



PARLIAMENT
OF KENYA
LIBRARY

NAROK COUNTY GOVERNMENT OFFICE OF THE GOVERNOR

County Headquarters
Mau-Narok Road, Narok Town
P.O. Box 898 - 20500
Narok, Kenya

Tel: 020 - 268 8929 /03
Email: governor@narok.go.ke
info@narok.go.ke
Website: www.narok.go.ke

When Replying Quote:

REF NO. CGN/GVN/KS-SCH-SACF/VOL.1(1)

7th May 2021

J. M. NYEGENYE, CBS,
Clerk of the Senate/ Secretary
Parliamentary Service Commission
Parliament Buildings
P. O. Box 41842 - 00100
Nairobi, Kenya

PARLIAMENT
OF KENYA
LIBRARY

Dear

Mr J.M. Nyegenye, CBS,

RE: SPECIAL AUDIT REPORT OF THE AUDITOR GENERAL ON THE UTILIZATION OF COVID-19 FUNDS BY THE COUNTY GOVERNMENT OF NAROK

The first human case of Covid -19, the viral disease that is caused by the novel coronavirus was first reported in Wuhan City, China in December 2019. As a highly transmissible and pathogenic virus whose manifestation is acute respiratory disease, it soon found its way around the world leading to its classification by the World Health Organization (WHO) as a global pandemic.

In our case, the Ministry of Health confirmed the first case of Covid-19 in Kenya in mid-March 2020. Subsequently, preventive and clinical guidelines and protocols for the management of the epidemic were issued. Even as the devastating effect of this disease continued to unfold globally, it became clear that existing health systems will be severely overburdened. Thus, it was resolved that urgent national and county initiatives to expand existing health facilities had to be put in place. In this regard, funds were released to County



MARION COUNTY DISTRICT
OFFICE OF THE SHERIFF

Mr. J. M. Nye
CBS

Governments to procure medical equipment to help in combating the spread of Covid-19 pandemic.

A Special Audit has now been undertaken by the Auditor General on the utilization of the said funds by the Counties. The Special Audit Report contains findings on the County of Narok on page 463 to page 478. We are confident that, if this was not a Special Audit, most of the issues raised could have been clarified by way of draft Management Letter under Section 31 of the Public Audit Act, 2015 as is often the case in normal audits.

Nevertheless, our response to the issues raised in the referenced Report on utilization of the disbursed funds is as follows:

Audit Issue

Planning, Budgeting and Financing

3.3.33.1

Section 107(2) of the County Government Act, 2012 requires that County Government plans shall be the basis for all budgeting and spending in a County. Section 53 (2) and (5) of the Public Procurement and Asset Disposal Act, 2015 requires entities to have in place procurement and asset disposal plans that are based on indicative or approved budgets which shall be integrated with the applicable budget process and such plans shall be approved by the County Executive Committee member responsible for the entity. In addition, section 131 and 135 (2) of the Public Finance Management Act, 2012 requires County Assemblies to approve budget estimates and supplementary budget estimates of County Governments.

3.3.33.2

The special audit established that the County Government of Narok had a budget in place the for conditional grant received from the National Government.

3.3.33.3

On the contrary, there was no evidence of existence of approved budget, work plans, procurement plans and training plans for health workers allowances, DANIDA grants and KDSP funds as detailed below:

		GOK Grant	GOK Health Workers Allowances	DANIDA	County Covid19 Emergency Fund	KDSP Funds
1	Approved Work Plans	Not in Place	Not in Place	Not in Place	Not in Place	Not in Place
2	Budgets	In Place	Not in Place	Not in Place	In Place	Not in Place
3	Procurement Plans	Consolidated Procurement Plan	Not Applicable	Not Applicable	Consolidated Procurement Plan	Not in Place
4	Training Plans	Not in place	Not Applicable	Not Applicable	Not in Place	Not in Place

The Chief Officer Finance explained to the special audit that the County was unable to include the funds received in their budgets because they had already prepared budgets for FY 2020/2021.

