

KENYA PLANT HEALTH INSPECTORATE SERVICE

BUDGET FOR THE YEAR 2023/2024



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KEPHIS OVERVIEW

VISION

Excellence in Plant health and quality assurance in agriculture

MISSION

To assure plant health, quality of agricultural inputs and produce towards a food secure nation and safe trade.

CORE VALUES

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

Customer focus

Professionalism

Teamwork

Integrity

Innovation

KEPHIS IN BRIEF

Kenya Plant Health Inspectorate Service (KEPHIS) is a regulatory body established under the KEPHIS Act No.54 of 2012 and it 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 plants 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 plants 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 pursue finalization of the reviewed Plant Protection Act, CAP 324 bill that has been submitted for enactment. The corporation also is in the process of finalizing the National Phytosanitary policy to guide issues on plant health in the country.

KEPHIS SHORT TERM OBJECTIVES

The four (4) key result areas (KRAs) identified to enable achievement of KEPHIS vision and mission as anchored on the mandate are as follows:

Plant Health: This will be attained by putting measures to mitigate against the risk of introduction and spread of plant pests and enhancing early warning, emergency response and management of pests.

Seed Quality Assurance and Plant Variety Protection: The Key Result Area will be accomplished by facilitating access to high quality seeds and protecting new varieties of plants.

Trade Facilitation: This will be achieved by facilitating expansion of export market of agricultural products/produce and ensuring export compliance of agricultural produce and products.

Institutional Capacity: This will be attained by strengthening corporate governance; attracting and retaining competent and motivated workforce; enhancing service delivery; improving the working environment and enhancing financial sustainability.

KEPHIS PERFORMANCE REVIEW AND OUTLOOK

In the period under review, the Corporation has grown tremendously with key notable achievements being; review of the legal framework, enhanced ICT infrastructure and use of technology through integration of export certification system with IPPC e-phyto hub, implementation of Enterprise Resource Planning (ERP) and Electronic certification systems (ECS), Seed Certification System, maintained and expanded scope of accreditation of laboratories, certification to Quality Management Systems (QMS), Information Security Management Systems (ISMS), compliance with market requirements to maintain and open new markets, expanded its service delivery by opening new offices, ease of doing business through operating in 24 hour system, integrated Kentrade trade facilitation system and operationalization of the One Stop Border Post and capacity building of staff and clients.

The Corporation participated in standard setting and harmonization activities to support market access and represent the interests of Kenya in regional and international forums. KEPHIS successfully reviewed and implemented its Human resource instruments and internal policies to comply with relevant legislation and best practices. KEPHIS hosted one Phytosanitary Conference, developed two journals in the period and undertook training of Phytosanitary practitioners in Kenya, the region, and the world through the Centre of Phytosanitary Excellence. KEPHIS also undertook sustainability programs targeting women, youth, and persons with disabilities. The Corporation also enhanced its stakeholder alliances and partnerships through collaboration and cooperation with partners and other Ministries, Departments and Agencies.

The operations of KEPHIS are within the confines of the KEPHIS Act 2012, the Seeds, and Plant Varieties Act CAP 326 and the Plant Protection Act CAP 324. Kenya is also signatory to various international conventions, agreements, and treaties which KEPHIS implements. These include Common Market for Eastern and Southern Africa (COMESA) and East African Community (EAC), OECD Fruit and Vegetables Schemes, OECD Seed Schemes and OECD Forest Seed and Plant Scheme, the International Union for the Protection of new Varieties of Plant (UPOV), CODEX Alimentarius Commission, the World Trade Organization-Sanitary and Phytosanitary Agreement (WTO-SPS), the International Plant Protection Convention (IPPC) among others.

Plant Health:

Plant health is a core area for KEPHIS and in retrospect; the country has gone through numerous challenges in terms of crop pest and disease emergence that included Maize Lethal Necrosis Disease (MLND), Potato Cyst Nematode (PCN) and Fall Armyworm (FAW) and False Codling Moth (FCM) in roses. In the foregoing period, KEPHIS intends to work with partners and other agencies in developing robust Early Warning and Emergency Response Systems for plant pests to enhance early detection and management. The Corporation shall strengthen research for regulatory decision making. Enhancement of border control and surveillance will also be prioritized towards protecting Kenya's agriculture.

Seed Quality and Plant Variety Protection:

During the current planning period, KEPHIS shall regulate testing, release and commercialization of new varieties of plants, enhance capacity for variety testing, enhance capacity for maintenance of reference collections, regulate productions and distribution of high quality seeds, increase farmer awareness on identification and benefits of using certified seed of superior varieties, promote local production of certified seeds and certify seedlings and vegetative propagated materials, authorize private persons to undertake specified seed certification services as determined by KEPHIS, maintain membership and participation in regional and international organizations, enhance surveillance on the quality of seed in the market, adopt best practices on seed quality assurance system.

As a priority area, KEPHIS shall undertake plant variety protection by administering plant breeder's rights, enhancing harmonization with regional and international systems on plant variety protection, ensuring maintenance of plant breeders' rights and building ISPM capacity for staff and stakeholders on plant breeders' rights.

