

**Independent Performance Evaluation (IPE) Report**  
**on**  
**Chittagong Port Authority (CPA)**  
**For 2022-23**

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## Executive Summary

The Finance Division of the Ministry of Finance is implementing the "Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)." One of the key components of this program is the "Strengthening of State-owned Enterprises' Governance" scheme, which aims to strengthen the governance of State-owned Enterprises (SOEs) and Autonomous Bodies (ABs). To achieve this, the Finance Division has developed and approved an Independent Performance Evaluation Guideline (IPEG) for SOEs and ABs to evaluate their performance independently. Based on selection parameters of IPEG, Monitoring Cell, Finance Division has selected 10 (ten) more SOEs and ABs in addition to previously selected 10 (ten) SOEs/ABs in total 20 (twenty) SOEs/ABs to conduct Independent Performance Evaluation for the fiscal year 2022-23.

Chittagong Port Authority (CPA) has been evaluated for two consecutive years and is among the 20 selected State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) for Independent Performance Evaluation (IPE) for FY 2022-23. According to the evaluation results, CPA achieved a weighted average score of 2.83 out of 4.00, earning a "Good" grade.

### 1. Introduction

The "East Pakistan Chittagong Port Trust" was established in 1960. After independence of Bangladesh, the government enacted the Chittagong Port Authority Ordinance No. 52 in 1976, renaming the Chittagong Port Trust to the Chittagong Port Authority (CPA). Recently, the CPA Ordinance of 1976 was replaced by the Chittagong Port Authority Act, 2022.

As the main seaport of Bangladesh, the CPA plays a vital role in the nation's development, handles over 92% of the country's sea-borne trade. Its responsibilities include developing, maintaining, and modernizing the port, as well as supervising and controlling ship movements within the berth area. The Ministry of Shipping oversees CPA's operations. The key operational activities of CPA are given below:

#### Key Operational Activities

SL	Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
1	Import Cargo Handled	MT	106,235,344	110,061,208	110,776,589
2	Export Cargo Handled	MT	7,494,029	8,112,952	7,521,054
3	Container Handled	TEUs	3,097,236	3,255,358	3,007,375
4	No of Vessels Handled	Nos.	4,062	4,231	4,253
5	Ships Turn Around Time	Days	3	2	2.19
6	Dwell Time of Container	Days	9	9	9.55
7	Berth Occupancy	%	89	92	78.17

Source: CPA Annual Report, 2021-22 and 2022-23

The operational statistics of the Chittagong Port Authority (CPA) over the fiscal years 2020-21 to 2022-23 reflect notable trends in port activities. Import cargo handled increased by 4.48% from FY 2020-21 to FY 2021-22 and by a marginal 0.65% in FY 2022-23. Export cargo saw a 8.26% rise in FY 2021-22 but declined by 7.29% in FY 2022-23. Container handling experienced a 5.10% growth in FY 2021-22 but dropped by 7.63% in FY 2022-23. The number of vessels handled rose by 4.16% from FY 2020-21 to FY 2021-22 and by 0.52% in FY 2022-23. Ships' turnaround time improved significantly, reducing by 33.33% in FY 2021-22 but slightly increased by 9.5% in FY 2022-23. The dwell time of containers remained stable at 9 days for the first two years, rising by 6.11% in FY 2022-23. Berth occupancy increased by 3.37% in FY 2021-22 but fell by 15.08% in FY 2022-23, indicating reduced congestion or activity. These changes highlight evolving trade dynamics and operational efficiency at the port.

## **2. Role and Functions**

Chittagong Port Authority (CPA) mainly performs the following functions:

- I. Manage, maintain, improve and develop the port.
- II. Provide efficient port services and facilities to the stakeholders.
- III. Provide berthing facilities of international standard.
- IV. Ensure safety of the port and its adjacent areas.
- V. Handle the export and import cargo of sea-borne trade efficiently.
- VI. Train up the efficient manpower for Port operation.
- VII. Supply fuel/water to vessels.

## **3. Core Business**

- I. Ensure the Port environment at international level.
- II. Handle the container/cargo efficiently and safely.
- III. Ensure the safety of all cargo/goods stored in the Port area.
- IV. Responsible for safe ship movement in the Karnapuli river channel;
- V. Responsible for dredging the port regularly.
- VI. Regulate and control berthing and movement of vessels and navigation within the port area.

