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**G A Z E T T E**

## **KHYBER PAKHTUNKHWA**

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### **KHYBER PAKHTUNKHWA HEALTH CARE COMMISSION**

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#### **NOTIFICATION**

Dated: 5<sup>th</sup> 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 6<sup>th</sup> 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

**KHYBER PAKHTUNKHWA HEALTH CARE COMMISSION CONDUCT OF  
BUSINESS REGULATIONS 2016**

**1. REGULATIONS OF PROCEDURE**

**1. Short title, commencement and applicability**

(1) These Regulations may be called the Regulations of Procedure of the Khyber Pakhtunkhwa Health Care Commission, 2016.

(2) These Regulations shall come into force with immediate effect.

**2. DEFINITIONS**

(1) In these regulations, unless there is anything repugnant in the subject or context:

(i) "Commission" shall mean the Khyber Pakhtunkhwa Health Care Commission established under the Khyber Pakhtunkhwa Health Care Commission Act, 2015.

(ii) "Act" means the Khyber Pakhtunkhwa Health Care Commission Act, 2015.

(2) All other terms and expressions used but not defined in these regulations shall have the same meaning as are assigned to them in the Act.

**3. COMPOSITION OF THE COMMISSION:**

The commission, includes ten members, as laid down in the Act and a provincial/regional/ district setup responsible for the execution and implementation of the vision, policies and guidelines of the commission under the overall responsibility of Chief executive Officer. The regional/divisional and district setup will be established by the commission, as per need, scope of work and available funds and in phased manner.

**4. FUNCTIONS OF COMMISSION:**

The commission will develop vision, policies, direction and guidelines for overall functions of the Health Care Commission. It will also oversee the performance of the provincial directorate and peripheral operational wings. It will also be responsible for ensuring for financial discipline and quality assurance at various health care institutions through defined structure/mechanisms as spelled out in the Act, rules or regulations as the case maybe.

**5. COMPOSITION OF THE MEMBERS OF THE COMMISSION**

(1) The Commission shall comprise of ten (10) Members as laid out in the Act. Three of these members shall be official members nominated by virtue of the office they hold in the relevant Government Department. The remaining seven members shall be non-official members.

(2) The Members of the Commission shall elect a Chairperson of the Commission from amongst the non-official members. A vice-chairperson shall also be elected who shall perform the responsibilities of the Chairperson in his/her absence.

(3) The Chairperson of the Members of the Commission shall:

(i) ensure that the Members of the Commission are properly working and all matters relevant to the governance of the Commission are placed on the agenda of meetings of the Members of the Commission:

- (ii) conduct the meetings of the Members of the commission including fixing
- (iii) the agenda; and
- (iv) Ensure that all the official and non-official members are enabled and encouraged to fully participate in the deliberations and decisions of the Commission. The Chairperson has a responsibility to lead the Members of the Commission and ensure its effective functioning and continuous development, s/he shall not be involved in day to day operations of the commission ; and

(4) Any casual vacancy on the Members of the Commission created by the death, retirement, resignation or removal of a non-official member shall be filled up by the government as laid out in the Act.

## **6. POWERS AND FUNCTIONS OF THE MEMBERS OF THE COMMISSION**

(1) The Commission shall adopt a vision or mission statement and corporate strategy for the Commission. The role of the Commission is to set direction, provide leadership and vision, approve Annual Business and Financial Plans and delegate the powers of management and operations to the Executive Management Team.

(2) In addition to, and pursuant to the powers of the Members of the Commission enumerated in the Act, the Members of the Commission shall exercise the following powers:

- (i) Consider and approve for circulation, the financial statements that have been prepared and duly certified by the Chief Executive Officer and the Chief Financial Officer under their respective signatures and recommended by the CEO to the Commission for decision.
- (ii) Approve within two months of the close of each financial year of Commission's statements of accounts including balance sheet and account of income and expenditure, whether audited or otherwise, prepared by the Management. The annual report including annual financial statements, if any, shall also be placed on the Commission's website.
- (iii) Review the quarterly accounts prepared and circulated amongst the Members of the Commission by the Management.

(3) The Members of the Commission shall exercise their powers and carry out its executive and fiduciary duties with a sense of objective judgment and independence in the best interest of the Commission. This provision shall apply to all official and non-official members.