Trade facilitation:

KEPHIS participates in regional and international standard setting and harmonization activities to facilitate compliance to set standards in EAC, COMESA, AFCTA, CODEX, and IPPC. Going forward, KEPHIS will strengthen its participation in trade facilitation fora to enhance market access. In addition, the Corporation will focus to strengthen agricultural inputs and produce testing laboratories.

In the previous period, KEPHIS continued to assure the quality of seed, fertilizers, water for irrigation, soil, and pesticide formulations. This was made possible through KEPHIS accredited laboratories at Karen (Headquarters), Muguga, Nakuru and Kitale. Re-accreditation of the laboratories to ISO 17025 was achieved during the period for the Analytical Chemistry Laboratory at Headquarters, Plant Health Lab at KEPHIS Muguga and the seed testing laboratory in Nakuru. KEPHIS intends to enhance these laboratory services through expansion of testing scopes, accreditation of new methods and acquiring of modern analytical and diagnostic laboratory equipment.

Institutional capacity:

During the period, the Corporation intends to enhance the capacity of its staff and clients for improved service delivery and compliance to regulatory requirements. KEPHIS will also focus on building capacity for farmers, SMEs, and players in the national and County Governments as a way of ensuring compliance to set standards for market access and enhance productivity. The Corporation will also sustain progress on staff skill development to meet the necessary competencies required for the agriculture sector. This will also be ensured through the continued operationalization of the Centre of Phytosanitary Excellence (COPE) to become a semi-autonomous entity. This will enable the Corporation to streamline its operations and reposition it as a premier learning and training unit to attract more support and clients.

KEPHIS also intends to enhance our ICT systems through acquiring ICT infrastructure and automation of our operational processes. To enhance ease of doing business, the Corporation commits to integrate its systems to other Government ICT systems. Results-based management has taken center stage with KEPHIS prioritizing the implementation of the Kenya Government Performance Contracting system. In addition, the Corporation has successfully subscribed to and maintained certification to the ISO 9001:2015 Quality Management System.

Strategies that help in mobilization and optimization of resource use and allocation shall be deployed to ensure sustainability for the Corporation. To implement its programs, the estimated budget for the 2023/2024 period is KES 1,755 million. KEPHIS intends to enhance networks and collaboration with local and international development partners with a view to exploring avenues of cooperation in the areas of plant protection, seed trade facilitation and laboratory work.

KEPHIS takes cognizance of the Corporation's visibility and brand image. Rebranding will be one of the key focus areas in the implementation of this strategy and will endeavor to build and maintain a strong corporate brand. This will be done through greater collaboration with the media, enhancing our digital and social media presence and sustainability initiatives. We will also continue to market and enhance visibility of the services offered including laboratory and analytical tests, capacity building and training courses among others to County governments.

The Corporation shall implement a robust monitoring framework that will track performance on a continuous basis to ensure that planned strategies, objectives, and activities are achieved. KEPHIS is confident that with the support of all stakeholders and partners, we shall attain our vision of "Excellence in Plant health and quality assurance in agriculture."

MAIN ASSUMPTIONS

The following general assumptions were used in guiding the development of 2023/24 budget:

1. GOK funding of recurrent budget will remain as documented in the Agriculture Rural and Urban Sector Report; Medium term expenditure framework 2022/23 – 2025/26.
2. Inflation is projected to be approximately 5%.
3. FY 2023/24 will be a continuation of the post COVID period with economic recovery and increased investment in Agriculture by the new administration.
4. Stability in both interest rates and exchange rates.
5. Internally generated revenue is projected to grow by 15%.

KEPHIS STAFFING LEVELS

Staffing levels per cadre are as follows:

Category	In Service	Optimal Staff	Deficit
Management	13	55	42
Technical –Scientists	172	572	400
Support Staff	149	348	199
Total	334	975	641

The optimal staff level is **975**.

KEY STRATEGIES, PROGRAMMES AND PROJECTS

No.	Program/Project & Strategies	Expected Outcome	Date of Completion
1	Plant Health		
i	Enhance Phytosanitary import regulation and certification	- Improved service delivery/ advisory on pests and disease diagnosis to local farmers by testing 2,200 samples. - Ensure food safety and quality through compliance checks on imports and issuance of 100,000 Plant and Biological Import Permits.	June 2024
ii	Strengthen multi sectorial approach for border control	Biosecurity of the country's plant resources ensured. Improved agricultural productivity and food security by testing 1,200 post entry quarantine samples.	June 2024
iii	Strengthen quarantine measures	Biosecurity of the country's plant resources ensured through inspection of 60 bio-containment facilities.	June 2024
iv	Enhance pest surveillance and reporting	- Undertake 12 pest surveillances. - Mapping of 3 invasive species and weeds.	June 2024
v	Enhance early warning, rapid response system and management of pests	- Undertake and participate in 30 plant clinics and farm visits. - Participate in management of 15 new and emerging pests.	June 2024
	Strengthen collaboration frameworks	- Develop a coordination mechanism and framework for management of new and emerging pests. - Establish and implement the National Plant Health Emergency Response Committee and conduct 2 meetings	June 2024
	Enhance regulation of biological control agents and articles	Facilitate introduction of biological products through	June 2024