Response

3.3.33.1-3 Planning, Budgeting and Financing

The County Government of Narok implements works in accordance with the County Integrated Development Plan (CIDP), the budget and the Procurement plan. These are formulated by the County Executive and approved by the County Assembly.

The Covid-19 funds were released to the County Government in the last Quarter of FY 2019/20 and at the beginning of FY 2020/21. There was a provision for COVID-19 in the Supplementary budget 2019/20 and budget for FY 2020/21. Grants that were received after the original budget was completed were provided for in the supplementary budget for FY 2020/21. The County Government had a consolidated procurement plan which included Covid-19 related activities. The procurement plan was presented to the auditors and this was captured in the report. In addition, there was a Covid-19 response plan which was prepared by the Department of Health and includes Human Resource and training issues amongst other activities.

Appendix 1

- **Supplementary Budget 2019/20**
- **Procurement plan 2019/20**
- **Budget 2020/21**
- **Covid-19 Response plan**

Audit Issue

Amount of funds received by Narok County Government including recipient bank accounts

3.3.33.4

The total amounts of funds received by the Narok County Government for COVID 19 activities were as detailed below:

	Date	Source	Amount (Kshs)	Bank name and branch	Recipient bank account
1	4/6/2020	GOK Conditional Grant	50,268,000	Central Bank of Kenya	1000171693
2	30/6/2020	DANIDA Funds	7,105,000	Central Bank of Kenya	1000171693
3	6;/7/2020	GOK Healthcare Workers Allowances	34,875,000	Central Bank of Kenya	1000171693
4	7/7/2020	Kenya Devolution Support Programme (KDSP) Funds	30,000,000	Central Bank of Kenya	1000171693
5	Various dates	County Own Emergency Funds	66,000,000	Kenya Commercial Bank Narok Branch	1167422937
		TOTAL	188,248,000		

Utilization of COVID-19 Funds by Narok County Government

Response

3.3.33.4 Funds received

The Funds received were Ksh 188,248,000 as indicated by the auditor.

The breakdown was as follows:

	Date	Source	Amount (Kshs)
1	4/6/2020	GOK Conditional Grant	50,268,000
2	30/6/2020	DANIDA Funds	7,105,000
3	6;/7/2020	GOK Healthcare Workers Allowances	34,875,000
4	7/7/2020	Kenya Devolution Support Programme (KDSP) Funds	30,000,000
5	Various dates	County Own Emergency Funds	66,000,000
		TOTAL	188,248,000

Audit Issue

Utilization of COVID-19 Funds by Narok County Government

National Government Conditional Grants- Ksh. 50,268,000

3.3.33.5

The County government of Narok appropriated the conditional grants in Supplementary budget estimate II for FY 2019/2020. There was no approved work plan and procurement plan specific to the funds.

3.3.33.6

The special audit noted that on 7 July 2020 the funds were transferred from the County Revenue Fund account held at the Central Bank of Kenya to Narok

County COVID-19 Special Purpose Account (SPA) Number 1000454598 held at the same bank.

3.3.33.7

As at 28 August 2020 the County government of Narok had made payments to various firms (including taxes) totaling to Ksh. 49,750,000 leaving a balance of Ksh.518,000 in the Narok County COVID-19 Special Purpose Account.

3.3.33.8

The special audit also established that the County Government of Narok used Restricted Tendering Method to award the following firms for goods and works as detailed:

S/No	Firm	Item	Contract Amount Ksh.
1	Jojesi Building Contractors Ltd	Supply and delivery of hospital ward beds for COVID19 isolation centers	3,600,000
2	Jesta East Africa	Supply and delivery of hospital linen for COVID19 isolation centers	8,850,000
3	Cuma Refrigeration Ltd	Construction of Ololulunga COVID19 isolation wards and assorted works	95,817,258

Total	108,267,258
--------------	--------------------

3.3.33.9

The special audit established that the County Government of Narok did not prepare a procurement plan specific to COVID19 activities. Instead, the County Government used a consolidated procurement plan for financial year 2019/2020 that was amended on 23 March 2020. It was also established that the available budget for conditional grants was only Ksh, 50,268,000 while expenditure was Ksh 108,267,258. The Expenditure incurred therefore exceeded the available budgets. It was explained that the additional funding was borrowed from the KDSP project.

