficiency. I want to support the report.

**The Temporary Speaker** (Hon. Caren' MCA, Kaloleni/Shaurimoyo): Honourable James Were of Nyalenda "B" Ward.

**Hon. Were** (MCA, Nyalenda "B"): Thank you, Madam Speaker. A Qualified Opinion in audit means that the Auditor was able to map or flag out some specific issues that are material, but widespread and that cannot even invalidate the whole report.

So, Madam Speaker, many a times we find issues that have been pointed out by the Auditor General that we failed to act upon. Madam Speaker, we have several issues that this House Committee has pointed out as to why our facility- Kombewa Level 4 Hospital, was able to get that Qualified Opinion.

Madam Speaker, the report is speaking about Incomplete and Unsupported Financial Records. These are issues that we have talked of repeatedly. These are glaring anomalies that we need to address once and for all, so that we move from one step to the other. So that we move, even from a Qualified Opinion to an Unqualified Opinion.

Madam Speaker, other issues that were mentioned like; Procurement, Irregularities and Weak Internal Controls. What can we do as a County to ensure that we do not have weak internal controls? Since we lack segregation of duties, we find that one person is; authorizing, is processing and recording transactions. These are issues that we need to correct so that we put our records in line with the financial provisions. Madam Speaker, moving forward, there are things that we need to put right so that we can improve on our opinion. We need to strengthen financial controls as it was mentioned on the report. Under that, we need to ensure that we enforce segregation of duties. Madam Speaker, we also need to introduce regular Internal Audits so that before the Office of the Auditor General comes, we have done our internal audits by mapping out all our weaknesses and addressing them.

In addition, moving forward, we must do proper Asset Management and capacity building for our people. This will ensure that they are at par with the IPSAS Standards. It will ensure that they know whatever is required of them and they need to do what is right and at the right time so that by the time our Auditors are coming, things are put right so that we have the best opinion so. Madam Speaker, I therefore beg to support the report. Thank you.

**The Temporary Speaker** (Hon. Caren' MCA, Kaloleni/Shaurimoyo): Yes, Honourable Bill Oliver of Kobura Ward.

**Hon. Bill** (MCA, Kobura): Thank you, Madam Speaker. I want to first thank this House Committee for the report and I also want to join my colleagues in debating this on it.

Madam Speaker, when we got to this Assembly, we got reports whereby some of them were not very good ones from the Auditor. However I am happy and I believe we are being hopeful and there is hope for Kisumu County that at one particular time, most of our reports will get to a point where we will be saying we have Unqualified Opinion meaning a clean report.

Madam Speaker, all the institutions in the County Government like the hospitals and all other institutions that are public ones, we need to show the public that indeed their money is spent well and they are getting value for it. The reason why audit is done is because:

- (i) The need to be financially credible and at least show some transparency to the public and within.
- (ii) Audit also is done to show that we are compliant with the laws and regulations of the land and
- (iii) To help us to detect fraud and errors that may be in the system that we run.

Madam Speaker, I am saying this and I am really hopeful that one day we will get to a point whereby our reports get to a point where they show that they are Unqualified and the public can get value for their money because they see nearly everything that we are doing and everything that the hospitals are doing.

Madam Speaker, if you look at this report, there are issues that have been raised. Being qualified is not enough, and that is why I am insisting that we need to get to a level where we have Unqualified Reports. This is because, the Qualified Opinion shows us that at least the financial statements are mostly true, except for key issues that have been flagged. And if you look at this report, there are very many issues that I want to say just show incompetence.

Madam Speaker, one, we have Cash Inconsistencies, Unexplained Cash that amounts to around Kshs 5.98 million and Rejected Share Claims.

Madam Speaker, you must remember that the share claims, they help to run these hospitals. But then if we have very poor documentation that ends up the report being rejected, it means we at some point, if it continues, we might end up not meeting our financial obligations in Kombewa Hospital.

Madam Speaker, from the report, there are many other issues apart from the ones I have mentioned. We can see that the root causes that are getting us there to have a qualified report are,

we have weak internal controls, poor record-keeping and documentation. And that shoots us to the kind of stuff that we have, Madam Speaker.

Madam Speaker, I want to believe that in future the hospital will do a thorough work so that they get to a point where the public can fully trust their reports and the Auditor will give them a Qualified Opinion Report. Madam Speaker, I want to end there and support the report. But again, as a county, we should work on the human capital that we have and also train these people so that we give good reports to the public.

**The Temporary Speaker** (Hon. Caren, MCA, Kaloleni/Shaurimoyo): Yes Honorable Nyaoke

**Hon. Nyaoke** (MCA, North Nyakach): Thank you, Madam Speaker. Let me join my colleagues in supporting this report. But Madam Speaker, I want to draw this House to the attention particularly on the issue of SHA.

Madam Speaker, we realize that going forward, all our institutions should ensure that the reporting system of the SHA is done according to the standards and the relevant sections of the law that requires the applications of SHA.

Madam Speaker, in most of our institutions, in fact, if you look at all these reports, we tend to have a common problem, particularly in reporting of SHA proceeds. Madam Speaker, we have seen even some of our institutions that render services that end up not being paid at all. By the time we raise the claims after rendering services, and then we find organizations which are in charge of SHA refusing to pay what already we have spent in our institutions.

Madam Speaker, let us not take the blame by not reporting the way that they are supposed to be done, Madam Speaker, because if we continue like this, then our institutions are going to lose. We are going to render services, and at the same time, we do not get the refunds equivalent to what we have utilized in our institutions.

