

KENYA PLANT HEALTH INSPECTORATE SERVICE

BUDGET FOR THE YEAR 2022/2023



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KEPHIS OVERVIEW

VISION

Healthy plants, safe trade and sustainable agro-environment for a prosperous Kenya.

MISSION

To provide a science based regulatory service by assuring plant health, quality of agricultural inputs and produce for food security, globally competitive agriculture and sustainable development.

CORE VALUES

To accomplish our vision and mission, KEPHIS commits itself to observing the highest ideals of:

- Customer focus
- Professionalism and Integrity
- Teamwork
- Results oriented
- Innovation and Creativity
- Corporate Social Sustainability

KEPHIS IN BRIEF

Kenya Plant Health Inspectorate Service (KEPHIS) is a regulatory body established under the KEPHIS Act No.54 of 2012. KEPHIS is a state corporation in the Ministry of Agriculture, Livestock, Fisheries and Cooperatives. The role of the Corporation is to undertake regulatory function in the agricultural sector that assures the quality of agricultural inputs and produce, thereby promoting sustainable agricultural and economic growth.

The functions of KEPHIS as encapsulated in the Act are to:

- (a) regulate matters relating to plant protection, seeds and plant varieties;
- (b) administer and enforce sanitary and Phytosanitary measures;
- (c) support the administration and enforcement of food safety measures;
- (d) establish service laboratories to monitor the quality and levels of toxic residues in agro-inputs, irrigation water, plants, soils and produce;

- (e) be the principal advisor to the Government on issues relating to seeds and planting material;
- (f) implement plant variety protection in Kenya, administer plant breeders' rights and maintain the Plant Breeders' Rights Register;
- (g) undertake plant variety testing and description, seed certification and plant quarantine control;
- (h) undertake inspection and grading of plants and plant produce at the ports of entry and exit;
- (i) in consultation with other relevant agencies, develop and implement standards for seed and plant materials;
- (j) implement and enforce national biosafety regulations on the introduction and use of genetically or living modified species of plants, insects and micro-organisms, plant products and other related species;
- (k) regulate import and export of plants and plant materials;
- (l) in consultation with other relevant agencies, regulate the commercial exploitation of naturally occurring plants and plant-related micro-organisms;
- (m) register and license seed merchants, seed growers, agents and any other person who may be required to be registered under the provisions of this Act or any of the laws specified in the First Schedule;
- (n) enter into association with such other bodies or organizations or authorized persons as the Board may consider desirable or appropriate in furtherance of the purposes for which the Service is established, and
- (o) be the liaison office for international conventions relating to plant variety protection, plant protection, seed certification and dealing with endangered species or any other related conventions

POLICY ISSUES

The Corporation's key regulatory Acts i.e. The KEPHIS Act No. 54 of 2012, the Plant Protection Act CAP 324 and the Seeds and Plant Varieties Acts CAP 326. The respective regulations are in place and additional ones being developed as necessary. During the period, KEPHIS shall finalize the review of the plant Protection Act, CAP 324 bill for submission for enactment. The corporation also is in the process of developing the National Phytosanitary policy to guide issues on plant health in the country.

KEPHIS SHORT TERM OBJECTIVES

The eight (8) objectives identified to enable achievement of KEPHIS vision and mission as anchored on the mandate are:

To protect plants from pests, weeds and invasive species: The objective will be attained by enhancing diagnostic and advisory services; safeguarding against introduction and spread of harmful organism; supporting implementation of Bio-safety Act; enforcing regulations on imports; and carrying out pest surveillance, emergency response and reporting.

Establishing a robust facilitative policy, legal and regulatory framework for KEPHIS: The objective will be accomplished by identifying the gaps in the policy, legal and regulatory framework and aligning the policies, legal and regulatory framework to prevailing local and international frameworks; and lobbying for enactment of revised policies, legal and regulatory framework.

To contribute towards improved levels of agricultural productivity: This objective will be attained by facilitating introduction and production of agricultural inputs and improved technologies; undertaking plant variety testing and protection; and undertaking seed certification.

To support food safety, market access and compliance: The strategies for achieving this objective are ensuring export inspection and certification; implementation of requirements for official controls, undertaking monitoring and analysis of agricultural produce

for pesticide residues and contaminants including aflatoxin; and facilitating research to enhance certification regulation.

Building staff, stakeholders and infrastructural capacity to facilitate efficient and effective delivery of the KEPHIS mandate: This objective will be attained by enhancing staffing levels and skills; implementing human resource best practices; enhancing capacity for stakeholders; enhancing ICT infrastructure and systems; improving automation of KEPHIS operations (upgrade existing systems and development of new systems); enhancing the infrastructural facilities; enhancing asset management; enhancing Performance Management; developing and implementing a risk management system; and enhancing COPE.

Mobilizing adequate financial resources and ensure optimal allocation and utilization to enable full implementation of programmes and activities: The objective will be accomplished by broadening service/product base; enhancing fundraising; and implementing sound financial management.

Enhancing synergies through information and resource sharing with stakeholders and partners: This objective will be realized by conducting stakeholder mapping; enhancing interaction with international, regional and domestic associations; identifying and implementing suitable communication channels; promoting co-regulation with stakeholders; and enhancing engagement with stakeholders for resource mobilization.

Enhancing the visibility and corporate image of KEPHIS: This objective will be attained by enhancing communication and image-building framework through undertaking corporate re-branding.

KEPHIS PERFORMANCE REVIEW AND OUTLOOK

The period under review concluded with the whole world undergoing challenges as a result of the Covid-19 pandemic. This had impact on the operations of KEPHIS as well as the entire agricultural sector. Despite the set-backs, the pandemic provided opportunity for the corporation through adoption to the new business environment. The corporation continues to strive to take advantage and implement the available opportunities.