Response

3.3.33.5- 9 Utilization of COVID-19 Funds by Narok County Government

National Government Conditional Grants- Ksh. 50,268,000

The County Government had a consolidated procurement plan which included Covid-19 related activities. The procurement plan was presented to the auditors and this was captured in the report. Grants that were received after the original budget was completed were provided for in the supplementary budget for FY 2020/21 which was approved by the County Assembly.

The County Government of Narok included Covid-19 items in the Supplementary Budget No 2 for 2019/20. Ksh. 50,258,000 (on page 1) was the receipts for conditional grant by the National Government. Expenditure budget was Kshs 210,618,568 (on page 8). The County Government also allocated Ksh. 100,000,000 for addressing Covid 19 pandemic in FY 2020/21. Copies of the said budgets with approval instruments are attached to this response (Appendix 1 above)

Therefore there was no over-expenditure.

Audit Issue

3.3.33.10

A review of the above tenders established the following procurement irregularities

Supply and delivery of hospital ward beds for COVID19 isolation centers

3.3.33.11 Failure to conduct Due Diligence Ksh 3,600,000

Section 83 (1) of PPADA 2015 states that an evaluation committee may, after tender evaluation, but prior to the award of the tender, conduct due diligence and present the report in writing to confirm and verify the qualifications of the tenderer who submitted the lowest evaluated responsive tender to be awarded the contract in accordance with the Act. The special audit noted that the evaluation committee did not conduct due diligence on the firm.

Response

3.3.33.10-11 Failure to conduct Due Diligence

The County Government of Narok undertook due diligence on all the procurements, in particular for all pre - qualified firms. Due diligence reports are attached to this response as appendix 2

Audit Issue

3.3.33.12 Underpayment of the Supplier 1,200,000

M/S Jojesi Building Contractors Ltd delivered the beds on 1 July 2020. The special audit established that the County Government paid the supplier Ksh. 2,400,000 on 10 July 2020 leaving a pending bill balance of Ksh. 1,200,000. There was no explanation given as to why the firm was not paid the full amount for the items supplied.

Response

3.3.33.12 Underpayment of the Supplier 1,200,000

The difference of Ksh 1,200,000 was as a result of on-going verification of documentation in support of the payment at the time audit. The amount was subsequently paid. The payment voucher is available for verification.

Audit Issue

Value for money risk for Supply and Delivery of Hospital Beds, Ksh 3,600,000

3.3.33.13

During physical verification the special audit noted that the beds supplied were locally fabricated 'jua kali' and of low quality not suitable for use in a hospital. Some of the beds were already broken and rusting barely 3 months after delivery. Under the circumstances, the County Government of Narok will not get value for the Ksh. 3,600,000 paid to the supplier for the beds.

3.3.33.14

The inspection and acceptance committee issued the inspection and acceptance certificate that the beds were received in good order and condition on 01 July 2020.

Response

3.3.33.13-14 value for money risk –Purchase of beds from local suppliers

Procurement of the beds locally was an affirmative action to promote local artisans and talent so as to create opportunities for economic empowerment at the County level. The targeted group was the youth at the County Level.

The few defective beds have since been rectified by the contractor.