No.	Program/Project & Strategies	Expected Outcome	Date of Completion
		risk analysis and approval of products for introduction. ▪ Undertake 2 market surveillances of biological products.	
2	Seed Quality Assurance and Plant Variety Protection		
i	Facilitate introduction and production of agricultural inputs and improved technologies	Increased adoption of new technologies by local farmers by release and gazettement of 45 new crop varieties.	June 2024
ii	Undertake Plant variety testing and protection	▪ Novel varieties for various crops bred with improved characteristics and qualities by testing of 100 candidate varieties under the National Plant Trials. ▪ Enhanced income and wealth for breeders through royalties by issuance of 30 title grants.	June 2024
iii	Undertake Seed certification	Adequate seed production and availability in the market available to farmers through inspection of 20,000 Ha of seed crop.	June 2024
3	Trade Facilitation		
i	Ensure export certification and inspection	▪ Ensured export produce compliance to market standards hence enhanced trade through inspection of 400,000 consignments and issuance of Phytosanitary certificates. ▪ Increased foreign exchange and income for farmers.	June 2024
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 3,600 samples	June 2024
iii	Participate in standard setting, review and harmonization and market access negotiations	▪ Ensure Kenya's trade and development agenda is incorporated in setting of	June 2024

No.	Program/Project & Strategies	Expected Outcome	Date of Completion
		standards by attending 24 standard setting meetings. ▪ Provide new markets for Kenya's fresh produce exporters by participating in 8 market access negotiations.	
4	Institutional Capacity		
i	Enhanced capacity for stakeholders	Increased awareness for stakeholders and capacity of staff to deliver quality service through awareness and training of 1,500 practitioners.	April 2024
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 2024
iii	Enhance the infrastructural facilities	Improved facilities for the Corporation throughout the country for effective and efficient service delivery by construction of new and upgrade existing office/laboratory facilities.	June 2024
5	Projects		
1	Horticultural Produce Compliance Enhancement Project	▪ Compliant horticultural fresh produce exports. ▪ Increased capacity of horticultural producers and exporters.	June 2028

No.	Program/Project & Strategies	Expected Outcome	Date of Completion
2	KEPHIS Embu office	▪ Construction of KEPHIS Embu office block to 40% completion rate in June 2024. ▪ Equipping of Analytical and diagnostic laboratory	June 2026
3	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 2024

BUDGET

APPENDIX 1: STATEMENT OF TOTAL FUNDS IN KENYA SHILLINGS:								
		Actual	Actual	Actual	Forecast	Budget	Projection	
		2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
		000'	000'	000'	000'	000'	000'	000'
Recurrent Revenue								
1	Internally Generated Revenue	1,060,134	1,178,004	1,250,270	1,355,842	1,555,712	1,618,027	1,682,328
2	Government Grants - Recurrent	190,000	200,000	160,500	160,500	162,000	192,000	225,000
3	Grants, Dev't Partner - Recurrent	269,617	86,031	44,405	30,750	32,288	33,973	35,672
4	Retained surplus from previous years	0.00	0.00	0.00	0.00	0.00	0	0
5	Other Incomes- Recurrent	19,614	6,276	7,934	4,908	5,000	5,000	5,000
6	Total Recurrent Income	1,539,365	1,470,312	1,463,109	1,552,000	1,755,000	1,849,000	1,948,000
Development Revenue								
7	Government Grants - Development	-	-	-	-	50,000	350,000	353,000
8	Grants, Development Partner -Dev't	-	-	-	-	-	-	-
9	Retained surplus from previous years	-	-	-	-	-	-	-
8	Other Incomes -Dev't	-	-	-	-	35,000	40,000	45,000
9	Total Development Revenue	-	-	-	-	85,000	390,000	398,000
10	Total Revenue (5+9)	1,539,365	1,470,312	1,463,109	1,552,000	1,840,000	2,239,000	2,346,000

APPENDIX IIA: STATEMENT OF FINANCIAL PERFORMANCE IN KENYA SHILLINGS:								
NON-COMMERCIAL STATE CORPORATION		Actual	Actual	Actual	Forecast	Budget	Projection	
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		Kshs. "000"	Kshs. "000"	Kshs. "000"	Kshs. "000"	Kshs. "000"	Kshs. "000"	Kshs. "000"
Revenue								
1	Internally Generated Revenue	1,060,134	1,178,004	1,250,270	1,355,842	1,555,712	1,618,027	1,682,328
2	Government Grants - Recurrent	190,000	200,000	160,500	160,500	162,000	192,000	225,000
3	Grants, Dev't Partner -Recurrent	269,617	86,031	44,405	30,750	32,288	33,973	35,672
4	Other Incomes- Recurrent	19,614	6,276	7,934	4,908	5,000	5,000	5,000
5	Total Recurrent Income	1,539,365	1,470,312	1,463,109	1,552,000	1,755,000	1,849,000	1,948,000
Operating Expenses								
6	Personnel Emoluments	609,011	574,612	591,703	646,407	783,000	856,000	930,000
7	Board Expenses	33,855	29,750	23,847	30,000	30,000	30,000	30,000
8	Operating / Administrative Expenses	736,736	631,817	750,568	724,075	760,754	804,002	828,378
9	Repairs and Maintenance	63,681	59,389	70,538	65,058	68,311	71,726	73,878
10	Depreciation	86,782	89,416	94,891	86,460	112,936	87,273	85,744
11	Total Operating Expenses	1,530,065	1,384,985	1,531,546	1,552,000	1,755,000	1,849,000	1,948,000
	**other gains/Losses	2,288	(8,511)	(2,723)	-	-	-	-
12	Operating Surplus/(Deficit)	11,000	(76,816)	(71,160)	0	(0)	0	0
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	40%	41%	39%	42%	45%	46%	48%
17	Personnel Costs to Recurrent Revenue	40%	39%	40%	42%	45%	46%	48%
	Number of Employees							
18	i. Management	24	22	13	13	25	35	45
19	ii. Technical (Scientists)	192	186	172	184	243	303	323
20	iii. Support Staff	190	186	149	180	228	258	268