During the period KEPHIS undertook initiatives to continue strengthening its legal and regulatory framework. The corporation initiated the review of Plant Protection Act CAP 324 and development of Plant Protection regulations. The bill and regulations were subjected to stakeholders' consultations and the bill was validated at the national and county levels. In addition, the corporation made progress in the development of the National Phytosanitary Policy. Further progress was attained in the development of the Plant Breeders Rights Regulations and the Forestry Seed Regulations.

In the trade realm, the Corporation was able to participate in bilateral and multilateral negotiations with trading partners in order to ensure market access for Kenya's fresh produce, plants and plant products. During the period under review the corporation with other stakeholders secured a new markets for avocados to China, fresh produce to South Korea and continued market access to the European Union. Kenya was also granted market access for dianthus to the USA following successful completion of the Pest Risk Analysis. Currently bilateral negotiations are on-going for the USA under the USA-Kenya Trade Agreement for which KEPHIS is actively involved.

The other major milestone was the successfully audit undertaken on KEPHIS and Kenya by the European Union's Directorate of Health and Food Safety. The audit was aimed at ensuring that EU legislations on plant health are properly implemented and enforced to ensure Phytosanitary compliance. The EU commission audit team acknowledged the efforts that KEPHIS have put in to assure compliance since the last audit in 2017. Nevertheless, the team identified some deficiencies in respect of the standards being applied and gave recommendations that need to be addressed by KEPHIS. KEPHIS is in the process of addressing these recommendations.

Key mandate of the Corporation is in the area of seed certification and plant variety protection. During the period the corporation undertook seed certification and plant variety protection activities leading to 54 new seed varieties being recommended for release and availed to farmers. The varieties included maize, Irish potatoes, Pigeon pea, Bush bean, Finger millet, Sorghum, Range grasses, Rhodes grass, Bracharia, Forage millet, Forage sorghum, Bt.

Cotton, conventional Cotton, Canola, Rice, French bean, Buffel, Urochloa, Bushryne grass and Horse tail grass. The novel crop varieties are expected to support the Big Four agenda on food and nutrition security as well contributing to manufacturing and livestock sectors through improved industrial, pasture and fodder crops. The corporation has also facilitated the availability to farmers of the virus free yellow fleshed sweet potato vines through multiplication at the Plant Quarantine Station.

In terms of quality assurance of agro-inputs and produce, KEPHIS gave support to farmers and fresh produce exporters by analyzing 484 fertilizer and 2,555 food safety samples. The latter included samples for pesticide residue, heavy metals, mycotoxins, supermarkets and entry points. During the period, the corporation was also able to expand the scope of monitoring as a result of additional support from the USAID FOODSCAP project. In order to ensure validity of results, the corporation has maintained the accreditation and re-accreditation of its laboratories to ISO/IEC 17025:2018. The accredited laboratories are the Analytical Chemistry at headquarters, Seed Quality laboratories at Nakuru and the Plant Health Laboratory at the Plant Quarantine and Bio-Security station (PQBS). Other established laboratories are the seed and analytical chemistry laboratories at Kitale and the molecular laboratory at headquarters.

The corporation also ensured trade facilitation for import and export of plants and plants products by undertaking surveillance, inspection and border control activities. During the period, the corporation issued 59,662 Plant Import Permits (PIPs) and 421,281 Phytosanitary Certificates for compliant import and export consignments respectively.

Capacity building is paramount for KEPHIS for infrastructural development and an empowered skilled manpower. During the period, the corporation launched the Electronic Seed Certification and Plant Variety system with support from Trade Mark East Africa (TMEA). In addition, KEPHIS initiated the process of integrating the Electronic Certification System (ECS) and the Import Certification System (ICS) to support the ease of doing business for exporters and importers of fresh produce.

KEPHIS in collaboration with the University of Nairobi (UoN), Centre for African Biosciences International (CABI) and other partners jointly trained horticultural practitioners under the Centre of Phytosanitary Excellence (COPE) at both local and regional levels. In the period under review KEPHIS undertook various initiatives in various counties and trained a total of 833 county extension staff, farmers and practitioners from the African region in the areas of plant health, market requirements and seed certification. This is expected to enhanced capacity at the devolved units, improve agricultural productivity levels for small holder farmers and improve expertise in the area of plant health in National Plant Protection Organizations (NPPOs) from other African countries.

Kenya is also signatory to various international conventions and treaties which KEPHIS implements. These include OECD Fruit and Vegetables Schemes, OECD Seed Schemes and OECD Forest Seed and Plant Scheme, the International Plant Protection Convention (IPPC), International Union for the Protection of new Varieties of Plant (UPOV), The World Trade Organization-Sanitary and Phytosanitary Agreement (WTO-SPS), CODEX Alimentarius commission, Common Market for Eastern and Southern Africa (COMESA) and East African Community (EAC) among others. In the period under review, KEPHIS participated in various regional and international standard setting and harmonization meetings to facilitate compliance to set standards. Outcome of these interactions is expected to enhance Kenya's presence in the global trading space thus providing markets for our local fresh produce producers.

KEPHIS continues to put in place measures to ensure sustained resource mobilization and management. The corporation has put in place policies that will assist optimization of resource use and allocation to ensure operational stability for the corporation. The corporation financed its budget through internally generated funds, the exchequer and development partners support. Going forward we shall continue to enhance stakeholder and development partner collaboration in various aspects of our operations with the view of creating more business models for generation of the much needed resources.