Audit Issue

Supply and delivery of hospital linen for COVID19 isolation centers- Ksh. 8,850,000

3.3.33.15

The special audit noted that the County Government awarded Jesta East Africa Ltd for supply and delivery of items as detailed;

No	Item	Quantity	Amount
1	Mattress with mackintosh	500	6,300,000
2	Cellular blankets	500	1,600,000
3	Hospital bedsheets	500	950,000
	Total		8,850,000

3.3.33.16

It was not also clear why the County procured 500 mattresses with mackintosh and hospital lined for Ololulunga Covid 19 Isolation Wards which has a capacity of 300 beds.

3.3.33.17

The special audit conducted physical verification at Ololulunga Covid 19 Isolation Wards. The extra 200 mattresses are lying in the store exposing the investment of Ksh.3,540,000 paid for them to value for money risk.

Response

3.3.33.15-17 Linen

The County Government bought extra mattresses and linen as a precautionary measure as the pandemic was unpredictable in case the numbers surged beyond the normal beds' capacity within the County facilities. These were stored in this health facility pending distribution to various isolation centres that were under construction.

Audit Issue

Construction of Prefabricated Ololulunga COVID19 Isolation wards and associated works Ksh. 95,817,258

Use of Restricted Tendering Method

3.3.33.18

On 8 June 2020 the Assistant Director Supply Chain Management vide letter NCG/PROC/APPROVALS/VOL II/060 to the Chief Officer Department of Finance and Economic Planning requested for approval for use of Restricted Tendering Method to procure construction of prefabricated Ololulunga COVID19 Isolation wards and associated works.

3.3.33.19

The request cited Section 102(1)(a) of the PPADA 2015, Section 54 and third matrix of the Public Procurement Regulations 2006 as justification for approval of the procurement method. The letter stated that the estimated budget for the procurement was Ksh. 100 million and that funds to undertake the project was conditional grants earmarked for COVID19 response.

3.3.33.20

Section 102(1)(a) of the PPADA 2015 states that an accounting officer of a procuring entity may use restricted tendering if any of the following conditions are satisfied;

- competition for contract, because of the complex or specialized nature of the goods, works or services is restricted to prequalified tenderers resulting from the procedure under section 94-
- the time and cost required to examine and evaluate a large number of tenders would be disproportionate to the value of the goods, works or services to be procured;
- if there is evidence to the effect that there are only a few known suppliers of the whole market of the goods, works or services;
- an advertisement is placed, where applicable, on the procuring entity website regarding the intention to procure through limited tender

3.3.33.21

Further section 54 third matrix of the Procurement Regulations 2016 provides that the maximum level of expenditure shall be determined by the funds allocated in the budget for particular procurement.

3.3.33.22

The special audit notes that the construction of prefabricated Ololulunga COVID19 Isolation wards and associated works is not complex or specialized in nature. As a result, the use of the restricted tendering method was not suitable. However, the management explained to the special audit that they needed to deliver the set minimum threshold of 300 bed isolation facility within 30 days.

Response

3.3.33.18-22 Use of Restricted Tendering method

This was no ordinary situation. It was an emergency. The whole world was witnessing gruesome ravaging effects of COVID-19 Pandemic. The surge in the number of persons being infected at that time was alarming. In the USA for example, its superior health care system had been overrun by the demand for health care services. The urgency of the moment coupled with the fact we were dealing with a rapidly evolving pandemic necessitated an adoption of a procurement method that would respond effectively to these exigencies.

On 10th June, 2020 the President of the Republic of Kenya convened the Third Extra Ordinary session of the National and County Government Coordination Summit to deliberate on issues regarding the COVID-19 pandemic where among other resolutions was that each County Government shall establish an isolation facility/facilities with at least 300 beds, and the same shall be ready and open for use by Friday 10th July,2020.

The subsequent Fourth Extraordinary session of the National and County Government Coordination Summit held on 25th June ,2020 unanimously resolved that the 34 Counties that were yet to deliver the set minimum threshold of 300 bed isolation facility/facilities shall do so within the 11 days from 25th June 2020. (Abridged resolutions of the Third and Fourth Extra Ordinary sessions of the National and County Government Coordination Summit attached as appendix 3)

At the time of the directive the County Government of Narok had a capacity of 35 beds in the Narok Referral hospital and Trans Mara West Hospital.