(4) The Members of the Commission shall appoint an Executive Management Team headed by a Chief Executive Officer, Directors of the respective directorates of the Commission including the Chief Financial Officer, and the Internal Auditor of the Commission. The Members of the Commission shall also determine and approve their remuneration and terms and conditions of employment of the Executive Management Team. The role of the Executive Management Team will be to translate the vision of the Members of the Commission into reality, implement the decisions of the Members of the Commission, execute the annual business and financial plans as approved by the Members of the Commission and manage operations.

(5) The Chief Executive Officer, the Chief Financial Officer or the Internal Auditor of Commission shall not be removed except with the approval of the Members of the Commission. These will be tenure posts for three years extendable for next term based on performance by the board of the Commissioners.

(6) The Chief Executive Officer of the Commission shall appoint the external auditors of the Commission and also set their terms of engagement and compensation.

(7) The Members of the Commission shall ensure that professional standards and corporate values are in place that promotes integrity of the Members of the Commission, senior management and other employees in the form of a "Code of Conduct". This code shall articulate acceptable and unacceptable behaviours. The Members of the Commission shall ensure that appropriate steps are taken to communicate throughout the Commission, the code of conduct it sets together with supporting policies and procedures, including posting the same on the Commission's website. The Members of the Commission shall also ensure that adequate systems and controls are in place for the identification and redress of grievances arising from unethical practices.

## **7. TERM OF MEMBERS OF THE COMMISSION**

(1) A non-official member, once appointed, shall hold office for a period of three years, unless he resigns or is removed in accordance with the provisions of the Act. The removal of a member shall only take place in the event of misconduct or if the member has not performed up to the standard, determined through a performance evaluation. For the purpose of this clause, misconduct includes:

- (i) indulging in a competing professional or personal conflict of interest situation which has not been disclosed according to the relevant rules /regulations of the Commission;
- (ii) using the funds, assets and resources of the Commission without due diligence and care;
- (iii) failing to treat the colleagues and the staff of the Commission with respect, or using harassment in any form of physical or verbal abuse;
- (iv) making public statements on matters of public interest or about the internal matters of the Commission without authorization by the Members of the Commission;
- (v) receiving gifts or other benefits from any sources external to the Commission offered to him in connection with his duties on the Members of the Commission; or
- (vi) misusing their official position to gain personal/ financial advantage or assuming other obligations in private institutions which may cause embarrassment in the performance of their official duties or functions as a Member of the Commission.
- (vii) in case of normal completion of tenure of the board of the commissioners, the board members will continue to perform, in the intervening period, i.e. till appointment of the new member is made by the government as per Act.

## **8. MEETINGS OF THE COMMISSION**

(1) The Members of the Commission shall meet at least once, each quarter of a year, to ensure that it discharges its duties and obligations efficiently and effectively.

(2) Written notices of meetings, including the agenda, duly approved by the Chairperson, shall be circulated not less than seven days before the meetings, except in the case of urgency meetings, where the notice period may be reduced or waived by the Chairperson.

(3) The Chairperson of the Commission shall ensure that minutes of meetings of the Members of the Commission are appropriately recorded by approving them under his signature. The minutes of meetings shall be circulated after approval of the Chairperson, to members, not later than fourteen days thereof.

(4) In the event that a member of the Commission is of the view that his dissenting note has not been satisfactorily recorded in the minutes of a meeting, he/she may refer the matter to the Chairperson within seven days of the receipt of the minutes of the meeting failing which it will be deemed that the said minutes have been concurred to by the respective member of the board of the Commission.

(5) A meeting of the Members of the Commission held and attended through teleconference or video-conference shall be a valid meeting, as long as its proceedings are properly recorded.

## **9. INFORMATION TO BE PLACED FOR DECISION BY THE COMMISSION**

(1) The Members of the Commission shall establish appropriate arrangements to ensure it has access to all relevant information, advice and resources necessary to enable it to carry out its role effectively. Significant issues shall be placed before the Members of the Commission for its information and consideration, in order to formalize and strengthen the corporate decision making process.