## 4. Evaluation Parameters

Criteria: Business and Governance

Indices: A. Business Strategy and Social Responsibility

Table 2(a): Standard of Indices A

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	<b>Entity Strategy</b>							
	Entity Strategic Plan	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Growth Trajectory</b>							
	2a. Net Income Growth	QN	4	10.00% or more	9.00% to 9.99%	8.00% to 8.99%	6.00% to 7.99%	Below 6.00%
	2b. Service Revenue Growth	QN	4	20.00% or more	15.00% to 19.99%	10.00% to 14.99%	5.00% to 9.99%	Below 5.00%
	2c. Other Growth	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
3	<b>Effective Implementation of Public Policy</b> Implement activities to achieve policy goal	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
4	<b>Efficiency of Project Implementation/ Project Goal Achievement:</b> • Percentage of estimated target achieved”	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	<b>Social Contribution</b> • Environmental Contribution • CSR/WPPF • Training/Volunteering	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 2(b): Achievement of Indices A

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	<b>Entity Strategy</b>						
	Entity Strategic Plan	QL	4	91.00%	Excellent	4	Note 1
2	<b>Growth Trajectory</b>						
	2a. Net Income Growth	QN	4	10.76%	Excellent	4	AFS
	2b. Service Revenue Growth	QN	4	10.23%	Good	2	AFS
	2c. Other Growth	QL	3	79.00%	Good	2	Note 2
3	<b>Effective Implementation of Public Policy</b>	QL	3	65.00%	Fair	1	Note 3
4	<b>Efficiency of Project Implementation/ Project Goal Achievement.</b>	QN	4	64.63%	Fair	1	Note 4
5	<b>Social Contribution</b>	QL	3	85.00%	Very Good	3	Note 5
Sub-Total			25				

**Note-1:** To align with the Sustainable Development Goals (SDGs) - particularly SDG 9 (Industry, Innovation, and Infrastructure), SDG 8 (Decent Work and Economic Growth), and SDG 14 (Life Below Water) - as well as National Strategic Plan, government policy directives outlined in the national budget, the Chittagong Port Authority (CPA) has formulated a Strategic Master Plan (2013–2043) to significantly enhance port capacity and operational efficiency. This long-term strategy aims to bolster Bangladesh's position in regional and global trade while supporting sustainable economic growth. Key projects under this plan include the development of the Bay Container Terminal, Matarbari Port, and Patenga Container Terminal; the construction of a heavy lift jetty with backup facilities; and major capital dredging and bank protection works. These initiatives are designed to modernize port infrastructure, improve logistics, and ensure environmentally responsible maritime operations.

**Note-2:**

The CPA has implemented several measures to enhance its operational activities:

- i. An online shipping agent and vessel billing system has been introduced.
- ii. An electronic delivery order system has been implemented.
- iii. A vehicle control management system has been launched to save time, reduce stakeholder costs, and ensure the safety of vehicle movements within the port area.

**Note-3:** CPA aligns its operational practices with key public policy objectives—ensuring timely service delivery, competitive pricing, and enhanced stakeholder satisfaction. Its mission to manage, develop, and modernize port infrastructure is supported by continuous improvements in cargo handling, vessel traffic control, and workforce development. Notable progress in operational metrics - such as reduced ship turnaround time, consistent handling of import cargo, and improved berth occupancy - reflect CPA's ability to translate national policy into measurable outcomes. Furthermore, CPA maintains environmental and security standards in compliance with international protocols, thereby reinforcing its role as a public entity effectively implementing national policy goals.

**Note-4:** CPA achieved 59.11% of its financial targets and 70.15% of its physical targets for FY 2022-23. The performance score is assigned based on the level of target achievement during the fiscal year.

**Note-5:** CPA has undertaken the following social and environmental initiatives:

- i. Regular patrolling by Bay Cleaner-1 and Bay Cleaner-2 to keep the Karnaphuli River channel free from environmental pollution.
- ii. The Environment Management Unit (EMU) has been relocated and upgraded in line with the International Convention for the Prevention of Pollution from Ships (MARPOL) to enhance performance.
- iii. CPA develops oil and chemical contingency plans and actively combats pollution.
- iv. During FY 2022-23, CPA trained 80 intern students from various universities, the Marine Academy, and Polytechnic Institutes.
- v. CPA operates five primary schools, two high schools, one madrasa, two colleges, 15 mosques, a temple, and a Buddha Bihar. Additionally, it maintains its own hospital, stadium, and sports complex.

## Indices: B. Operational Efficiency

**Table 3(a): Standard of Indices B**

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	<b>Service Delivery</b>							
	Service Benefit & Accessibility	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Labor Productivity</b>							
	Added Value per Employee (million Tk.)	QN	4	Tk. 5.00 million or more	Tk. 4.00 to 4.99 million	Tk. 3.00 to 3.99 million	Tk. 2.00 to 2.99 million	Below Tk. 2.00 million
3	<b>Capital Productivity</b>							
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.10 or more	Tk. 0.08 to 0.09	Tk. 0.06 to 0.07	Tk. 0.04 to 0.05	Below Tk. 0.04
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk. 0.36 or more	Tk. 0.32 to 0.35	Tk. 0.28 to 0.031	Tk. 0.24 to 0.27	Below Tk. 0.24
4.	<b>Production</b>							
	4a. Asset Turnover (Times)	QN	4	0.20 or more	0.15 to 0.19	0.10 to 0.14	0.05 to 0.09	Below 0.05
	4b. Capacity Utilization (%)	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
Sub-total			25					

**Table 3(b): Achievement of Indices B**

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Service Delivery						
	Service Benefit & Accessibility	QL	5	84.00%	Very Good	3	Note 6
2	Labor Productivity						
	Added Value per Employee (million Tk.)	QN	4	Tk. 5.38 million	Excellent	4	AFS
3	Capital Productivity						
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.11	Excellent	4	AFS
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk. 0.37	Excellent	4	AFS
4	Production						
	4a. Asset Turnover (Times)	QN	4	0.15	Very Good	3	AFS
	4b. Capacity Utilization (%)	QN	4	100%	Excellent	4	SL 42 of Annexure-1
Sub-total			25				

**Note-6:** The CPA has established the following facilities for port users:

- i. An Automated Terminal Operating System (TOS) for submitting delivery orders.
- ii. A One-Stop Service Center to streamline import and export documentation.
- iii. An automated gate pass system for vehicles.
- iv. A billing information verification facility available on the CPA website.
- v. E-piloting is being implemented for online communication with outer anchorage ships regarding port entry and other relevant details.