Taking all the circumstances into account, the County Government resolved to use restricted tendering method as permitted by section 102 (1)(a), to beat the eleven days deadline.

Audit Issue

Project Funding

3.3.33.23

The special audit noted that the conditional grants released from National Government to County Government of Narok was Ksh. 50,268,000 which was not sufficient to complete the project with an estimated budget of Ksh.100 million as indicated in the request for approval by the Assistant Director Supply Chain Management. The special audit also established that the County Government of Narok used the KDSP funds of Ksh. 30,000,000 to fund the project therefore the total funds that were available were Ksh. 80,268,000. To bridge the deficit, the County Government ‘borrowed’ a further Ksh. 15,000,000 from the KDSP account. No explanation has been provided on how the KDSP funds will be refunded.

Response

3.3.33.23 Project Funding

It is true that the funds which were available under the grant were not sufficient to complete and equip the isolation centre. This prompted an emergency borrowing of Ksh 15,000,000 from KDSP project. The amount was refunded in full on 2nd November 2020.

Confirmation of refunds to Covid-19 Special purpose account has been attached (Appendix 4)

Audit Issue

Procurement Process

3.3.33.24

According to the evaluation report dated 17 June 2020, the County Government of Narok invited 14 firms for the restricted tender out of which 12 firms responded and collected the tender documents. However, only 8 firms responded to the invitation and submitted their bids.

3.3.33.25

According to tender opening minutes dated 16 June 2020, two firms did not attach bid security.

3.3.33.26

The evaluation criteria process for the tender was done in three stages;

- I. Preliminary Evaluation
- II. Technical Evaluation
- III. Financial Evaluation

3.3.33.27

The special audit noted that six firms were eliminated at the preliminary evaluation stage. Two firms Cuma Refrigeration E.A Ltd and Vibrant Construction Ltd proceeded to Technical and Financial Evaluation and Cuma Refrigeration E.A Ltd was found responsive after meeting all financial criteria.

3.3.33.28

M/S Cuma Refrigeration East Africa Limited was recommended for award on 17 June 2020 having been found the most responsive at the quoted price of Ksh. 95,817,258.

3.3.33.29

The County Government of Narok did not avail to the special audit the Bill of Quantities and the bid documents for this project. Due to this limitation of scope we could not confirm whether the firms were evaluated fairly or not.

3.3.33.30

As at the time of audit, an amount of Ksh 93,100,678 (including taxes and retention) had been paid while 2,716,578) was still outstanding.

Response

3.3.33.24 -30 Tendering process

As observed by the auditor, the county Government of Narok invited bids. The process of opening, evaluation and award was undertaken in accordance with the requisite procurement procedures.

Audit Issue

Payment for Ololulunga COVID19 Isolation wards

3.3.33.31

The Special Audit did a physical verification of the Ololulunga Covid 19 Isolation wards. However, the management did not avail bid documents and the bill of quantities for the project. Due to this limitation of scope, the special

audit cannot confirm how evaluation process was done. The special audit cannot also confirm that the works that were done were as per the bill of quantities prepared by the County Government.

3.3.33.32

On 2nd July 2020 the inspection and acceptance committee certified the works already done as complete on the first interim certificate submitted by the contractor.

3.3.33.33

On 8th July 2020 the inspection and acceptance committee certified the works already done as complete on the second interim certificate submitted by the contractor. The committee noted that there was remaining work on the snag list which should be treated as very urgent and completed as soon as possible.

Response

3.3.33.31-33 Bid documents and the Bill of quantities

Prior to the invitation of bidders, the County government prepared the bid documents as well as the bill of quantities for the construction of the Covid-19 isolation centre at Ololulunga Hospital. The bid documents together with the Bill of quantities are available and have been availed to the Auditor for Review. Copies of the bid documents have also been submitted with this response.