APPENDIX III: STATEMENT OF ITEMISED RECURRENT REVENUES AND EXPENDITURES (KSHS 000)							
	Details	Actual	Actual	Actual	Actual	Forecast	Budget
		2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
A	Recurrent Revenue						
1	Internally Generated Revenue	1,046,911	1,060,134	1,178,004	1,250,270	1,355,842	1,555,712
2	Government Grants-Recurrent	245,914	190,000	200,000	160,500	160,500	162,000
3	Grants, Development Partner	179,984	269,617	86,031	44,405	30,750	32,288
4	Other Incomes- Recurrent	12,261	19,614	6,276	7,934	4,908	5,000
5	Total Recurrent Revenue	1,485,070	1,539,365	1,470,312	1,463,109	1,552,000	1,755,000
	Operating Expenses						
6	Personnel Emoluments						
	Basic Pay	302,539	313,283	303,423	312,496	346,376	431,970
	House Allowance	117,517	117,681	115,269	110,268	121,535	151,359
	Casual Labour	47,752	60,779	55,887	63,889	58,716	50,247
	Gratuity and Pension Contributions	47,333	56,045	42,051	49,648	52,260	65,225
	Transfer Allowance	2,515	2,538	1,200	1,265	2,500	3,125
	Other Personal Allowances	54,241	51,514	49,348	47,643	58,140	72,475
	Overtime	2,943	2,446	2,714	2,272	2,659	3,323
	Passages and Leave Expenses	4,721	4,725	4,720	4,222	4,221	5,276
	Sub Total	579,561	609,011	574,612	591,703	646,407	783,000
7	Board Expenses						
	Medical Expenses - Board	717	1,004	871	1,123	1,225	1,286
	Sitting Allowance	24,363	31,745	27,835	21,810	27,765	27,699
	Honoraria & Telephone Expenses	1,044	1,106	1,044	914	1,010	1,044
	Sub Total	26,124	33,855	29,750	23,847	30,000	30,000
8	Contracted Services						
	Medical Expenses - Staff	32,510	47,703	56,019	56,124	64,291	67,506

APPENDIX III: STATEMENT OF ITEMISED RECURRENT REVENUES AND EXPENDITURES (KSHS 000)							
	Details	Actual	Actual	Actual	Actual	Forecast	Budget
		2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	Staff Life and Personal Accident Cover	7,148	7,259	8,938	6,390	6,695	7,030
	Insurance Premiums -Vehicles & Other Assets	6,905	8,551	5,832	5,582	6,142	6,449
	Contracted Professional Services	9,523	9,106	8,170	16,772	13,500	14,175
	Contracted Guards & cleaning Services	27,214	29,305	26,954	30,807	31,272	32,836
	Sub Total	83,300	101,924	105,913	115,676	121,900	127,995
9	Expenses on operation relating to core mandate						
	Inspection Costs Travelling and Accommodation Expenses	125,657	143,582	153,360	278,149	198,619	204,550
	External Travel expenses	24,152	16,254	2,082	22,421	16,500	22,325
	Publishing and Printing Expenses	56,111	48,649	73,915	45,776	76,000	78,800
	Trade Shows & Exhibitions	30,806	20,622	546	10,089	7,578	7,957
	Hire of Transport Plant & machinery	2,384	977	443	1,353	1,400	1,470
	Stakeholder Training and Meetings	15,748	6,365	4,724	6,766	5,000	5,250
	Purchase of Laboratory Stores	29,318	37,269	31,551	32,781	35,140	36,897
	Farmer demonstrations and field day demonstrations	22,410	22,721	21,029	33,444	31,999	33,599
	NPT Post control Input supplies/Production	19,517	15,168	8,018	7,189	8,082	8,486
	Sub Total	326,103	311,607	295,668	437,967	380,317	399,333
10	Direct Donor support for phytosanitary, seed certification, quality control and plant protection	125,178	169,006	66,699	24,420	30,750	32,288
	Administrative expenses						
	Electricity Expenses	24,324	19,393	18,390	19,797	18,500	19,425