Madam Speaker, we are all aware that the SHA system sometimes fluctuates. This is a discussion and engagement that we already had with the SHA official, particularly as members of this House Committee at some point. They also admitted that there are certain issues that still need to be complied with, and there are certain issues that they need actually to sort.

To help our institutions, we must ensure that the relevant persons, the officers who are in charge of these duties, are trained accordingly, just as my colleague, Honourable Bill Odhiambo just mentioned. Losing Kshs 18 million is a serious issue, Madam Speaker.

Madam Speaker, I believe that moving forward, the House Committee responsible, particularly the Select Committee on Implementation should ensure that these recommendations which have

been given by this House Committee are adhered to so that we minimize on the fundamental loopholes that we have that may not make us receive the refunds of what we already used in our institutions. Thank you, Madam Speaker. I beg to support.

**The Temporary Speaker** (Hon. Caren, MCA, Kaloleni Shaurimoyo): Yes, Honourable Ratib Boitone.

**Hon. Ratib** (MCA, Nyalenda “A”): Thank you, Madam Speaker. Madam Speaker, may I call the mover reply?

**The Temporary Speaker** (Hon. Caren, MCA, Kaloleni Shaurimoyo): Honourable Kennedy Ouko.

**Hon. Ouko** (MCA, West Kisumu): Thank you very much, Madam Speaker. First, let me thank the House for contributing to this matter concerning finance and audit issues presented by this House Committee. Madam Speaker, this is one of the key Committees of the House, and I sincerely appreciate Honourable Members for their participation and for undertaking what is required of them.

Madam Speaker, allow me to observe that beyond financial audit, there is also the critical aspect of legality and effectiveness in the use of public resources. Auditing should not always be construed to mean that funds have been misappropriated; rather, it also examines how processes are undertaken. In this regard, issues of internal control were clearly highlighted. Before the external audit that is conducted by the Office of the Auditor-General, there ought to be strong internal control mechanisms, led by Internal Audit Units, to regularly review both operational and financial activities of entities. Unfortunately, as noted by Members, these mechanisms are largely lacking, and this House Committee made appropriate recommendations on the same.

Madam Speaker, on Statutory Deductions, it is imperative that all deductions such as loan repayments, shares, and other obligations are remitted promptly in accordance with the law. There are clear legal provisions governing the safeguarding and remittance of such funds. However, as was observed, there have been delays in remittance, which is contrary to the law. This House Committee therefore recommended that all statutory deductions be remitted immediately and that periodic reconciliations be conducted proactively, rather than waiting for audit queries to arise.

Madam Speaker, the issue of Monitoring and Evaluation is equally critical. If properly undertaken, it would prevent many of the challenges highlighted in audit reports. Continuous monitoring of operations would ensure early detection and correction of anomalies before external audits. However, it is concerning that despite the existence of a Directorate of Monitoring and Evaluation, its effectiveness remains questionable. It was particularly troubling

that the Director appeared in audit queries and seemed unclear on matters within his mandate. This House Committee therefore recommended that the Implementation Committee follows up to ensure clarity of roles and accountability, especially in relation to remuneration.

Madam Speaker, we are also grappling with serious deficiencies in records management across various entities including the City, the Revenue Board, and the Lakefront. Poor record-keeping has been a recurring issue, even in departments such as Medical Services, where trained records personnel are expected to uphold high standards. This points to a broader capacity gap that necessitates retraining and strengthening of staff competencies. The absence of proper records undermines financial reporting and leads to inaccuracies in financial statements, which is indeed unfortunate.

Consequently, this House Committee recommended that all departments and entities strictly adhere to proper records management practices and ensure that all necessary documentation is readily available for audit purposes. Madam Speaker, I thank all Honourable Members for their contributions, and I beg to reply.

**The Temporary Speaker** (Hon. Caren, MCA, Kaloleni Shaurimoyo): Honourable Members, now that the motion on adoption of the report of the Select Committee on Public Investments and Accounts (PIC/PAC) on the Examination of the report of the Auditor General's report, on the Financial Statement of Kombewa Sub-County Level 4 Hospital for the financial year 2024-2025, has been presented, seconded, and debated. I therefore want to put a question on the adoption of the same.

*(Question put and agreed to)*

**The Temporary Speaker** (Hon. Caren, MCA, Kaloleni/Shaurimoyo): Honourable Members, the Report of the Select Committee on Public Investments and Accounts (PIC/PAC) on the Examination of the Report of the Auditor General's report, on the Financial Statement of Kombewa Sub-County Level 4 Hospital for the financial year 2024-2025, has been adopted today Tuesday 28<sup>th</sup> April, 2026 at 15:28 hours.

Honourable members, I direct that the recommendations of this report and that of the House debate be forwarded to the relevant department for action and implementation. Further, I equally direct that the Select Committee on Implementation do a follow-up for the implementation of the same.

**The Temporary Speaker** (Hon. Caren, MCA, Kaloleni/Shaurimoyo): Next Order!!

## ADJOURNMENT

**The Temporary Speaker** (Hon. Caren, MCA, Kaloleni/Shaurimoyo): Honourable Members, please be upstanding. There being no any other business to transact, this House stands adjourned until Wednesday 29<sup>th</sup> April, 2026 at 09.00 a.m.

*(House rose at 3.29 p.m.)*

*Addendum*

**Hansard Team**

*Zablon Otiende – Assistant Director, Hansard & Information Services*

*Patrick Okoyo – Senior Hansard Reporter*

*Fanuel Okode – Senior Hansard Reporter*

*Vallery Achieng’ – Senior Hansard Reporter*

*Jesca Otieno – Senior Hansard Reporter*

*Edward Odanga – Hansard Reporter*

*Jackline Otieno – Hansard reporter*

*Brian Omondi- Attache’*