Works were certified in accordance with the bill of quantities.

Appendix 4

Copies of the bid documents and bill of quantities

Audit Issue

County Own Funds

3.3.33.34

On 16 June 2020 the County Government of Narok appropriated Ksh. 139 million for COVID-19 prevention and emergency response measures from County Own Funds in Supplementary budget estimates II for financial year 2019/2020.

3.3.33.35

The following irregularities were noted in the utilization of these funds;

Commingling of COVID-19 funds with normal departmental operations

3.3.33.36

Section 100 of the Public Finance Management (County Governments) Regulations, 2015 requires accounting officers to keep in all offices concerned with receiving cash or making payments a cash book showing the receipts and payments and to maintain such other books and registers as may be necessary for the proper maintenance and production of the accounts of the vote for which he or she is responsible. On the contrary the special audit noted that there was commingling of COVID-19 funds and normal Narok Health department operations funds; the same cashbook was used. As a result, it was not possible to separate Covid19 and non Covid19 expenditure.

3.3.33.37

However, a review of the payment vouchers presented to the special audit indicated that The County Government of Narok had expended Ksh. 54,710,492 on COVID19 activities.

Response

3.3.33.34-37 County own Funds Comingled with other funds

When the funds were released, no advice was given on the need for special COVID-19 account. This came later. We however confirm that the County Government separately managed the COVID-19 funds. All the transactional records were properly kept.

Audit Issue

Use of imprest to procure items- Ksh. 14,258,568

3.3.33.38

Section 108 of the PPADA prescribes that the procedure and conditions for the use of low value procurement method by different classes of public entities or for different classes of goods, works or services being procured shall be as prescribed in the regulations. Further the Procurement Regulations 2006 provides the threshold matrix for Class A procuring entities the maximum level of expenditure under this method is Kshs 30,000 per procurement per item.

3.3.33.39

The special audit noted that the County Government of Narok issued imprest totaling Ksh. 14,258,568 to different officers for purchase of items and services instead of procuring using other suitable methods. This amount also

includes an amount of Ksh.3,014,550 that was issued as imprest to the department of works to do renovations at the ICU unit and Nairegia Enkare isolation centre. This was contrary to the procedure for low value procurement.

3.3.33.38-39 Use of Imprest 14,258,568

Narok County is vast. Emergency training on Covid-19 had to be undertaken in remote health centres where no training facilities are available. Imprest that was issued related to training, fumigation, Contact tracing and surveillance, travel and accommodation allowances, field allowances and fuel expenditure.

The Imprest was properly supported, accounted for and duly surrendered.

Audit Issue

DANIDA Funds

3.3.33.40

As at 31 July 2020, DANIDA Funds were still held in Narok County Health Special Purpose Account Number 1000294779. The funds were transferred to various dispensaries and health centers on 01 September 2020.

Response

3.3.33.40 DANIDA Funds

The DANIDA grant was transferred to the county Government of Narok in July 2020 when the Budget had already been prepared. Upon confirmation of permitted usage and accounting conditions, we disbursed the funds to various health facilities accordingly.

Audit Issue

Frontline Healthcare Workers Allowances

Incurring expenditure without an approved budget- Kshs.34,875,000

3.3.33.41

The Salaries and Remuneration Commission approved payment of COVID 19 Medical Emergency Allowance and Benefits to Frontline Healthcare Workers vide a letter Ref no SRC/TS/COG/3/61/48.

3.3.33.42

The County Government of Narok received Ksh. 34,875,000 from the Ministry of Health on 6 July 2020 for payment of Frontline Healthcare Workers allowances. The County Government of Narok paid Ksh. 34,500,000 to 874 frontline healthcare workers through the IPPD payroll in July and August 2020. The special audit established that 7 frontline healthcare workers who were in active service in April, May and June 2020 but had since retired by the time the allowances were paid in July and August 2020 had not been paid their Covid 19 emergency allowances amounting to Ksh.300,000.

