

Khyber Pakhtunkhwa Healthcare Commission
(Financial Management) Regulations, 2022

CHAPTER I
PRELIMINARY

1. Short Title, Application and Commencement:

- (1) These Regulations shall be called as the Khyber Pakhtunkhwa Health Care Commission (Financial Management) Regulations, 2022.
- (2) Regulations shall apply to Khyber Pakhtunkhwa Health Care Commission established under section 3 of the Act.
- (3) These Regulations shall come into force at once.

2. Definitions:

- (1) In these Regulations, unless the context otherwise requires, the following expressions shall have the meanings hereby respectively assigned to them, as given below:
 - (a) "Act" means the Khyber Pakhtunkhwa Healthcare Commission Act, 2015;
 - (b) "Bank" means the bank(s) or financial institution approved by the Commission;
 - (c) "Budget" means the estimated receipts and expenditures of the Commission, approved by the Board, for the financial year;
 - (d) "Board" means the Board constituted under the Khyber Pakhtunkhwa Health Care Commission Act, 2015;
 - (e) "Chief Financial Officer" means a person appointed as the Chief Financial Officer of the Commission;
 - (f) "Commission" means the Khyber Pakhtunkhwa Health Care Commission, established under the Act;
 - (g) "Directorate" means the Directorate of Finance, established and authorized under these regulations and headed by the Chief Financial Officer, duly appointed or designated by the Commission;
 - (h) "Financial Statements" means the Balance Sheet and the Income and Expenditure Account of the Commission for the financial year;
 - (i) "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;
 - (j) "Finance & Grants Committee" means Finance and Grants Committee established under the Khyber Pakhtunkhwa Health Care Commission Act, 2015;
 - (k) "Fund" means the Fund established under Section 24 of the Act;
 - (l) "Internal Auditor" means the person appointed as the Internal Auditor of the Commission to perform internal audit of the Commission;
 - (m) "Re-Appropriation" means transfer of fund from one account head to other head.
- (2) All other words and expressions used in these Regulations but not specifically defined herein shall have the same meanings as are assigned to them in the Act, financial management manual or guidelines of the Commission.

CHAPTER II ACCOUNTING AND BUDGETING

3. Basic Principles of Accounting:

These regulations are based on the following basic accounting principles:

- (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, all 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.
- (2) **Monetary Unit:**
All the financial transactions of the Commission shall be recorded in Pakistani Rupee (PKR). Thus any non-financial information or non-monetary information that cannot be measured in monetary unit i.e. Pakistani rupee shall not be recorded in the accounting books of the Commission.
- (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.
- (4) **Matching:**
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.
- (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.
- (6) **Consistency:**
The Commission shall ensure that all the accounting procedures are applied consistently from one accounting period to another. This will allow fair comparison of financial information from one period to the other.
- (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.

4. Khyber Pakhtunkhwa Health Care Commission Fund:

The Commission shall have a Fund, set up under section 24 of the Act, to be known as the Khyber Pakhtunkhwa Health Care Commission Fund.

- (1) The Fund shall consist of:
 - (a) Such sums as Government may grant by way of seed money;
 - (b) Grant in aid by the Government of Khyber Pakhtunkhwa;
 - (c) Donations from domestic and international donor agencies and other institutions;

- (d) 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;
 - (e) Fees, penalties or other charges imposed under this Act. Similarly, any profit(s) accrued under this Act;
 - (f) 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.
- (2) The Commission may, as per section 26(5) of the Act, invest money not required for immediate expenditure in Government Saving Scheme or in fixed deposit with bank approved by the Government.

5. Principle Accounting Officer:

- (1) The Chief Executive Officer of the Commission shall act as the Principal Accounting Officer of the Commission, as provided in section 9(3)(b) of the Act and shall be responsible and accountable for management of the Commission funds and financial discipline;
- (2) The Principal Accounting Officer may constitute as many spending units and may appoint Drawing & Disbursing Officers accordingly as deemed necessary for the purposes of carrying out the expenditures of the Commission.

6. Annual Budgeting:

- (1) The Commission's budget for each financial year shall be prepared by the Chief Financial Officer, in consultation with all the directors of the Executive of the Commission, by the month of April every year;
- (2) The Chief Financial Officer shall present the annual budget to the Finance & Grants Committee;
- (3) The Principal Accounting Officer shall present, and the Board shall consider and approve the annual budget after affecting amendments, if any;
- (4) All revisions in the budget shall be considered and approved by the Board, if deemed appropriate;
- (5) Re-appropriation of funds from one account head to another head shall be prepared by the Chief Financial Officer in the month of April each year and shall be submitted to the Chief Executive Officer for approval, if deemed appropriate.

7. Expenditure:

- (1) The fund so defined in Regulation 4 *ibid* shall be spent on:
 - (a) Paying any expenditure lawfully incurred by the Commission in carrying out its functions and in exercising its powers under the Act, including but not limited to, cost of trainings, meetings outside the Commission, and charges of contractors hired by the Commission;
 - (b) Paying remuneration to employees appointed by the Commission, their provident fund contribution, gratuities, leave encashment or any other allowances;
 - (c) Paying honorarium/fee and reimbursable appropriate expenditures to the Members of the Commission, Committees of the Commission, inspection teams, advisors, assessors, consultants, experts and agents hired by the Commission for assisting the Commission for fulfilling the functions of inspection, complaints management and training etc.;

- (d) 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;
- (e) Repayment of loan(s) or money borrowed under the Act and the profit, return or mark up or interest thereupon;
- (f) Public service advertisement and health care campaigns;
- (g) Any other expenditure for carrying out any provision of the Act;
- (h) No liability shall be created, for which funds have not been earmarked in the annual budget.