(2) For the purpose of sub-rule (1), significant issues shall, inter-alia, include the following:

- (a) cash flow projections, forecasts and long term plans; budgets including capital, manpower and expenditure budgets, along with variance analyses;
- (b) internal audit reports, including cases of fraud or major irregularities;
- (c) management letters issued by the external auditors;
- (d) details of joint ventures or collaboration agreements or agreements;
- (e) promulgation or amendment of a law, rule or regulation or, enforcement of an accounting standard or such other matters which may affect the Commission;
- (f) status and implications of any lawsuit or judicial proceedings of material nature, filed by or against the Commission;
- (g) any show cause, demand or prosecution notice received from any revenue or regulatory authority, which may be material;
- (h) material payments of government dues, such as income tax, excise and customs duties, and other statutory dues, if any;
- (i) policies related to the award of contracts, and purchase and sale of materials;
- (j) default in payment of principal or interest, including penalties on late payments and other dues, to a creditor, bank or financial institution or default in payment of public deposit;
- (k) annual, quarterly, monthly or other periodical accounts as are required to be approved by the Members of the Commission for circulation amongst its members; and

(l) related party transactions

## 10. FORMATION OF COMMITTEES

(1) The Members of the Commission shall set up the committees to support Chief Executive Officer in performing his functions efficiently, and for seeking assistance in the decision making process, namely:

- a. Technical Advisory Committee for the Members of Commission (Body of Commissioners)
- b. Technical Committees
- c. Finance and Grant Committee
- d. Performance Review Committee, to deal with all employee related matters including recruitment, training, remuneration, performance evaluation, succession planning, and measures for effective utilization of the employees of the Commission; and
- e. Continuous Quality Improvement Committee as prescribed by the Act.
- f. Any other committees or panel of experts on need basis for getting technical advice.

(2) The committees shall be chaired by members of the board of the Commission. Each Committee will elect its own vice Chairperson from among the members of the Committee. Each Committee shall appoint a Secretary from among the relevant Directors of the Commission. The existence of such committees shall not absolve the Members of the Commission from their collective responsibility for all matters. Such committees shall have written terms of reference that define their duties, authority and composition, and shall report to the full Commission through CEO. The minutes of their meetings shall be circulated to all committee members.

(3) The Members of the Commission shall concern themselves with policy formulation and oversight and not the approval of individual transactions except those that are of an extraordinary nature or involve materially large amount.

## 11. FINANCE AND GRANTS COMMITTEE

(1) The Members of the Commission shall establish a Finance and Grants Committee. The names of members of the Finance and Grants Committee shall be disclosed in each annual report of the Commission.

(2) The Chairman of the Members of the Commission as well as the Chief Executive Officer of the Commission shall not be members of the Finance and Grants Committee.

(3) The Chief Financial Officer, the Internal Auditor, shall attend all meetings of the Finance and Grants Committee at which issues relating to accounts and audit are discussed; provided that at least once a year, the Finance and Grants Committee shall meet the external auditors, if deemed necessary by the committee.

(4) The Members of the Commission shall determine the terms of reference of the Finance and Grants Committee. The terms of reference shall be in writing, and shall specify the mandate of the Finance and Grants Committee. The Finance and Grants Committee shall have full and explicit authority to investigate any matter within its terms of reference and shall be provided with adequate resources and access to all relevant information.

(5) The Finance and Grants Committee shall, inter-alia, be responsible for recommending to the Members of the Commission, the appointment of external auditors by the Commission and shall consider any questions of resignation or removal of external auditors; audit fees, and provision by external auditors of any service to the Commission in addition to audit of its financial statements. In the absence of strong grounds to proceed otherwise, the Members of the Commission shall act in accordance with the recommendations of the Finance and Grants Committee in all these matters. However, the Members of the Commission shall not be deemed to absolve itself of its overall responsibility for the functions delegated to the Finance and Grants Committee.

(6) The terms of reference of the Finance and Grants Committee may also include the following:

- (i) determination of appropriate measures to safeguard the Commission's assets;
- (ii) review of financial results;
- (iii) review of annual statement of accounts of the Commission, prior to their approval by the Members of the Commission, focusing on:
  - (a) major judgment areas; significant adjustments resulting from the audit; and
  - (b) any changes in accounting policies and practices.

(7) The Finance and Grants Committee shall appoint a Secretary of the Committee, who shall circulate minutes of its meetings to the all Members of the Commission, members of the Committee, Executive Management Team, Directors and the Chief Financial Officer, within fourteen days of the meeting. Internal Auditor of the Commission may be appointed as the Secretary to the Committee.

## **12. THE PERFORMANCE REVIEW COMMITTEE**

(1) The Members of the Commission shall establish a Human Resources Committee, its chairman, shall be from the non-official members. The head of the Human Resources Wing of the Commission shall be one of its members and shall attend all of its meetings.