3.3.33.43

Section 135 (1) of the Public Finance Management Act, 2012 requires County Governments to spend money that has not been appropriated for incase a need has a risen for expenditure for a purpose for which no money has been appropriated by the Act or money has been withdrawn from the County Government Emergency Fund. In such cases, section 135 (2) and (4) of the Public Finance Management Act, 2012 requires a County Government to present supplementary budgets to the County Assembly within 2 months to

formalize the spending. There was no evidence that the Ksh. 34,875,000 received by Narok County from the Ministry of Health for payment of frontline healthcare workers' allowances had been appropriated by the County Assembly to comply with this requirement.

Response

3.3.33.41-43 Frontline health workers allowances 34,875,000

The Frontline health workers allowances of Ksh. 34,875,000 was released on 6th July 2020. The Financial Year 2020/21 budget had already been approved. The County Government of Narok prepared a supplementary budget of 2020/21 which included the item of frontline health workers allowances. As such we did not spend outside the budget, and s 135(2) and (4) of the Public Finance management act 2012 were complied with.

Kenya Devolution Support Programme (KDSP) Funds

The special audit established that the KDSP funds Ksh. 30,000,000 were released from Narok CRF Account Number 1000171693 on 7 July 2020 to Narok County KDSP Account Number 1000433264. The funds were utilized to pay Cuma Refrigeration East Africa Ltd on the same day.

Response

3.3.33.44 KDSP Ksh 30,000,000

The payment for construction of the isolation centre was properly incurred. It is a requirement by the Controller of Budget that before she approves grant of exchequer to the special purpose account, the payment must first be processed and stand uploaded in the internet banking, awaiting payment.

Audit Issue

Financial and Non-Financial Reporting on Covid-19 Funds

Inaccurate Financial Reporting

3.3.33.45

It was established that the County Government of Narok produced and submitted to the Controller of Budget financial report on utilization of COVID-19 funds as at 31 July 2020.

3.3.33.46

The special audit established that the County Government of Narok had not budgeted for Front Line Health Workers allowance, KDSP Funds and DANIDA Covid-19 Funds. However, the report presented to the Controller of Budget indicated that the County Government had budgeted for them. It was also noted that the County Government of Narok reported to the Controller of Budget that Ksh. 56,632,259 had been expended under County Own Funds. However, a review of the availed payment vouchers indicated that the County had utilized Ksh. 54,710,492.

Response

3.3.33.45-46 Financial and non-Financial Reports

The auditor's observations were noted and amendments have been made to the reports to reflect the correct expenditure of Ksh. 54,710,492.

Audit Issue

Non-Financial Report

3.3.33.47

According to the COVID-19 situation report presented to the special audit, as at October 2020 the County Government of Narok had set up an ICU and Covid 19 Isolation facilities as detailed below:

Sub County	Health Facility	Ownership	Beds	Monitors	Ventilators	Status/Comments
Narok North	Narok County Referral Hospital	GoK/County	11	6	14	Functional
Narok South	Ololulung'a Sub County Hospital	GoK/County	300	1	0	Functional
Transmara West	Transmara West Sub County Hospital	GoK/County	9	0	2	Functional
	Lolgorian Sub County Hospital	GoK/County	5	0	0	Functional
Transmara East	Emurua Dikirr Health Centre	GoK/County	5	0	0	Functional
Narok East	Nairregie Enkare Health Centre	GoK/County	10	0	0	Functional
Narok County Total			340	7	16	

3.3.33.48

A total of 858 health staff have been trained on Infection Prevention and Control (IPC), and case management of COVID-A total of 858 health staff have been trained on Infection Prevention and Control (IPC), and case management of COVID-19.

3.3.33.49

A total of 3,250 laboratory tests have been conducted by the Narok County Department of Health and Sanitation from the beginning of the pandemic to date. Out of these, 329 tested positive giving an average test positivity rate of 10%.