In conclusion, I take this opportunity to sincerely thank the KEPHIS Board, management, staff and our stakeholders for the continued support during the year. KEPHIS is assured that together we shall attain the vision of "Healthy plants, safe trade and sustainable agro-environment for a prosperous Kenya"

MAIN ASSUMPTIONS

The following general assumptions were used in guiding the development of 2022/23 budget:

1. GOK funding amounting to KShs. 160.5M shall be honoured.
2. Covid 19 vaccines shall sustain efficacy against the disease achieving continued recovery.
3. The economic shall continue on recovery path and achieve 5.8% growth projected in the GOK policy paper.
4. Inflation is projected to be approximately 5%.
5. FY 2022/23 will be a continuation of the post COVID period with economic recovery taking centre stage.
6. Stability in both interest rates and exchange rate.

KEPHIS STAFFING LEVELS

Staffing levels per cadre are as follows:

Category	In Service	Optimal Staff by 30 th June 2023	Deficit
Management	14	28	14
Technical –Scientists	183	275	92
Support Staff	173	220	47
Total	370	523	153

The total staff establishment level is **975**.

KEY STRATEGIES, PROGRAMMES AND PROJECTS

No.	Program/Project & Strategies	Expected Outcome	Date of Completion
A	To protect plants from pests, weeds and invasive species		
i	Enhanced diagnostic and advisory services to local farmers	Improved service delivery/ advisory on pests and disease diagnosis to local farmers by testing 600 samples.	June 2023
ii	Safeguard against introduction and spread of harmful organisms	Bio-security of the country's plant resources ensured Improved agricultural productivity and food security by testing 1,500 post entry quarantine samples.	June 2023
iii	Support implementation of bio-safety Act in Kenya	Bio-security of the country's plant resources ensured through inspection of 8 bio-containment facilities.	June 2023
iv	Enforce regulations on imports	- Enhanced income and wealth for importers and traders - Ensure food safety and quality through compliance checks on imports and issuance of 45,000 Plant Import Permits.	June 2023
v	Carry out pest surveillance, monitoring, emergency response and reporting	- Undertake four trainings of KEPHIS staff and stakeholders on Pest Information Management System (PIMS) - Participate in management of five (5) emerging pests. - Facilitate introduction of twenty (20) biological products through risk analysis and approval of products for introduction.	June 2023
B	Maintain a robust, facilitative policy, legal and regulatory framework		
i	Identify the gaps in the policy, legal and regulatory framework	Strengthened regulatory framework and harmonization of legal statutes and regulations by implementing 100% of recommendations of gap analysis report.	June 2023

No.	Program/Project & Strategies	Expected Outcome	Date of Completion
ii	Align the policies, legal and regulatory framework to prevailing local and international frameworks	▪ Stakeholder consultations on the draft National Phytosanitary policy. ▪ Stakeholder forums on the validation for the draft National Phytosanitary policy. ▪ Finalization of the Development Plant Protection Act CAP bill: The Corporation shall finalize the review of plant protection bill and support the development of a cabinet memo for submission of the reviewed bill.	June 2023
C	To contribute towards improved levels of agricultural productivity		
i	Facilitate introduction and production of agricultural inputs and improved technologies	Increased adoption of new technologies by local farmers by release and gazettment of 40 new plant varieties.	June 2023
ii	Undertake Plant variety testing and protection	▪ Novel varieties for various crops bred with improved characteristics and qualities by testing of 170 candidate varieties under the National Plant Trials. ▪ Enhanced income and wealth for breeders through royalties by issuance of 45 title grants.	June 2023
iii	Undertake Seed certification	Adequate seed production and availability in the market available to farmers through inspection of 25,000 Ha of rain-fed and 4,500 Ha of irrigated seed crop.	June 2023
D	To support market access and compliance in trade in agricultural commodities and plant products.		
i	Ensure export certification and inspection	▪ Ensured export produce compliance to market standards hence enhanced trade through issuance of 360,000 Phytosanitary certificates	June 2023

No.	Program/Project & Strategies	Expected Outcome	Date of Completion
		Increased foreign exchange and income for farmers	
ii	Undertake analysis of agricultural produce for pesticide residues and contaminants including aflatoxin	Improved food safety for both local and export market by analysis of 3,100 samples	June 2023
iii	Participate in standard setting, review and harmonization and market access negotiations	- Ensure Kenya's trade and development agenda is incorporated in setting of standards by attending 24 standard setting meetings. - Provide new markets for Kenya's fresh produce exporters by participating in 8 market access negotiations.	June 2023
E	To build stakeholders and infrastructural capacity to facilitate efficient and effective delivery of the KEPHIS mandate		
i	Enhanced capacity for stakeholders	Increased awareness for stakeholders and capacity of staff to deliver quality service through awareness of 964 farmers and training of 400 staff respectively.	April 2023
i	Enhanced ICT infrastructure and systems	- Improved ICT infrastructure and efficient service delivery to clients through established ICT and online systems by having 1 ERP in place - Fully implement the Integrated Import/Export Certification system to allowing clients to process their import and export requests through online systems (ICS and ECS). Cut costs both for exporters, and importers. - Fully implement the Seed Certification and Plant variety protection system.	June 2023
iii	Enhance the infrastructural facilities	Improved facilities for the Corporation throughout the country for effective and	June 2023

No.	Program/Project & Strategies	Expected Outcome	Date of Completion
		efficient service delivery by construction of new and upgrade existing office/laboratory facilities.	
F	Projects supported by external donors		
1	TMEA Seed Certification & Plant Variety Protection Automation Project	▪ The development of a Seed Certification - Plant Variety Protection SC-PVP System. ▪ Development of an integrated import and export certification system. ▪ Institutional framework to develop and implement SPS policies and protocols to facilitate trade in the agriculture sector in Kenya.	June 2023
2	COMESA RIIP project	▪ Expansion and diversification productive capacity and export potential. ▪ Provision of enabling policy, trade supportive institutional development and enabling trade facilitation interventions and environment. ▪ Support representation in regional meetings to advance the course of Kenya's market access in the regional market as well as supportive regional policy framework.	June 2023