(2) The Performance Review Committee shall meet at least once each quarter. The Members of the Commission shall determine the terms of reference of the Performance Review Committee in writing, and shall specify its mandate. The Performance Review Committee shall have full and explicit authority to investigate any matter within its terms of reference and shall be provided with adequate resources and access to all relevant information.

(3) The Performance Review Committee shall, inter-alia, be responsible for recommending to the Members of the Commission the appointment of the Chief Executive Officer, the Chief Financial Officer and other senior management personnel. It shall consider any questions of resignation or removal of senior management; their compensation packages, benefits; tenure and performance evaluation. In the absence of strong grounds to proceed otherwise, the Members of the Commission shall act in accordance with the recommendations of the Performance Review Committee in all these matters. However, the Members of the Commission shall not be deemed to absolve itself of their overall responsibility for the functions delegated to the Performance Review Committee.

(4) The terms of reference of the Performance Review Committee may also include the following:

- (i) implementation of the Human Resource management regulations;
- (ii) determination of the organizational structure of the Commission;
- (iii) review of annual performance of senior management;
- (iv) review and recommendation regarding the human resource needs of the Commission;
- (v) annual increments, performance bonuses; training requirements and other pecuniary matters regarding the human resource employed by the Commission;



- (vi) develop a formal and transparent procedure for fixing the remuneration packages of directors and employees. No employee shall be involved in deciding his own remuneration. The remuneration packages shall encourage value creation within the Commission. These shall be subject to prior approval of the Members of the Commission. Levels of remuneration shall be sufficient to attract and retain the employees needed to run the Commission successfully.

(7) The Director Business Support Services of the Commission/Or any other officer of the Commission nominated by the competent authority will be the Secretary to the Committee, who shall circulate minutes of its meetings to the all Members of the Committee, within fourteen days of the meeting.

### **13. TECHNICAL ADVISORY COMMITTEE**

(1) The Technical Advisory Committee shall be formed by the Commission and shall operate in accordance with the provisions of the Act. The Commission may formulate several technical committees including Complaints and Patients' Rights Committee and Clinical and Performance Audit Committee etc.

### **14. TECHNICAL COMMITTEE**

To be constituted on need base/temporary/permanent to provide support in the functions of the commission as spelled out in the Act.

- (i) The Complaints and Patients' Rights Committee will focus on providing advice on matters pertaining to complaints lodged from time to time and will also aim to work closely with the Communications team of the Commission to help/improve the awareness of the beneficiaries about the grievance redress system of the Commission. This Committee will comprise of the Members of the Commission and may also co-opt members from outside the Commission, based on a specific criteria set out for this purpose by the Commission. The Director Complaints Management and Patients' Rights will be the Secretary to this Committee.

**15. Continuous Quality Improvement Committee** will focus on setting and reviewing standards for the quality of care, providing advice for the matters pertaining to licensing, certification and accreditation of healthcare establishments. This Committee can have members from among the Members of the Commission and can also co-opt members from time to time, based on a specific criteria set out for this purpose by the Commission. The Committee will also be responsible for capacity building of the HCEs. The Director Registration and Licensing shall be the Secretary to this Committee. The Committee will meet at least once each quarter but can also meet more often as needed from time to time.

### **16. PERFORMANCE EVALUATION**

(1) The Members of the Commission shall monitor and assess the performance of senior management on a periodic basis, at least once a year, and hold them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.

### **17. RELATED PARTY TRANSACTIONS**

(1) The details of all related party transactions shall be placed before the Audit Committee of the Commission and upon recommendations of the finance and grant committee, and the same shall be placed before the Members of the Commission for review and approval.

(2) The related party transactions which are not executed at arm's length price shall also be placed separately at each Commission meeting along with necessary justification for consideration and approval of the Members of the Commission on recommendation of the finance and grant committee of the Commission.

(3) The Members of the Commission shall approve the pricing methods for related party transactions that were made on the terms equivalent to those that prevail in arm's length transaction only if such terms can be substantiated.

(4) Commission shall maintain a party wise record of transactions, in each financial year, entered into with related parties in that year along with all such documents and explanations. The record of related party transaction shall include the following particulars in respect of each transaction:

- (i) name of related party;
- (ii) nature of relationship with related party;
- (iii) nature of transaction;
- (iv) amount of transaction; and
- (v) terms and conditions of transaction, including the amount of consideration received or given.

(5) Every member of the Commission, if he or his relative, is in any way, directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the Commission shall disclose the nature of his concern or interest at a meeting of the directors.