8. Payments:

The following formalities shall be observed while making Payments:

- (1) All payments shall ordinarily be made through crossed cheque;
- (2) A separate record of cheques shall be maintained by using cheque control register;
- (3) The cheque books shall be kept under lock and key and in the personal custody of the authorized officer of the Commission, duly nominated jointly by the Chief Financial Officer and Chief Executive Officer;
- (4) When a cheque is cancelled, the reason for cancellation shall be recorded on the counterfoil of the cheque;
- (5) Cancelled cheques shall be carefully preserved until the accounts for the financial year have been audited;
- (6) If a cheque is lost or destroyed, an intimation of the fact shall be given to the bank immediately and its payment shall be stopped, and a new cheque shall be issued and its number shall be recorded on all the supporting documents;
- (7) All payment vouchers shall be serially numbered and filled separately for each month;
- (8) All payment vouchers and their supporting documents shall be stamped as "Paid" after payment;
- (9) The Chief Financial Officer, in consultation with the Chief Executive Officer, shall prepare Standard Operating Procedures for utilization of petty cash;
- (10) All claims against the Commission, submitted along with required supporting documents, shall be examined by the Directorate of Finance for correctness, budget availability and its authorization. In case the claim is found correct in all respect, the Directorate of Finance shall prepare a payment voucher and submit it for the signature of the Chief Financial Officer and the Chief Executive Officer;
- (11) The bank 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 shall be communicated to the bank under the signature of Chief Executive Officer;
- (12) When any defalcation or loss of the Commission's money or property is discovered, the case shall be initiated by the concerned department and an inquiry shall be conducted as per relevant regulations.
- (13) All advances paid by the Commission shall be recorded in the Register of Advances.
- (14) The Chief Financial Officer and pre-audit section shall ensure that all government taxes are deducted, as applicable from time to time, and deposited on time with the relevant Government Offices.

9. Revenue:

- (1) The funds belonging to the Commission shall be deposited in the banks, approved for the purpose by the Board;
- (2) The Commission shall keep and operate separate bank accounts for employees' funds e.g. Contributory Provident Fund etc.;
- (3) The Chief Financial Officer shall prepare all the periodically required bank reconciliation statement;
- (4) All sums payable to the Commission shall be deposited either direct with the bank(s) scheduled by the Commission or sent to the Chief Financial Officer vide pay order, call deposit receipt or bank draft. All moneys received shall be recorded in the books of the Commission without any delay;
- (5) All sums payable to the Commission under the heads of fine, fee or Grant-in-Aid etc., shall be rigorously pursued for on time collection and deposited in the bank forthwith.

10. Books of Accounts:

- (1) The Chief Financial Officer of the Commissions shall be responsible for maintaining the books of accounts of the Commission;
- (2) The Directorate of Finance shall maintain the following books of accounts;
 - (a) Cash Book
 - (b) General Ledger
 - (c) Cheque Control Register
 - (d) Advance Register
 - (e) Subsidiary Ledgers

11. Closure of Accounts and Financial Statements:

- (1) The Chief Financial Officer shall prepare bank reconciliation statement on monthly and quarterly basis;
- (2) At the close of every financial year, the books of Commission shall be reconciled and closed. The following financial statements shall be prepared within six months of the close of financial year by the Chief Financial Officer:
 - (a) Balance Sheet
 - (b) Income and Expenditure Account
 - (c) Statement of Cash Flows
 - (d) Note to the Financial Statement

**CHAPTER III
FINANCIAL CONTROL AND ACCOUNTABILITY**

Financial control shall be maintained to ensure that funds of the Commission are utilized according to the spirit and purpose of the Act, Rules and Regulations. The following mechanisms shall be used to ensure financial discipline and accountability:

12. Financial Control:

- (1) The Commission shall have a two-fold control mechanism to maintain financial discipline; third party audit through an external registered audit firm, and independent audit through the Auditor General of Pakistan.

- (2) External Audit of Accounts of the Commission shall be carried out by a firm of auditors, duly appointed by the Board, who are chartered accountants within the meaning of the Chartered Accountants Ordinance 1961 (X of 1961);
- (3) The Audit shall be completed within six months from the end of the financial year to which it relates;
- (4) The third party audit report shall be reviewed by the Finance and Grants Committee and shall be presented to the Board for approval by the Chief Executive Officer;
- (5) The Auditor General of Pakistan shall audit the accounts of the Commission;
- (6) The Board shall appoint an Internal Auditor to conduct pre-audit.

CHAPTER IV MISCELLANEOUS

13. Removal of Difficulties:

- (1) The Board may issue such instructions, directions or amend these Regulations, in public interest keeping in view the purposes of the Act, or for the purposes of removing any difficulties that may arise in implementing these Regulations.
- (2) The Chief Executive Officer shall approach the Board for its guidance and/or for further necessary action, if so deemed necessary for implementation of these Regulations.

14. Amendment:

The Board may amend or repeal these Regulations with simple majority.

15. Office Procedures:

The Executive of the Commission, with the approval of the Chief Executive Officer, may make office procedures, not inconsistent with the provisions of the Act, Rules and these Regulations.

16. Overriding Effect:

Notwithstanding anything to the contrary contained in any other regulations, the provisions of these Regulations shall have an overriding effect and the provisions of any such regulations to the extent of inconsistency to these Regulations shall cease to have effect.

17. Repeal:

The Khyber Pakhtunkhwa Health Care Commission Financial Management Regulations, 2016 are hereby repealed.