BUDGET

APPENDIX 1: STATEMENT OF TOTAL FUNDS IN KENYA SHILLINGS:								
		Actual	Actual	Actual	Forecast	Budget	Projection	
		2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Kshs.		000'	000'	000'	000'	000'	000'	000'
Recurrent Revenue								
1	Internally Generated Revenue	1,046,911	1,060,134	1,178,004	1,278,647	1,359,342	1,495,276	1,644,804
2	Government Grants - Recurrent	271,633	190,000	200,000	160,500	160,500	220,000	220,000
3	Grants, Dev't Partner - Recurrent	97,237	269,617	113,485	43,904	30,750	33,825	37,208
4	Retained surplus from previous years	0.00	0.00	0.00	0.00	0.00	0	0
5	Other Incomes- Recurrent	12,261	19,614	6,276	4,908	4,908	5,399	5,939
6	Total Recurrent Income	1,428,042	1,539,365	1,497,765	1,487,959	1,555,500	1,754,500	1,907,950
Development Revenue								
7	Government Grants - Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Grants, Development Partner -Dev't	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Retained surplus from previous years	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Other Incomes -Dev't	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Total Development Revenue	-	-	-	-	-	-	-
10	Total Revenue (5+9)	1,428,042	1,539,365	1,497,765	1,487,959	1,555,500	1,754,500	1,907,950

APPENDIX IIA: STATEMENT OF FINANCIAL PERFORMANCE IN KENYA SHILLINGS:								
NON-COMMERCIAL STATE CORPORATION		Actual	Actual	Actual	Forecast	Budget	Projection	
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		Kshs. "000"	Kshs. "000"	Kshs. "000"	Kshs. "000"	Kshs. "000"	Kshs. "000"	Kshs. "000"
Revenue								
1	Internally Generated Revenue	1,046,911	1,060,134	1,178,004	1,278,647	1,359,342	1,495,276	1,644,804
2	Government Grants - Recurrent	245,914	190,000	200,000	160,500	160,500	220,000	220,000
3	Grants, Dev't Partner -Recurrent	179,984	269,617	113,485	43,904	30,750	33,825	37,208
4	Other Incomes- Recurrent	12,261	19,614	6,276	4,908	4,908	5,399	5,939
5	Total Recurrent Income	1,485,070	1,539,365	1,497,765	1,487,959	1,555,500	1,754,500	1,907,950
Operating Expenses								
6	Personnel Emoluments	579,560	609,012	574,612	664,562	728,100	868,069	988,711
7	Board Expenses	26,124	33,856	29,750	28,159	30,000	30,000	30,000
8	Operating / Administrative Expenses	703,095	736,734	641,018	662,256	663,940	736,838	771,932
9	Repairs and Maintenance	80,911	63,681	61,110	58,022	60,924	67,016	73,718
10	Depreciation	88,654	86,782	89,416	74,960	72,536	89,314	84,000
11	Total Operating Expenses	1,478,344	1,530,065	1,395,906	1,487,959	1,555,500	1,791,237	1,948,361
	**other gains/Losses	2,288	(20,300)	(5,822)	-	-	-	-
12	Operating Surplus/(Deficit)	9,014	(11,000)	96,038	0	(0)	(36,737)	(40,411)
13	Finance Charges (Interest on Loans)	0	0	0	0	0	0	0
14	Retained Operating Surplus	0		0	0	0	0	0
	Ratios							
15	Operating Surplus Margin	0	0	0	0	0	0	0
16	Personnel Costs to Recurrent Costs	39%	40%	41%	45%	47%	48%	51%
17	Personnel Costs to Recurrent Revenue	39%	40%	38%	45%	47%	49%	52%
	Number of Employees							
18	i. Management	24	22	14	29	29	29	29
19	ii. Technical(Scientists)	192	186	183	211	236	266	300
20	iii. Support Staff	190	186	173	197	212	221	230

APPENDIX III: STATEMENT OF ITEMISED RECURRENT REVENUES AND EXPENDITURES(KSHS 000)							
	Details	Actual	Actual	Actual	Actual	Forecast	Budget
		2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
A	Recurrent Revenue						
1	Internally Generated Revenue	883,468	1,046,911	1,060,134	1,178,004	1,278,647	1,359,342
2	Government Grants-Recurrent	271,633	245,914	190,000	200,000	160,500	160,500
3	Grants, Development Partner	97,237	179,984	269,617	113,485	43,904	30,750
4	Other Incomes-Recurrent	12,857	12,261	19,614	6,276	4,908	4,908
5	Total Recurrent Revenue	1,265,195	1,485,070	1,539,365	1,497,765	1,487,959	1,555,500
	Operating Expenses						
6	Personnel Emoluments						
	Basic Pay	242,822	302,539	313,283	303,423	360,756	396,832
	House Allowance	103,939	117,517	117,681	115,269	132,540	145,794
	Casual Labour	32,732	47,752	60,779	55,887	42,488	46,737
	Gratuity and Pension Contributions	36,691	47,333	56,045	42,051	56,050	58,865
	Transfer Allowance	952	2,515	2,538	1,200	2,566	2,694
	Other Personal Allowances	45,822	54,241	51,514	49,348	61,936	68,129
	Overtime	3,189	2,943	2,446	2,714	2,794	3,074
	Passages and Leave Expenses	4,372	4,721	4,725	4,720	5,431	5,974
	Sub Total	470,519	579,561	609,011	574,612	664,562	728,100
7	Board Expenses						
	Medical Expenses - Board	760	717	1,004	871	1,159	1,216
	Sitting Allowance	15,922	24,363	31,745	27,835	25,956	27,740
	Honoraria & Telephone Expenses	1,044	1,044	1,106	1,044	1,044	1,044
	Sub Total	17,726	26,124	33,855	29,750	28,159	30,000
8	Contracted Services						
	Medical Expenses - Staff	36,549	32,510	47,703	56,019	60,040	63,042
	Staff Life and Personal Accident Cover	5,692	7,148	7,259	8,938	6,376	6,695