(6) Any other officer (including the Chief Executive Officer and other executives) of the Commission, if he or his relative, is in any way, directly or indirectly, concerned or interested in any proposed contract or arrangement by the company shall disclose to the Commission through a communication to the Chief Financial Officer, the nature and extent of his interest in the transaction. Such officer and the Commission shall ensure that such information is properly placed and considered by any forum where the matter relating to such proposed contract or arrangement is to be discussed and approved.

(7) If a member or officer has an existing interest, before joining the Commission, he/she shall disclose such interest to the Members of the Commission, which shall take such facts into consideration for any current and future decision making.

## **18. APPOINTMENT AND SUPERVISION OF SENIOR MANAGEMENT OF THE COMMISSION**

(1) The Chief Executive Officer of the Commission shall be responsible for the management of the Commission and for its procedures in financial and other matters, subject to the oversight and directions of the Members of the Commission, in accordance with the Act. His responsibilities include implementation of strategies and policies approved by the Members of the Commission, making appropriate arrangements to ensure that funds and resources are properly safeguarded and are used economically, efficiently and effectively and in accordance with all statutory obligations. The qualifications of the Chief Executive Officer shall be as enumerated in the Act. He shall act as the secretary to the Commission in this capacity, he shall ensure that the minutes are duly taken, recorded and circulated to the Members of the Commission either by the Chief Executive Officer himself or his nominee, not later than fourteen days after a meeting of the Members of the Commission.

(2) The Chief Financial Officer shall be responsible for ensuring that appropriate advice is given to the Members of the Commission on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control. No person shall be appointed as the Chief Financial Officer of the Commission unless he is a member of a recognized body of professional accountants with at least ten years relevant experience; and holds a relevant degree from a university recognized by the Higher Education Commission.

(3) The Chief Financial Officer shall also be responsible for ensuring that Commission procedures are followed, and that all applicable laws, rules and regulations and other relevant statements of best practice are complied with. The Chief Financial Officer shall attend all meetings of the Members of the Commission, provided that the Chief Financial Officer shall not be deemed to be a member or entitled to cast a vote at meetings of the Members of the Commission. Provided further that he shall not attend such part of a meeting of the Members of the Commission, which involves consideration of an agenda item relating to them or that relating to the Chief Financial Officer.

#### **19. INTERNAL AUDIT**

(1) The Internal Auditor, who shall head of the internal audit function of the Commission, shall be accountable to the Finance and Grant Committee have unrestricted access to the Finance and Grant Committee.

(2) No person shall be appointed to the position of the internal auditor unless he is considered and approved as "fit and proper" for the position by the Finance and grant Committee. No person shall be appointed as the Internal Auditor of the Commission unless he has at least ten years of relevant audit experience; is a member of a recognized body of professional accountants; or of certified internal auditors; or certified fraud examiner; or certified internal control auditor; and a person holding a relevant appropriate degree from a university recognized by the Higher Education Commission.

(3) The Commission shall ensure that internal audit reports are provided for the review of external auditors. The external auditors shall discuss any major findings in relation to the reports with the Finance and Grant Committee, which shall report matters of significance to the Members of the Commission.

(4) The internal audit function shall have an audit charter, duly approved by the Finance and Grant Committee and shall work, as far as practicable, in accordance with the standards for the professional practice of internal auditors issued by the Institute of Internal Auditors Inc. (the global professional organization of internal audit profession).

#### **20. EXTERNAL AUDITORS**

(1) The accounts of commission related to annual grant in aid given by the government in lieu of services rendered by the commission to the public institutions will be audited by the Auditor general of Pakistan or his representative.

(2) The CEO shall appoint a reputable external auditor to audit the Commission's annual accounts, being a corporate body. When carrying out audit the external auditors shall take into account the specific requirements of any other relevant regulations, ordinances or ministerial directives which affect the audit mandate and any special auditing requirements. In assessing materiality, the external auditor must, in addition to exercising professional judgment, consider any legislation or regulation which may impact that assessment.

(3) The external auditors shall report to the Members of the Commission and Finance and Grant Committee the matters of audit interest, as laid down in the International Standards on Auditing. The external auditor shall furnish a management letter to the Members of the Commission not later than thirty days from the date of the audit report.

(4) The external auditor shall be a firm of auditors which itself or its concerned partner shall be compliant with the International Federation of Accountants Guidelines on Code of Ethics, as applicable in Pakistan.