

EXTRAORDINARY
GOVERNMENT



REGISTERED NO. PIII
G A Z E T T E

KHYBER PAKHTUNKHWA

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KHYBER PAKHTUNKHWA HEALTH CARE COMMISSION

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NOTIFICATION

Dated: 5th April, 2016

No. HCC/4532/4. In exercise of the powers conferred by the section 31 of the Khyber Pakhtunkhwa Health Care Commission Act, 2015, the Khyber Pakhtunkhwa Health Care Commission has been pleased to approve it's below mentioned regulation in its 6th meeting dated 30.03.2016 held at main Khyber Pakhtunkhwa Health Care Commission office:

KHYBER PAKHTUNKHWA HEALTH CARE COMMISSION CONDUCT OF BUSINESS REGULATIONS 2016

- (1) Regulation of Procedures.
- (2) Registration and Licensing Regulations.
- (3) Complaint Management and Patients' Rights Regulations.
- (4) Human Resource Management Regulations.
- (5) Financial Regulations.

ANNEXURE-A

Health Care Commission Services Regulations 2016.

ANNEXURE-B

ADOPTION BY THE COMMISSION, OF HEALTH CARE STANDARDS, PROCUREMENT RULES AND LAWS /RULES RELATED TO THE HEALTH CARE SYSTEMS

Sd/-x-x-x
Chief Executive Officer/Secretary,
Khyber Pakhtunkhwa Health Care
Commission.

Acronyms

CEO	Chief Executive Officer
CFO	Chief Financial Officer
DFID	Department for International Development, UK
DOH	Department of Health
HCC	Health Care Commission
HCE	Health Care Establishment
HRA	Health Regulatory Authority
HRM	Human Resource Management
HSRU	Health Sector Reform Unit
IMR	Infant Mortality Rate
JD	Job Description
KP	Khyber Pakhtunkhwa
KPHCC	Khyber Pakhtunkhwa Health Care Commission
LHW	Lady Health Workers
MSDS	Minimum Standards of Service Delivery
TRF+	Technical Resource Facility+
U5MR	Under 5 Mortality Rate

5. FINANCIAL REGULATIONS

Short Title and Commencement:

1. These Regulations shall be called the Khyber Pakhtunkhwa Health Care Commission Financial Management Regulations 2016.

Definitions

2. In these Regulations unless there is anything repugnant to the subject or context.
 - a. "Act" means the Khyber Pakhtunkhwa Health Care Commission Act 2015.
 - b. "Appropriation" means the authorization to meet the specified expenditure of funds at the disposal of the assigning authority.
 - c. "Assets" means property of any kind, having useful life of more than one year.
 - d. "Bank" means the bank(s) approved by the Commission
 - e. "Budget" means the estimated receipts and expenditures of the Commission for the Financial Year duly recommended by the Finance and Grants Committee of the Commission and passed by the Commission ;
 - f. "CEO" means the Chief Executive Officer of the Commission
 - g. "Commission" means the Khyber Pakhtunkhwa Health Care Commission.
 - h. "Chief Financial Officer" means a person appointed as the Chief Financial Officer of the Commission and any officer sub ordinate to him who is authorized by the Chief Financial Officer in writing to exercise delegated authority;
 - i. "Financial Statements" means the Balance Sheet and the Income and Expenditure Account of the Commission for the financial year;
 - j. "Financial Year" means the period of 12 months commencing from the first day of July of the calendar year and ending on the 30th day of June of the following calendar year.
 - k. "Finance & Grants Committee" means Finance and Grants Committee established under the KPHCC Act 2015.
 - l. "Fund" means the Fund established under Section 24 of the Act;
 - m. "Internal Auditor" means the person appointed as the Internal Auditor of the Commission to perform internal audit of the Commission.
 - n. "Internal Auditing" is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control and governance processes.¹
 - o. "Recurring Expenditure" means expenditure which is incurred periodically.
 - p. "Re-Appropriation" means transfer of fund from one account head to other head

Basic Principles of Accounting

3. These are regulations are based on the following basic accounting principles.

3.1 Going Concern

The Commission is a statutory body established by the government, backed by an Act of the Provincial Assembly and is viewed as a going concern entity which means that the Commission will continue to operate indefinitely. Consequently, the assets of the Commission shall be recorded based on their original cost and not on the fair market value. Assets are assumed to be used for an indefinite period of time and not intended to be sold immediately.

3.2 Monetary Unit

All the financial transactions of the Commission shall be recorded in Pakistani Rupee. Thus any non financial information or non monetary information that cannot be measured in monetary units i.e. PKR will not be recorded in the accounting books of the Commission.

3.3 Historical Cost

The resources of the Commission acquired shall be recorded based on the cost of acquisition and not on the prevailing market value or future value.