APPENDIX III: STATEMENT OF ITEMISED RECURRENT REVENUES AND EXPENDITURES(KSHS 000)							
	Details	Actual	Actual	Actual	Actual	Forecast	Budget
		2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	Insurance Premiums -Vehicles & Other Assets	6,481	6,905	8,551	5,832	6,284	6,598
	Contracted Professional Services	11,470	9,523	9,106	8,170	13,500	13,500
	Contracted Guards & cleaning Services	26,837	27,214	29,305	26,954	31,905	33,500
	Sub Total	87,029	83,300	101,924	105,913	118,105	123,335
9	Expenses on operation relating to core mandate						
	Inspection Costs Travelling and Accommodation Expenses	106,717	125,657	143,582	153,360	168,696	170,382
	External Travel expenses	16,059	24,152	16,254	2,082	15,000	16,500
	Publishing and Printing Expenses	64,496	56,111	48,649	74,002	65,000	65,000
	Trade Shows & Exhibitions	19,933	30,806	20,622	546	5,000	5,000
	Hire of Transport Plant & machinery	2,042	2,384	977	443	1,400	1,400
	Stakeholder Training and Meetings	11,910	15,748	6,365	4,724	5,000	5,000
	Purchase of Laboratory Stores	29,544	29,318	37,269	31,551	30,000	30,000
	Farmer demonstrations and field day demonstrations	20,163	22,410	22,721	21,029	25,000	25,000
	NPT Post control Input supplies/Production	9,206	19,517	15,168	8,018	8,183	8,592
	Sub Total	280,070	326,103	311,607	295,754	323,279	326,874
10	Direct Donor support for phytosanitary, seed certification, quality control and plant protection activities	80,082	125,178	169,006	77,588	43,904	30,750
	Administrative expenses						
	Electricity Expenses	17,403	24,324	19,393	18,390	19,174	20,133
	Water and Conservancy Expenses	1,655	2,119	1,494	1,591	1,460	1,533

	APPENDIX III: STATEMENT OF ITEMISED RECURRENT REVENUES AND EXPENDITURES(KSHS 000)						
	Details	Actual	Actual	Actual	Actual	Forecast	Budget
		2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	Telephone Expenses	3,302	2,519	4,617	3,626	3,826	4,017
	Postage and Telegram Expenses	3,749	3,776	3,369	4,527	2,647	2,779
	Internet, WAN and data back-up services	16,947	17,356	19,815	14,033	17,560	18,438
	Advertising and Publicity	3,146	5,221	1,787	1,906	2,000	2,000
	Payment of Rents & Rates Non-Residential	5,184	7,827	7,425	8,669	8,857	9,300
	Training Expenses (Staff)	12,024	15,027	8,366	15,473	10,000	10,000
	Staff Counselling & support services	-	48	-	50	100	105
	Compensation & Ex-Gratia Payment	1,726	315	-	1,443	4,500	4,500
	Catering services(reception)	6,659	4,931	7,638	5,448	6,050	6,353
	Education & Library Expenses	1,914	1,891	1,598	1,447	1,600	1,680
	Purchase of Uniform and Clothing	5,113	5,811	2,397	4,392	6,050	6,456
	General office supplies	9,471	12,368	11,771	12,328	18,000	18,406
	Miscellaneous Expenses	258	493	564	579	565	593
	Supplies & Accessories for computers including Software Licenses	21,539	22,049	21,946	26,257	30,000	30,000
	Bank Charges & Commission	1,272	3,085	5,727	4,369	4,800	5,040
	Refined fuel & lubricants for transport	25,784	32,858	29,739	30,611	31,071	32,625
	Professional & Institutional subscriptions to Internationals and Local Bodies	5,741	5,308	6,523	5,887	6,289	6,603
	Audit Fees	961	961	-	-	1,320	1,320
	Corporate Social Responsibility	474	226	30	737	1,100	1,100
	Sub Total	144,322	168,513	154,199	161,763	176,969	182,981
11	Repairs and Maintenance						
	Maintenance expenses for motor vehicles & other transport costs	33,598	31,743	30,334	29,474	30,000	25,500

APPENDIX III: STATEMENT OF ITEMISED RECURRENT REVENUES AND EXPENDITURES(KSHS 000)							
	Details	Actual	Actual	Actual	Actual	Forecast	Budget
		2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	Maintenance of Plant Machinery & Equipment	24,214	26,069	15,798	13,488	10,000	15,500
	Maintenance of Buildings and Stations	16,428	23,099	17,549	18,148	18,022	18,923
	Sub Total	74,240	80,911	63,681	61,110	58,022	60,924
12	Depreciation	86,847	88,654	86,782	89,416	74,960	72,536
13	Total Operating Expenditure	1,240,835	1,478,344	1,530,065	1,395,906	1,487,959	1,555,500
	**other gains/Losses	(3,321)	2,288	(20,300)	(5,822)	0.00	0.00
14	Operating Surplus/(Deficit)	21,039	9,014	(11,000)	96,038	-	0.00
15	Finance Charges(Interest on Loans)	0.00	0.00	0.00	0.00	0.00	0.00
16	Retained Operating Surplus	21,039	9,014	(11,000)	0.00	0.00	0.00