	APPENDIX III: STATEMENT OF ITEMISED RECURRENT REVENUES AND EXPENDITURES (KSHS 000)						
	Details	Actual	Actual	Actual	Actual	Forecast	Budget
		2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	Water and Conservancy Expenses	2,119	1,494	1,591	1,020	1,300	1,365
	Telephone Expenses	2,519	4,617	3,626	4,317	4,017	4,218
	Postage and Telegram Expenses	3,776	3,369	4,527	5,194	4,688	4,922
	Internet, WAN and data back-up services	17,356	19,815	14,033	19,760	17,330	18,197
	Advertising and Publicity	5,221	1,787	1,906	3,306	2,000	3,100
	Payment of Rents & Rates Non-Residential	7,827	7,425	8,669	8,017	10,874	11,417
	Training Expenses (Staff)	15,027	8,366	15,473	13,054	10,000	11,984
	Staff Counselling & support services	48	-	50	-	50	53
	Compensation & Ex-Gratia Payment	315	-	1,443	865	4,500	4,725
	Catering services(reception)	4,931	7,638	5,448	6,892	7,326	7,692
	Education & Library Expenses	1,891	1,598	1,447	1,817	1,680	1,764
	Purchase of Uniform and Clothing	5,811	2,397	4,392	2,203	6,456	6,778
	General office supplies	12,368	11,771	14,103	12,756	20,342	21,359
	Miscellaneous Expenses	493	564	579	825	593	623
	Supplies & Accessories for computers including Software Licenses	22,049	21,946	26,257	27,170	35,164	36,923
	Bank Charges & Commission	3,085	5,727	4,369	4,941	5,040	5,292
	Refined fuel & lubricants for transport	32,858	29,739	30,611	34,045	33,410	34,080
	Professional & Institutional subscriptions to Internationals and Local Bodies	5,308	6,523	5,887	3,703	4,817	5,058
	Audit Fees	961	-	-	1,922	1,922	1,009
	Corporate Social Responsibility	226	30	737	901	1,100	1,155
	Sub Total	168,513	154,199	163,538	172,505	191,108	201,139
11	Repairs and Maintenance						

APPENDIX III: STATEMENT OF ITEMISED RECURRENT REVENUES AND EXPENDITURES (KSHS 000)							
	Details	Actual	Actual	Actual	Actual	Forecast	Budget
		2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	Maintenance expenses for motor vehicles & other transport costs	31,743	30,334	29,474	35,621	27,500	28,875
	Maintenance of Plant Machinery & Equipment	26,069	15,798	12,850	14,892	18,633	19,565
	Maintenance of Buildings and Stations	23,099	17,549	17,065	20,025	18,924	19,870
	Sub Total	80,911	63,681	59,389	70,538	65,058	68,311
12	Depreciation	88,654	86,782	89,416	94,891	86,460	112,936
13	Total Operating Expenditure	1,478,344	1,530,065	1,384,985	1,531,546	1,552,000	1,755,000
	**other gains/Losses	2,288	(20,300)	(8,511)	(2,723)	0.00	0.00
14	Operating Surplus/(Deficit)	9,014	(11,000)	76,816	(71,160)	-	0.00
15	Finance Charges (Interest on Loans)	0.00	0.00	0.00	0.00	0.00	0.00
16	Retained Operating Surplus	9,014	(11,000)	76,816	(71,160)	-	-

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 of 30th June 2023	Timeline		Proposed Budget 2023/2024	Sources of Funds: GoK, AIA, Dev. Partners, Borrowings
		Initial Project Cost	Revised Project Cost	Actual cumulative Expenditure up to June 2022			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	0	0	0	0	0	0	0	0	
i	Embu Office	0	0	0	0	0	0	0	50,000	GOK
ii	Horticultural Produce Compliance Enhancement Project								35,000	KEPHIS
	Sub-Total	0	0	0	0	0	0	0	85,000	
3	Other Expenditures on Development and Capital Items to be acquired or whose implementation will be done within (1) FY									
i	HQ Fencing, Pathway and Parking shade	0	0	0	0	0	Jul-23	Jun-24	-	KEPHIS
ii	Timau Office	7,500	7,500	0			Jul-23	Jun-24	7,500	KEPHIS
iii	Kitale Maize driers and Malaba Lab	0	0	0	0	0	Jul-23	Jun-24	-	KEPHIS

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 of 30th June 2023	Timeline		Proposed Budget 2023/2024	Sources of Funds: GoK, AIA, Dev. Partners, Borrowings
		Initial Project Cost	Revised Project Cost	Actual cumulative Expenditure up to June 2022			Start Date	Expected Date of Completion		
Capital Projects										
iv	Plant and Equipment - irrigation system/cold storage plus Embu Borehole	12,000	12,000	0	0	0	Jul-23	Jun-24	7,436	KEPHIS
v	PQS Borehole	0	0	0	0	0	Jul-23	Jun-24	5,000	KEPHIS
vi	Nakuru Sample Storage and gauze house	0	0	0	0	0	Jul-23	Jun-24	4,000	KEPHIS
vii	Purchase of ICT equipment	13,000	13,000	0	0	0	Jul-23	Jun-24	13,000	KEPHIS
viii	Office Furniture and Equipment	5,000	5,000	0	0	0	Jul-23	Jun-24	4,000	KEPHIS
ix	Mombasa Container office	1,000	1,000	0	0	0	Jul-23	Jun-24	1,000	KEPHIS
x	HQ Green House/insectary and Soil sterilization	15,000	15,000	0	0	0			7,000	KEPHIS

