



COUNCIL OF GOVERNORS
STATEMENT ON COUNTY GOVERNMENT FINANCES AND LOOMING
STRIKE BY HEALTH WORKERS 1st DECEMBER 2016

**Members of the Fourth Estate,
Ladies and Gentlemen,**

I wish to address you on the following matters touching on Finance and Health;

1. AUDIT REPORTS & IFMIS SYSTEM

- The Council of Governors commends the Auditor General's office for fast-tracking audit reports for government entities. Currently, what has been tabled are the most recent reports i.e. the Financial Year 2014/15.
- Moving forward, we trust that we will be able to receive our reports of the preceding year as we implement the current financial year.
- In view of the just released audit reports, the Council of Governors does not want to castigate the Auditor General's office for doing its work.
- However, we maintain that counties are currently reviewing their individual reports and will provide the management response in due course. In instances where the Auditor General's office will be found to have erred, we as the Council of Governors will demand an apology from the Auditor General's office.
- Progressively, we will push for the Auditor General to be given a forum each financial year to be able to address the nation by

making public both the audit summaries of both the national and county governments audit reports without fear of favor.

- On the IFMIS system, we must appreciate that this is not only a county responsibility and that both levels of government need to accept ownership especially now that there is a problem.
- An urgent forensic audit needs to be undertaken in the County Government accounts domiciled at Central Bank, at the county level and the IFMIS system to establish at what point does the money go missing
- This is not to say that County Governments do not want the system. When a wall has a crack, you don't pull the whole house down you fix the crack.
- The forensic audit will answer these questions and hopefully identify the few cracks in the system to ensure that these incidents do not occur again. Questions we are asking the National Treasury are;
 1. How safe is this system? What guarantee does the Country have that this system is secure from cyber- crime or internal manipulation by the system administrators at the National level?
 2. Are the public funds secure while being channeled through this system?
 3. Considering that user Passwords are issued by the national treasury and not by the users of this system, what is the guarantee of confidentiality of the passwords?
- There is no need to politicize the issue rather steps should be taken to fix what is wrong with the system thus our call for the audit. Audit reports transcend party politics, these are public funds we are referring to.

The Council of Governors maintains that:-

- 1) The Media should abide by their code of ethics and remain unbiased in their reporting across all levels of government,
- 2) With regards to the county audit reports, **ALL COUNTIES** will provide conclusive responses once done with the analysis of the findings as required by law.
- 3) The Kenyan people must be provided with factual and representative information on the two levels of governments' expenditures.
- 4) There is need for an urgent **Forensic Audit** of the IFMIS system and the Counties' Revenue Fund Accounts at the Central Bank to establish the loopholes used to siphon public funds.
- 5) The Auditor General must provide a **comparative analysis** of both the National and Counties expenditure for public scrutiny.

2. IMPENDING STRIKE IN THE HEALTH SECTOR

- Health workers countrywide have issued 2 strike notices;
 - a) Kenya Medical Practitioners & Dentist Union (KMPDU)
 - b) Kenya National Union of Nurses (KNUN) for nurses
- As County Governments we shall be the worst hit since most of the members of these unions are our employees.
- We call on the concerned parties to put in every effort to avert the strike.

Doctor's strike

- Doctors are demanding for the registration and implementation of the Collective Bargaining Agreement (CBA) signed in 2013 between MoH & KMPDU.
- Technically, County Governments are not part of the CBA.
- Legally, the Employment & Industrial court ruled that the agreement was signed after devolution of health services had taken place and that KMPDU needs to recognize this.
- Currently, negotiations have been on-going – hosted by MoH and the Council of Governors is part of the team. Through the Chair of HR committee – Hon. James Ongwae a meeting was convened with the KMPDU on **21st November 2016** and another national negotiating meeting held on **23rd November 2016**.
- The latest negotiation meeting was held on 28th November 2016 but no agreement was reached.

Nurses' strike

- Through the Chair of the HR Committee, Hon. James Ongwae a meeting was convened on **21st November 2016** followed by another on **28th November 2016** at the CoG offices where 7 counties were represented.
- The meeting agreed to streamline and fast track the process so that Counties can review and sign the Recognition Agreements. Both agreements were circulated to the Governors, CPSB and CS for review with their team.
- Additionally, another meeting will be held to review progress and thereafter we shall seek SRC advisory & engage the National Treasury for funding.

On this matter, the Council of Governors is;

1. Urging the Doctors and Nurses to **Call Off** the strike. We thank the doctors and nurses from Bomet County who have resolved not to join the strike.
 2. Assuring the Unions that the County Public Service Boards are working towards a proper CBA framework that looks into all County workers. This is not something that can be achieved within the strike notice period.
 3. Calling upon the unions to allow for adequate time for CoG to put in place a holistic framework for CBA. This is a process that also involves many stakeholders i.e. SRC, National Treasury, PSC among others
 4. Asking doctors and nurses to continue with the negotiations and high level engagement with Chair – CoG, Chair HR, Chair Health and CS Health
 5. Review and renegotiate the CBA considering and respecting that County Governments are their employers.
 6. We are already on the table talking and we are committed to resolving the issues raised. It is unhealthy to discuss with a strike notice.
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- Lastly, I wish to mention that the Council of Governors will host the 4th Annual County Executive Members Conference in Kericho County from 5th – 6th December 2016 at Kipsigis Girls High School and we invite you to be part of this event.