APPENDIX IV: STATEMENT OF CAPITAL BUDGET(FIGURES IN KSHS.'000')										
Project in Order of Priority and Justification		Projected Cost			Amount Required to completion	% of ongoing project as at 30th June 2020	Timeline		Proposed Budget 2022/2023	Sources of Funds: GoK, AIA, Dev. Partners, Borrowings
		Initial Project Cost	Revised Project Cost	Actual cumulative Expenditure upto June 2021			Start Date	Expected Date of Completion		
Capital Projects										
1	All ongoing projects									
i		0	0	0	0	0	0	0	0	
	Sub-Total	0	0	0	0	0	0	0	0	
2	All New Projects									
i		0	0	0	0	0	0	0	0	
	Sub-Total	0	0	0	0	0	0	0	0	
3	Other Expenditures on Development and Capital Items to be acquired or whose implementation will be done within (1) FY									
i	Purchase of Laboratory Equipment	30,000	100,000	77,394	22,606	57%	Jul-18	Jun-23	10,536	KEPHIS
ii	HQ ACL roof rehabilitation	10,000	20,000	-	20,000	0%	Jul-18	Jun-23	0	KEPHIS
iii	Plant and Equipment - irrigation system/cold storage plus Embu Borehole	20,000	30,000	15,000	15,000	25%	Jul-18	Jun-23	12,000	KEPHIS
iv	Tractor Equipment	4,500	4,500	2,500	2,000	44%	Jul-18	Jun-22	2,000	KEPHIS
v	Purchase of Motor Vehicles for Inspection and Surveillance	56,858	100,000	47,000	53,000	57%	Jul-18	Jun-23	20,000	KEPHIS
vi	ECS & other Systems and applications upgrade and Dev't	20,000	80,000	30,000	50,000	38%	Jul-19	Jun-23	57000	TMEA/MESPT
vii	Purchase of ICT equipment	20,000	40,000	20,000	20,000	25%	Jul-18	Jun-23	13,000	KEPHIS

viii	Office Furniture and Equipment	10,000	10,000	4,292	5,708	51%	Jul-18	Jun-23	5,000	KEPHIS
ix	Acquisition and Installation of ERP System, and related equipment	30,000	30,000	10,000	20,000	0%	Jul-20	Jun-23	10,000	KEPHIS
	Sub-Total	201,358	414,500	206,186	208,314				129,536	
	Grand Total	201,358	414,500	206,186	208,314				129,536	
	Source of Funds for the Capital Budget									
1	A-I-A - Retained Earnigs	Current Year		74,960					72,536	KEPHIS
		Previous Years		131,227						KEPHIS
2	Government Grants - Development - 2630200									
3	Grants from Development Partner -Dev't								57000	TMEA
4	Borrowings, Both Current Year and Pervious Years (Including Infrastructure Bond)									
5	Other Incomes-Dev't(Specify)									
6	Total Funds			206,186					129,536	-

Appendix VI: (Financial Position in Kenya Shillings "000")								
		Actual	Actual	Actual	Forecast	Budget	Projections	
		30.06.2019	30.06.2020	30.06.2021	30.06.2022	30.06.2023	30.06.2024	30.06.2025
Assets:								
Non-Current Assets								
	Land, Buildings & Plant	832,872	813,832	779,406	765,237	747,563	820,000	820,119
	Property & Equipment	187,067	243,538	244,769	253,538	257,368	227,458	217,458
	Motor Vehicles	68,543	53,326	87,343	88,536	78,536	75,998	68,486
	Computers & Accessories	22,038	19,935	21,695	32,512	32,779	33,046	33,313
Total Non-Current Assets		1,110,521	1,130,631	1,133,213	1,139,824	1,116,246	1,156,502	1,139,376
	Investments	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Current Assets								
	Inventories	44,693	29,693	25,894	28,000	23,500	21,286	19,912
	Accounts Receivables	112,010	121,127	127,690	130,208	135,208	125,208	132,592
	Prepayments	56,668	77,396	72,868	70,526	77,578	79,402	78,171
	Cash & Bank Balances	125,748	29,304	96,252	33,462	21,450	35,540	24,503
	Total Current Assets	339,119	257,520	322,703	262,196	257,736	261,436	255,178
Total Assets		1,509,640	1,448,151	1,515,917	1,462,020	1,433,983	1,477,938	1,454,554
Financed By:								
	Revenue Reserves	1,221,972	1,210,972	1,307,781	1,307,781	1,307,781	1,307,781	1,307,781
	Total Equity	1,221,972	1,210,972	1,307,781	1,307,781	1,307,781	1,307,781	1,307,781
Non-Current Liabilities								
	Total Non-Current Liabilities	-	-	-		-	-	-
Current Liabilities								
	Accounts Payable	287,668	237,179	208,136	154,239	126,202	170,157	146,773
	Total Current Liabilities	287,668	237,179	208,136	154,239	126,202	170,157	146,773
Total Equity & Liabilities		1,509,640	1,448,151	1,515,917	1,462,020	1,433,983	1,477,938	1,454,554
Ratios	i. Current ratio	1.2	1.1	1.6	1.7	2.0	1.5	1.7
	ii. Debt to Assets Ratio	0.2	0.2	0.1	0.1	0.1	0.1	0.1
	iii. Total Assets Turnover	0.1	0.1	0.1	0.1	0.1	0.1	0.1

Based on the ratios, the Corporation is expected to meet her obligations as they fall due and operate as a going concern.