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 of 30th June 2023	Timeline		Proposed Budget 2023/2024	Sources of Funds: GoK, AIA, Dev. Partners, Borrowings
		Initial Project Cost	Revised Project Cost	Actual cumulative Expenditure up to June 2022			Start Date	Expected Date of Completion		
Capital Projects										
xi	JKIA water Tank and Car park expansion	10,000	10,000	0	0	0			-	KEPHIS
xii	Acquisition and Installation of ERP System, and related equipment	30,000	20,000	15,000	5,000	80%	Jul-22	Jun-24	5,000	KEPHIS
xiii	Procurement of motor vehicle	15,000	15,000	5,000	15,000	33%	Jul-22	Jun-24	10,000	KEPHIS
xiv	Staff Mortgage Scheme	162,000	162,000	-	162,000	0	July 22	Jun- 30	14,000	KEPHIS
	Sub-Total								77,936	
	Grand Total								162,936	
	Source of Funds for the Capital Budget									
1	A-I-A - Retained Earnings	Current Year							112,936	KEPHIS
		Previous Years								

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 of 30th June 2023	Timeline		Proposed Budget 2023/2024	Sources of Funds: GoK, AIA, Partners, Borrowings
		Initial Project Cost	Revised Project Cost	Actual cumulative Expenditure up to June 2022			Start Date	Expected Date of Completion		
Capital Projects										
2	Government Grants - Development - 2630200								50,000	GOK
3	Grants from Development Partner -Dev't								-	
4	Borrowings, Both Current Year and Pervious Years (Including Infrastructure Bond)									
5	Other Incomes-Dev't(Specify)									
6	Total Funds								162,936	-

Appendix VI: (Financial Position in Kenya Shillings "000")								
		Actual	Actual	Actual	Forecast	Budget	Projections	
		30.06.2020	30.06.2021	30.06.2022	30.06.2023	30.06.2024	30.06.2025	30.06.2026
Assets:								
Non-Current Assets								
	Land, Buildings & Plant	813,832	779,406	766,612	752,186	771,363	870,000	930,119
	Property & Equipment	243,538	227,434	192,754	203,538	207,368	227,458	277,458
	Motor Vehicles	53,326	87,343	83,495	87,512	88,536	88,222	85,467
	Computers & Accessories	19,935	21,695	28,937	32,512	35,779	33,046	40,313
Total Non-Current Assets		1,130,631	1,115,878	1,071,798	1,075,748	1,103,046	1,218,726	1,333,357
	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Current Assets								
	Inventories	29,693	25,926	63,175	28,000	23,500	21,286	9,563
	Accounts Receivables	121,127	127,690	143,693	130,208	85,208	65,208	54,924
	Prepayments	77,396	72,868	55,783	70,526	77,578	79,402	86,261
	Cash & Bank Balances	29,304	96,252	23,721	33,462	21,450	15,540	13,456
	Total Current Assets	257,520	322,735	286,372	262,196	207,736	181,436	164,204
Total Assets		1,448,151	1,498,613	1,418,170	1,397,944	1,370,782	1,460,162	1,557,560
Financed By:								
	Revenue Reserves	1,210,972	1,287,789	1,216,628	1,216,628	1,266,628	1,366,628	1,416,628
	Total Equity	1,210,972	1,287,789	1,216,628	1,216,628	1,266,628	1,366,628	1,416,628
Non-Current Liabilities								
	Total Non-Current Liabilities	-	-	-	-	-	-	-
Current Liabilities								
	Accounts Payable	237,179	210,824	201,542	181,316	104,154	93,533	140,932
	Total Current Liabilities	237,179	210,824	201,542	181,316	104,154	93,533	140,932
Total Equity & Liabilities		1,448,151	1,498,613	1,418,170	1,397,944	1,370,782	1,460,161	1,557,560
Ratios	i. Current ratio	1.1	1.6	1.4	1.4	2.0	1.9	1.2
	ii. Debt to Assets Ratio	0.2	0.1	0.1	0.1	0.1	0.1	0.1
	iii. Total Assets Turnover	0.1	0.1	0.2	0.1	0.1	0.1	0.1