3.3.33.50

The first case of COVID-19 was confirmed in Narok County on 13 June 2020. Since then up to the time of the special audit, there has been a cumulative total of 389 confirmed cases. Among these are thirty-one (31) health workers who have been infected and have fully recovered. Unfortunately, 17 patients have died from the disease.

COVID-19 Programme Results

3.3.33.51

It was also established that, the County Government of Narok had achieved the following milestones using the COVID-19 funds:

No.	Item	Construction/Renovation Cost Ksh.	Cost of Equipment Ksh.	Total Cost Ksh.
-----	------	-----------------------------------------	------------------------------	--------------------

1	Ololulunga Covid-19 Isolation Centre	95,817,258	12,450,000	108,267,258
2	Narok Referral Quarantine Centre (2 Tents)	1,500,000	924,260	2,424,260
3	Nairegia- Engare Quarantine Centre (2 Tents)	2,457,000	146,440	2,603,440
4	Kilgoris Quarantine Centre (1Tents)	950,000	278,270	1,228,270
5	Renovation of Referral Amenity and ICU	750,000	67,000	817,000
6	Suswa Quarantine	1,599,950	-	1,599,950

	Centre Renovation	-		
7	Emurua Dikirr Quarantine Centre	-	143,060	143,060
8	Lolgorian Quarantine Centre	-	143,060	143,060
Total				117,226,298

Response

3.3.33.47- 51 Non-Financial Report

The auditor's observations were noted.

Audit Issue

Accountability Risks for Donations received from KEMSA

3.3.33.52

A review of dispatch records from KEMSA and receipt records by County Government of Narok indicated that there were inconsistencies between the quantities supplied by KEMSA and quantities received by the County Government of Narok as detailed in the table below;

No.	Item	KEMSA Dispatch	Received at Narok County	Variance
-----	------	----------------	--------------------------	----------

		S11 Quantity	S13 Quantity	
1	Masks	10	10	-
2	Non- Woven masks	1000	1000	-
3	Face shield	1585	1585	-
4	Shoe covers	20	20	-
5	Gloves	1	460	(459)
6	Sanitizer	2 (25 litres)	0	2 (25 litres)
7	Goggles	50	0	50
8	Surgical gowns	800	0	800
9	Coveralls	100	52	48
10	KN95 Masks	640	950	(310)
11	3 Ply masks	104	0	104
12	PPE Gear	0	15	(15)

3.3.33.53

Section 74 (4) of the Public Finance Act (County Government) Regulations, 2015 requires that where grants and donations are receivable in kind, the value of such donations shall be determined and included in the estimate and reflected as expenditure in the financial year. There was no evidence that the County Government of Narok valued the donations received from KEMSA

Response

3.3.33.52-53 Donations from KEMSA

The County Government donations received from KEMSA. A request has been made to KEMSA to provide their nominal value.

We shall undertake valuations and disclose the values in the financial reports for FY 2020/21 as required under S 74(40 of the Public Finance Management (County Government) Regulations 2015.

Audit Issue

Other Audit Observations

Construction of Ololulunga COvid19 Isolation Center Phase 2 (Screening area, sanitation, dining, waste management, boundary wall, walkways, incinerator, underground water tank, 4 Bio-digesters, Overhead water tank and external works)- Ksh. 99 million

3.3.33.54

The special audit established that the County Government of Narok awarded Cuma Refrigeration EA Ltd another tender for phase 2 of the above-mentioned works.

3.3.33.55

The management did not provide information on the source of funds for the project to the special audit.

Response

3.3.33.54-55 Construction of Ololulunga Isolation Centre, Phase 2

The County Government of Narok has budgeted Ksh 669.4 million in FY 2020/21, for construction of health facilities. Out of this amount Ksh 99 million will be applied for the construction of Ololulunga Isolation centre Phase 2.