APPENDIX VII: CASH FLOW STATEMENT IN KENYA SHILLINGS							
		Actual	Actual	Forecast	Budget	Projections	
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		KShs. "000"	KShs. "000"	KShs. "000"	KShs. "000"	KShs. "000"	KShs. "000"
Cash Flows from Operating Activities							
1	Cash generated from Operating Activities	6,624	156,719	33,071	89,548	134,390	109,262
2	Corporation Tax Paid						
3	Interest Paid						
4	Net Cash Generated from Operating Activities	6,624	156,719	33,071	89,548	134,390	109,262
Cash Flows from Investing Activities							
5	Purchase of Non-Current Assets	(107,814)	(91,270)	(99,960)	(105,680)	(124,500)	(124,500)
6	Interest Received	2,635	1,299	2,700	2,800	2,900	2,900
7	Proceeds from Sale of Non-Current Assets	2,111	200	1,400	1,320	1,300	1,300
	Net Cash Generated from Investing Activities	(103,068)	(89,771)	(95,860)	(101,560)	(120,300)	(120,300)
Cash Flows from Financing Activities							
9	Repayment of Long Term Borrowings		-	-	-	-	-
10	Proceeds from Long Term Borrowings		-	-	-	-	-
11	Dividends Paid			-	-	-	-
12	Net Cash Generated from (Used in) Financing Activities		-	-	-	-	-
13	Increase (Decrease) in Cash & Cash Equivalents	(96,444)	66,947	(62,789)	(12,012)	14,090	(11,038)
14	Cash & Cash Equivalents at the Beginning of the Year	125,748	29,304	96,251	33,462	21,450	35,540
15	Cash & Cash Equivalents at the End of the Year	29,304	96,251	33,462	21,450	35,540	24,502
16	Overdraft Limit	-	-	-	-	-	-

State Corporation: Kenya Plant Health Inspectorate Service				
APPENDIX IX: BANK DETAILS				
All Bank Accounts cashbook balances as at 31st October 2021				
N o	Financial Institutions/Bank s	Name of Bank Account	Account No.	Balance
1	KCB	KEPHIS	1108285430	1,931,861.13
	KCB	KEPHIS(Dollar)	1104843269	6,227,430.12
	KCB	KEPHIS	1108285678	29,023,903.90
2	CBA	Kephis JKIA	6523810017	
3	CBA	USAID Foodscap Project	6523810022	1,868,884.78
4	NIC	KEPHIS SMAP	10001569364	4,980,000
5	National	National	1001017146200	8,450,000
6	MPESA ACCOUNTS	Kephis	900301/570558	11,567,000
	TOTAL			

Appendix X Status of Staff Pension Contribution						
	Details/Period		2020/2021	2021/2022	2022/2023	Comments
			KShs. "000"	KShs. "000"	KShs. "000"	
1	Contribution	Employees	28,018	26,696	11,384	
		Employer	56,035	53,392	22,768	
	Total Contributions due					
2	Payment/Remittances	Employers	28,018	26,696	11,384	
		Employees	56,035	53,392	22,768	
	Total Payments/Remittances		84,053	80,088	34,152	
3	Remittances Outstanding		NIL	NIL	NIL	

Budget Notes

	Details	Budget - Revised	Budget	% Increase or (Decrease)	Notes
		2021/2022	2022/2022		
A	Recurrent Revenue	KSHS 000	KSHS 000		
1	Internally Generated Revenue	1,278,647	1,359,342	6%	Revenues from gazetted service fees is projected to grow by 6% in line with agriculture sector growth
2	Government Grants-Recurrent	160,500	160,500	0%	Grant from Government is based on amount allocated at sector level
3	Grants, Development Partner	43,904	30,750	-30%	Reduction in grants from development partners is due to reduction in donor funding
4	Other Incomes-Recurrent	4,908	4,908	0%	These are revenues from rent, hire of accommodation facilities, farming activities and disposal of assets. Revenue from this line was retained at 2021/22 level
5	Total Recurrent Revenue	1,487,959	1,555,500	5%	
B	Operating Expenses				
6	Personnel Emoluments				
	Basic Pay	360,756	396,832	10%	10 percent increase in basic pay has been provided to cater for annual increment and recruitment/replacement of staff.
	House Allowance	132,540	145,794	10%	10 percent increase provided for recruitment of staff.
	Casual Labour	42,488	46,737	10%	10% provided for increased casual engagement to backstop delays in staff replacement

	Gratuity and Pension Contributions	56,050	58,865	5%	Five percent increase provided after consideration of staff recruitment/replacement and retirement.
	Transfer Allowance	2,566	2,694	5%	Provision for routine transfer of staff between stations
	Other Personal Allowances	61,936	68,129	10%	10 percent increase provided for recruitment/replacement of staff.
	Overtime	2,794	3,074	10%	Provides for staff overtime costs
	Passages and Leave Expenses	5,431	5,974	10%	Provides for leave allowances. Increment to cater for new staff
	Sub Total	664,562	728,100	10%	
7	Board Expenses				
	Medical Expenses -Board	1,159	1,216	5%	Provision for Board medical insurance cover as per current terms
	Board allowances	25,956	27,740	7%	Provision for Board sitting, subsistence and mileage allowances
	Honoraria & Telephone Expenses	1,044	1,044	0%	This budget line is utilized for payment of allowances for the Chair of the Board
	Sub Total	28,159	30,000	7%	
8	Contracted Services				
	Medical Expenses -Staff	60,040	63,042	5%	Provision for staff medical insurance cover
	Staff Life and Personal Accident Cover	6,376	6,695	5%	This line is utilized on provision of staff life and accident insurance cover
	Insurance Premiums -Vehicles & Other Assets	6,284	6,598	5%	This line is utilized on provision of assets insurance cover