APPENDIX VII: CASH FLOW STATEMENT IN KENYA SHILLINGS							
		Actual	Actual	Forecast	Budget	Projections	
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		KShs. "000"	KShs. "000"	KShs. "000"	KShs. "000"	KShs. "000"	KShs. "000"
Cash Flows from Operating Activities							
1	Cash generated from Operating Activities	137,465	(22,253)	121,081	128,952	139,021	119,021
2	Corporation Tax Paid						
3	Interest Paid						
4	Net Cash Generated from Operating Activities	137,465	(22,253)	121,081	128,952	139,021	119,021
Cash Flows from Investing Activities							
5	Purchase of Non-Current Assets	(74,706)	(50,914)	(86,460)	(105,680)	(124,500)	(124,500)
6	Interest Received	1,299	155	2,700	2,800	2,900	2,900
7	Proceeds from Sale of Non-Current Assets	200	482	1,400	1,320	1,300	1,300
	Net Cash Generated from Investing Activities	(73,207)	(50,277)	(82,360)	(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	64,258	(72,530)	38,721	27,392	18,721	(1,279)
14	Cash & Cash Equivalents at the Beginning of the Year	31,993	96,251	23,721	15,000	12,392	31,113
15	Cash & Cash Equivalents at the End of the Year	96,251	23,721	15,000	12,392	31,113	29,834
16	Overdraft Limit	-	-	-	-	-	-

State Corporation: Kenya Plant Health Inspectorate Service				
APPENDIX IX: BANK DETAILS				
All Bank Accounts cashbook balances as of 31st December 2022				
No	Financial Institutions/Banks	Name of Bank Account	Account No.	Balance
1	KCB	KEPHIS	1108285430	
	KCB	KEPHIS(Dollar)	1104843269	
	KCB	KEPHIS	1108285678	
	KCB	Kephis-Assip	1138298948	
	KCB	Kephis-Cope	1130043959	
	KCB	Kephis sinking Fund	1128368366	
	KCB	Kephis EAPP Project	1121039685	
	KCB	Kephis Kisumu	1104038307	
	KCB	Kephis Kitale	1108814093	
	KCB	Kephis Chief Grader	1101574712	
	KCB	Kephis Naivasha	1121954359	
	KCB	Kephis Nakuru	1101844876	
	KCB	Kephis Plant Quarantine Station	1107093724	
	KCB	Kephis Embu	1102966649	
	KCB	JKIA	1232557609	
2	CBA	Kephis JKIA	6523810017	
	CBA	USAID Foodscap Project	6523810022	
3	NIC	KEPHIS SMAP	10001569364	
4	National	National	1001017146200	
5	MPESA ACCOUNTS	Kephis	900301/570558	
	TOTAL			

Budget Notes

	Details	Forecast	Budget	% Increase or (Decrease)	Notes
		2022/2023	2023/2024		
A	Recurrent Revenue	KSHS 000	KSHS 000		
1	Internally Generated Revenue	1,355,842	1,555,712	15%	Revenues from gazetted service fees is projected to grow by 15% because of commencement of charging coffee, tea & herbs
2	Government Grants-Recurrent	160,500	162,000	1%	Grant from Government reduction is based on amount allocated at sector level
3	Grants, Development Partner	30,750	32,288	5%	Donor grants from development partners projected to increase by 5%.
4	Other Incomes-Recurrent	4,908	5,000	2%	These are revenues from rent, hire of accommodation facilities, and farming activities. Revenue from this line is expected to be constant thus the minimal growth of 2%.
5	Total Recurrent Revenue	1,552,000	1,755,000	13%	
B	Operating Expenses				
6	Personnel Emoluments				
	Basic Pay	346,376	431,970	25%	25 percent increase in basic pay has been provided to cater for approved recruitment of staff and replacements in the period.
	House Allowance	121,535	151,359	25%	25 percent increase to cater for approved recruitment of staff and replacements in the period.

	Details	Forecast	Budget	% Increase or (Decrease)	Notes
		2022/2023	2023/2024		
	Casual Labour	58,716	50,247	-14%	14% reduction as fewer casuals will be on staff recruitment
	Gratuity and Pension Contributions	52,260	65,225	25%	25 percent increase to cater for approved recruitment of staff and replacements in the period.
	Transfer Allowance	2,500	3,125	25%	25 percent increase to cater for approved recruitment of staff and replacements in the period.
	Other Personal Allowances	58,140	72,475	25%	25 percent increase to cater for approved recruitment of staff and replacements in the period.
	Overtime	2,659	3,323	25%	Provides for staff overtime costs
	Passages and Leave Expenses	4,221	5,276	25%	Provides for leave allowances. Increment to cater for new staff
	Sub Total	646,407	783,000	21%	
7	Board Expenses				
	Medical Expenses -Board	1,225	1,286	5%	Provision for Board medical insurance cover as per current terms
	Board allowances	27,765	27,669	0%	
	Honoraria & Telephone Expenses	1,010	1,044	3%	This budget line is utilized for payment of allowances for the Chair of the Board. The expense is Projected to be constant
	Sub Total	30,000	30,000	0%	
8	Contracted Services				

	Details	Forecast	Budget	% Increase or (Decrease)	Notes
		2022/2023	2023/2024		
	Medical Expenses -Staff	64,291	67,506	5%	Provision for staff medical insurance cover
	Staff Life and Personal Accident Cover	6,695	7,030	5%	This line is utilized on provision of staff life and accident insurance cover
	Insurance Premiums -Vehicles & Other Assets	6,142	6,449	5%	This line is utilized on provision of assets insurance cover
	Contracted Professional Services	13,500	14,175	5%	This line is utilized on legal fees, consultancies such as annual surveys, and any other fees for professional services.
	Contracted Guards & cleaning Services	31,272	32,836	5%	This line is utilized on provision of guard and cleaning services
	Sub Total	121,900	127,995	5%	
9	Expenses on operation relating to core mandate				
	Inspection Costs Travelling and Accommodation Expenses	198,619	204,550	3%	This line is utilized on local travel costs relating to provision of provision of inspection services. Expense Line increased by 5% with projection of 15% revenue increase
	External Travel expenses	16,500	22,325	35%	This budget line is utilized on costs relating to essential OECD, IPPC, UPOV, CODEX, EAC, COMESA meetings.
	Publishing and Printing Expenses	76,000	78,800	4%	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	7,578	7,957	5%	This line provides for participation in various local shows and exhibitions where the services offered by the institution can be showcased.