3.4 Matching

¹Official Definition of Internal Auditing by Institute Of Internal Auditors

- 15 The Commission shall consider and approve the budget on the recommendations of the Finance and Grants Committee after affecting amendments if any.
16. The Commission may create, upgrade, re-designate and abolish posts on the recommendation of the Finance & Grants Committee.
- 17 All the revisions in the budget shall be considered and approved by the Commission

Basis of Accounts

18. The accounts of the Commission shall be maintained according to the Accrual Basis of Accounting. The accounts shall be maintained in accordance to the Health Care Commission Accounting Procedures, Regulations and other instruments as shall be approved by the BOG.
19. The Chief Financial Officer of the Commissions shall be responsible for maintaining the books of accounts of the Commission.
- 20 The CEO of the Commission shall act as the Principal Accounting Officer of the Commission. The Commission shall appoint as many officers of the Commission as the Drawing and Disbursing Officer as it deem necessary for the purpose of carrying out the expenditures of the Commission.
21. In addition to the finance and accounts of the Commission, the Chief Financial Officer shall also be responsible for managing the Fund till such time a dedicated professional fund manager is appointed.
22. The Commission shall keep and operate separate bank accounts for employees' funds e.g. Pension Funds, General Provident Fund, and Benevolent Fund.
23. All receipts from Government will be reconciled with AG regularly.

Main Books of Accounts

24. The Finance Section of the Commission shall maintain the following books of accounts:
 1. Cash Book
 2. General Ledger
 3. Cheque Control Register
 4. Advance Register
 5. Stock Register
 6. Subsidiary Ledgers

General Regulations:

25. CEO shall be the Principal Accounting Officer, and will be responsible and accountable for management of the Commission funds and financial discipline.
26. The Funds belonging to the Commission shall be deposited in the Banks approved for the purpose by the Commission.

For every revenue, recorded in the Commission's book, in an accounting period should have an equivalent expenses recorded, in order to show the true income of the Commission.

3.5 Accounting Period

The income and expenditure of the Commission shall be recorded over fiscal year of the government i.e. from July 01 to June 30.

3.6 Consistency

The Commission; shall ensure that all the accounting procedures are applied consistently from one accounting period to other. This will allow fair comparison of financial information from one period to the other.

3.7 Objectivity

All the financial transactions of the Commission shall have proper and objective supporting evidence and documentation and all the financial recording of the Commission shall be performed with independence that's free of bias and prejudice.

3.8 Accrual

The Commission books will be based on the Accrual principal which means that the income of the Commission shall be recorded in the period in which it will earned, regardless of the fact when actual cash is received. Similarly, the expenses of the Commission will be recorded in the period in which expenses will be incurred regardless of the time that cash is paid.

Administration of the Fund

4. The Commission shall have a Fund set up under section 24 of the Act, to which the following amounts can be credited:
 - i. Such sums as Government may grant by way of seed money
 - ii. Grant in aid in lieu of services rendered to public sector health care establishment
 - iii. Donations from domestic and international donor agencies and other institutions;
 - iv. Grants of money and sums borrowed or raised by the Commission for the purposes of meeting any of its obligations or discharging any of its duties;
 - v. Fees, penalties or other charges imposed under this Act;
 - vi. All other sums which may in any manner become payable to or vested in the Commission in respect of any matter incidental to the exercise of its functions and powers.
5. The Fund shall be expended for the purpose of:
6. Paying any expenditure lawfully incurred by the Commission in carrying out its functions and in exercising its powers under the Act.
7. Paying remuneration to employees appointed by the Commission, their provident fund contribution, superannuating allowances or gratuities, if any.
8. Paying honorarium and reimbursable appropriate expenditures to the Members of the Commission, Committees of the Commission and the Panel of Experts engaged for assisting the Commission for fulfilling the functions of inspection, complaints management etc.
9. Acquiring land and erecting building, procuring machinery and equipment or any other material and carrying out any other work and undertakings in the performance of its functions or in exercising its Powers under the Act;
10. Meeting the costs and charges of the contractors, inspection teams, advisors and consultants and agents hired by the Commission;
11. Repaying any financial accommodation received or money borrowed under this Act and the profit, return or mark up or interest thereon and
12. Generally paying any expenditure for carrying out any provision of the Act;
13. Public service advertisement and health care campaigns

Budgeting

14. The Commission's budget for each financial year shall be prepared by the Chief Financial Officer in the month of April every year. The Budget shall be presented before the Finance and Grants Committee for its consideration and recommendation to the Commission.