	Contracted Professional Services	13,500	13,500	0%	This line is utilized on legal fees, consultancies such as annual surveys, and any other fees for professional services.
	Contracted Guards & cleaning Services	31,905	33,500	5%	This line is utilized on provision of guard and cleaning services
	Sub Total	118,105	123,335	4%	
9	Expenses on operation relating to core mandate				
	Inspection Costs Travelling and Accommodation Expenses	168,696	170,382	1%	This line is utilized on local travel costs relating to provision of services. The provision has been retained at the current level
	External Travel expenses	15,000	16,500	10%	This budget line is utilized on costs relating to essential OECD, IPPC, UPOV, CODEX, EAC, COMESA meetings. This meetings were affected by travel bans due Covid-19 .These official meetings have resumed hence the budget of 18 million
	Publishing and Printing Expenses	65,000	65,000	0%	The funds are intended for printing of documents and security paper such as phytosanitary certificate, plant import permits, seed labels and other related items.
	Trade Shows & Exhibitions	5,000	5,000	0%	This line provides for participation in various local shows and exhibitions where the services offered by the institution can be showcased. The current budget will be retained
	Hire of Transport Plant & machinery	1,400	1,400	0%	This is used to occasionally supplement institutional transport whenever found inadequate and will be retained at the same level.
	Stakeholder Training and Meetings	5,000	5,000	0%	This line Caters for stakeholder training and information dissemination and interaction with the public.
	Purchase of Laboratory Stores	30,000	30,000	0%	The budget line is used to procure laboratory reagents and consumables for analytical and diagnostic services.
	Farmer demonstrations and field day and Food and ratio	25,000	25,000	0%	This line is utilized for meal subsistence allowances as provided by GOK guidelines and other hospitality requirements during farmer meetings, demonstrations and field days.
	NPT Post control Input supplies/Production	8,183	8,592	5%	The budget line is used to cater for farm input costs. 5% is an inflationary provision.

	Sub Total	323,279	326,874	1%	
10	Direct development partner support for phytosanitary, seed certification, quality control and plant protection activities	43,904	30,750	-30%	Reduction is as a result of completion of donor projects which was the main contributor to this budget line. The institution continues to engage development partners to source for more funds.
	Administrative expenses				
	Electricity Expenses	19,174	20,133	5%	Electricity costs plus inflation
	Water and Conservancy Expenses	1,460	1,533	5%	For purchase of water whenever there is shortage from normal water supplies
	Telephone Expenses	3,826	4,017	5%	Telephone costs
	Postage and Courier Expenses	2,647	2,779	5%	Postage and courier costs
	Internet, WAN and data back-up services	17,560	18,438	5%	Internet, WAN and data back-up services
	Advertising and Publicity	2,000	2,000	0%	Advertising and Publicity
	Payment of Rents & Rates Non-Residential	8,857	9,300	5%	Payment of Rents & Rates Non-Residential
	Training Expenses (Staff)	10,000	10,000	0%	Training Expenses (Staff)
	Staff Counselling & support services	100	105	5%	Staff Counselling & support services
	Compensation & Ex-Gratia Payment	4,500	4,500	0%	Compensation & Ex-Gratia is for supplementing medical cover whenever limits are exceeded and there exists justification for assistance. Increased amount on consideration of projected increase in staff and Covid-19
	Catering services(reception)	6,050	6,353	5%	This is utilized on costs relating to provision of accommodation and conference services to internal and external customers

	Education & Library Expenses	1,600	1,680	5%	Provision for newspapers, journals and other relevant publications
	Purchase of Uniform and Clothing	6,050	6,456	2%	This line is used for purchase of staff uniforms and protective clothing for staff at exit /Entry points, staff undertaking field work and those working in the laboratories.
	General office supplies	18,000	18,406	2%	General office supplies budget line is used for procuring office consumables.
	Miscellaneous Expenses	565	593	5%	Miscellaneous Expenses
	Supplies & Accessories for computers including Software Licenses	30,000	30,000	0%	This line is used to procure consumables for computers and printers as well as software licenses
	Bank Charges & Commission	4,800	5,040	5%	This amount is intended for payment of charges levied by banks and Safaricom on institutional Mpesa Lines
	Refined fuel & lubricants for transport	31,071	32,625	5%	This provides for purchase of fuel for the institution's motor vehicles
	Professional & Institutional subscriptions to international and local Membership organizations	6,289	6,603	5%	Caters for OECD, IPPC, ISTA and local membership fees to professional bodies
	Audit Fees	1,320	1,320	0%	National audit fees
	Corporate Social Responsibility	1,100	1,100	0%	The funds will be used in activities that contribute to the needy in our communities
	Sub Total	176,969	182,981	3%	
11	Repairs and Maintenance				
	Maintenance expenses for motor vehicles & other transport costs	28,000	26,500	-7%	Provides for maintenance of vehicles owned by the institution. Reduction expected from renewal of vehicles fleet.
	Maintenance of Plant Machinery & Equipment	12,000	15,500	35%	Provides for maintenance of laboratory, plant and office equipment. Increase attributed to expansion of maintenance to cover all critical plant and equipment.
	Maintenance of Buildings and Stations	18,022	18,923	5%	Provides for maintenance of all KEPHIS buildings in all stations and border offices.

	Sub Total	58,022	60,923	5%	
12	Depreciation	74,960	72,536	-3%	This will be used to finance capital projects
13	Total Operating Expenditure	1,487,959	1,555,500	5%	
	**other gains/Losses	-	-		
14	Operating Surplus/(Deficit)	-	-		
15	Finance Charges(Interest on Loans)	-	-		
16	Retained Operating Surplus	-	-		