	Details	Forecast	Budget	% Increase or (Decrease)	Notes
		2022/2023	2023/2024		
	Hire of Transport Plant & machinery	1,400	1,470	5%	This is used to occasionally supplement institutional transport whenever found inadequate.
	Stakeholder Training and Meetings	5,000	5,250	5%	This line Caters for stakeholder training and information dissemination and interaction with the public.
	Purchase of Laboratory Stores	35,140	36,897	5%	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	31,999	33,599	5%	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	8,082	8,486	5%	The budget line is used to cater for farm input costs. 5% is an inflationary provision.
	Sub Total	380,317	399,333	5%	
10	Direct development partner support for phytosanitary, seed certification, quality control and plant protection activities	30,750	32,288	5%	The institution continues to engage development partners to source for more funds. A 5% growth is projected
	Administrative expenses				
	Electricity Expenses	18,500	19,425	5%	Electricity costs plus inflation
	Water and Conservancy Expenses	1,300	1,365	5%	For purchase of water whenever there is shortage from normal water supplies
	Telephone Expenses	4,017	4,218	5%	Telephone costs
	Postage and Courier Expenses	4,688	4,922	5%	Postage and courier costs

	Details	Forecast	Budget	% Increase or (Decrease)	Notes
		2022/2023	2023/2024		
	Internet, WAN and data back-up services	17,330	18,197	5%	Internet, WAN and data back-up services
	Advertising and Publicity	2,000	3,100	55%	Advertising and publicity increased to provide for enhanced corporate communications
	Payment of Rents & Rates Non-Residential	10,874	11,417	5%	Payment of Rents & Rates Non-Residential
	Training Expenses (Staff)	10,000	11,984	20%	Training Expenses (Staff) to provide for additional funding for mandatory trainings
	Staff Counselling & support services	50	53	5%	Staff Counselling & support services
	Compensation & Ex-Gratia Payment	4,500	4,725	5%	Compensation & Ex-Gratia is for supplementing medical cover whenever limits are exceeded and there exists justification for assistance.
	Catering services(reception)	7,326	7,692	5%	This is utilized on costs relating to provision of accommodation and conference services to internal and external customers
	Education & Library Expenses	1,680	1,764	5%	Provision for newspapers, journals and other relevant publications
	Purchase of Uniform and Clothing	6,456	6,778	5%	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	20,342	21,359	5%	General office supplies budget line is used for procuring office consumables.
	Miscellaneous Expenses	593	623	5%	Miscellaneous Expenses
	Supplies & Accessories for computers including Software Licenses	35,164	36,923	5%	This line is used to procure consumables for computers and printers as well as software licenses

	Details	Forecast	Budget	% Increase or (Decrease)	Notes
		2022/2023	2023/2024		
	Bank Charges & Commission	5,040	5,292	5%	This amount is intended for payment of charges levied by banks and Safaricom on institutional Mpesa Lines
	Refined fuel & lubricants for transport	33,410	34,080	4%	This provides for purchase of fuel for the institution's motor vehicles
	Professional & Institutional subscriptions to international and local Membership organizations	4,817	5,058	5%	Caters for OECD, IPPC, ISTA and local membership fees to professional bodies
	Audit Fees	1,922	1,009	-48%	National audit fees. FY 2022/23 was for 2 years. 5% inflation increase projected
	Corporate Social Responsibility	1,100	1,155	5%	The funds will be used in activities that contribute to the needy in our communities
	Sub Total	191,108	201,139	4%	
11	Repairs and Maintenance				
	Maintenance expenses for motor vehicles & other transport costs	27,500	28,875	5%	Provides for maintenance of vehicles owned by the institution
	Maintenance of Plant Machinery & Equipment	18,633	19,565	5%	Provides for maintenance of laboratory, plant and office equipment
	Maintenance of Buildings and Stations	18,924	19,870	5%	Provides for maintenance of all KEPHIS buildings in all stations and border offices.
	Sub Total	65,058	68,311	5%	
12	Depreciation	86,460	112,936	31%	This will be used to finance capital projects
13	Total Operating Expenditure	1,552,000	1,755,000	13%	

	Details	Forecast	Budget	% Increase or (Decrease)	Notes
		2022/2023	2023/2024		
	**other gains/Losses	-	-		
14	Operating Surplus/(Deficit)	-	-		
15	Finance Charges (Interest on Loans)	-	-		
16	Retained Operating Surplus	-	-		