27. The Accounts shall be operated jointly by the Officers authorized by the Chief Executive Officer. The authorized bank signatory list and any amendment to the status of signatories will be communicated to the bank under the signatures of Chief Executive Officer.
28. The Chief Financial Officer shall prepare bank reconciliation statement monthly;
29. All sums payable to the Commission shall be deposited either direct with the Bank of the Commission or sent to the Chief Financial Officer vide Pay orders or Bank Draft.
30. All moneys received in the Commission's office shall be acknowledged on the prescribed receipt under the signature of the Officer of the Commission. All moneys received will be recorded in the books of the Commission without any delay;
31. Any person having a claim against Commission shall submit its claim along with all the supporting documents to the Finance Section of the Commission.
32. All such claims will be examined by the Finance Section for correctness, budget availability and its authority. If the claim will be found correct in all aspect then the Finance Section will prepare a payment voucher and submit it for the signature of Chief Financial Officer and the CEO;
33. All payments shall ordinarily be made by crossed cheque or bank transfer.
34. A separate record of cheques being prepared shall be maintained by using cheque control register.
35. The Cheque books shall be kept under lock and key and in the personal custody of the authorized officer of the Commission.
36. When a cheque is cancelled, the reason for cancellation shall be recorded on the counterfoil of the cheque.
37. Cancelled cheques shall be carefully preserved until the accounts for the financial year have been audited
38. If a cheque is lost or destroyed, an intimation of the fact shall be given to the bank immediately and its payment will be stopped and a new cheque will be issued and its number will be recorded on all the supporting documents;
39. All payment vouchers shall be serially numbered and filled separately for each month.
40. The Voucher numbers will be issued from the cheque control register.

41. All payment vouchers and their supporting documents will be cancelled by affixing "Paid" stamp paid on them.
42. For urgent petty expenditures, various officers shall be allowed petty cash fund.
43. Chief Financial Officer will set the limit for each Petty Cash Fund in consultation with the CEO. The Petty cash will not be spent more than petty cash limit. All petty cash custodians will submit the monthly cash count report and cash reconciliation reports. Cash count will be done in front of the Head of Office who would record the amount in the petty cash deposit and in the cash book and sign the document along with petty cash custodian. The petty cash custodians will be responsible to maintain all the cash accounts including cash book, cheque register, petty cash ledger and supporting documents. The Head of office will keep a spare key to the petty cash deposit. No personal expenditure will be incurred from the petty cash.
44. When any defalcation or loss of the Commission's money or property is discovered, an enquiry shall be initiated at once by the Chief Financial Officer and the Internal Auditor. CFO will submit the detailed report after completion of the enquiry to the CEO stating the steps taken to recover the loss.
45. The loss of articles may be written off under the order of the CEO, if the cost does not exceed Rs. 1,000,000. If the cost exceeds this limit, then the Commission will write off.
46. All advances paid by the Commission shall be recorded in the register of Advances.
47. Audit of Commission The Commission shall cause to be carried out audit of its accounts by an auditor who is a chartered accountant within the meaning of the Chartered Accountants Ordinance 1961 (X of 1961) which shall be appointed by the Commission .
48. The Audit shall be completed within six months from the end of the financial year to which it relates.
49. The Finance & Grants Committee shall review the audit report and take necessary actions.
50. Notwithstanding the audit provided in sub-Rule (1), the Auditor General shall have the power to audit or cause to be audited the accounts of the Commission.

Internal Audit of the Commission;

51. The Commission shall appoint an Internal Auditor to assist the Members of the Commission. The internal auditor will report to the Finance and Grants Committee of the Commission.

52. The Internal Auditor will assist the Chief Executive Officer of the Commission in the areas of decision making, performance management and operational management.

53. The internal auditor will conduct the internal audits of the Commission to assess the adequacy, effectiveness and efficiency on the established internal controls of the Commission.

Disclosure

54. At the close of the every financial year the books of the Commission shall be closed and reconciled. The following financial statements shall be prepared within the six months of the close of the of the Financial Year and submitted to the Members of the Commission for approval;

1. Balance Sheet
2. Income and Expenditure Account
3. Statement of Cash Flows
4. Note to the Financial Statement

Purchase of Goods and Services;

55. All the purchases of goods and services shall be made according to the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2013 as amended from time to time until the detailed procedures for the purchase of goods works and services have been approved by the Commission or subject to any other conditions as decided by the commission.

56. In case of the procurements made under donor funds the procurement shall be made according to the rules of that specific donor if spelt out in the grant agreement.

57. No expenditure shall be incurred or order placed without the sanction of the competent authority and inviting quotations/bids

58. For all contracts, a formal agreement on the stamped paper shall be executed between the Commission and the Contractor or the supplier.

59. Before payment is made the Director of the concerned Directorate shall certify that the work has been completed in time and according to the specifications. The certificates shall be put up to the competent authority for approving the payment.

Fixed Asset Register/Stock Register

60. All assets purchased by the Commission shall be examined, counted and recorded in the fixed asset register by the purchasing officer who shall certify that the asset according to the specifications demanded is actually received.

61. The Internal Auditor may conduct physical verification of the assets at any time during the year and record such certificate in the asset register.

Amendments to these Regulations

62. The system and procedures established by these Regulations may be amended from time to time on the recommendations of the Finance and Grants Committee of the Commission