### Indices: C. Financial

**Table 4(a): Standard of Indices C**

FY 2022-23

		* Standard						
Serial No.	Indicators & Sub-indicators	Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
	i. Financial Performance							
1	Operating profit	QN	2	Tk.15,000 mil or more	Tk.14,500 to Tk. 14,999 mil	Tk.14,000 to Tk. 14,499 mil	Tk.13,500 to Tk. 13,999 mil	Below Tk. 13,500 mil
2	Profit before Tax	QN	2	Tk. 20,000 mil or more	Tk. 19,000 to Tk. 19,999 mil	Tk. 18,000 to Tk. 18,999 mil	Tk. 17,000 to Tk. 17,999 mil	Below Tk. 17,000 mil
3	Return on Assets (%)	QN	2	8% or more	6% to 7%	4% to 5%	2% to 3%	Below 2%
4	Return on Service Revenue (%)	QN	2	40% or more	38% to 39%	36% to 37%	34% to 35%	Below 34%
5	Return on Equity (%)	QN	2	15% or more	12% to 14%	9% to 11%	6% to 8%	Below 6%
6	Net Worth Growth (%)	QN	2	12.00 % or more	11% to 11.99%	10% to 10.99%	9% to 9.99%	Below 9%
7	Capital Budget Utilization (%)	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
	ii. Financial Risk							
1	Debt Equity Ratio (Times)	QN	2	0.50 or less	0.51 to 0.80	0.81 to 1.10	1.11 to 1.40	More than 1.40
2	Debt to Assets (Times)	QN	2	0.25 or less	0.26 to 0.45	0.46 to 0.65	0.66 to 0.85	More than 0.85
3	Debt Coverage Ratio (Times)	QN	2	2.00 or more	1.75 to 1.99	1.50 to 1.74	1.25 to 1.49	Below 1.25
4	Current Ratio (Times)	QN	2	2.00 or more	1.75 to 1.99	1.50 to 1.74	1.25 to 1.49	Below 1.25
5	Accounts Receivable Period (Days)	QN	2	60 days or less	61 to 80 days	81 to 100 days	101 to 120 days	More than 120 days
6	Accounts Payable Period (Days)	QN	2	60 days or less	61 to 80 days	81 to 100 days	101 to 120 days	More than 120 days
	iii. Transactions with Govt.							
1	Dividend Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Taxes Paid	QN	1	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Debt Service Liabilities Paid	QN	1	91-100%	81-90%	71-80%	41-70%	Below 41%



**Table 4(b): Achievement of Indices C**

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance measuring
					Grade	Score	
	i. Financial Performance						
1	Operating profit	QN	2	Tk. 17,065.98 mil	Excellent	4	AFS
2	Profit before Tax	QN	2	Tk. 23,041.17 mil	Excellent	4	AFS
3	Return on Assets (%)	QN	2	6.78%	Very Good	3	AFS
4	Return on Service Revenue (%)	QN	2	45.17%	Excellent	4	AFS
5	Return on Equity (%)	QN	2	12.09%	Very Good	3	AFS
6	Net Worth Growth (%)	QN	2	(1.42%) %	Under Performing	0	AFS
7	Capital Budget Utilization (%)	QN	2	86.80%	Very Good	3	Annexure 1 SL 27 & 28
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	2	0.78	Very Good	3	AFS
2	Debt to Assets (Times)	QN	2	0.44	Very Good	3	AFS
3	Debt Coverage Ratio (Times)		2	211.57	Excellent	4	AFS
4	Current Ratio (Times)	QN	2	2.53	Excellent	4	AFS
5	Accounts Receivable Period (Days)	QN	2	140.24	Under Performing	0	AFS Note 7
6	Accounts Payable Period (Days)	QN	2	365	Under Performing	0	AFS
	iii. Transactions with Govt.						
1	Dividend Paid	QN	2	100%	Excellent	4	Annexure 1 SL 29 & 30
2	Taxes Paid	QN	1	100%	Excellent	4	Annexure 1 SL 31 & 32
3	Debt Service Liabilities Paid	QN	1	100%	Excellent	4	Annexure 1 SL 33 & 34
Sub-total			30				

**Note- 7:** The Audit Report for 2022-23 shows Accounts Receivable (Trade) totaling Tk. 2,536.09 million. Of this amount, Tk. 877.41 million (34.60%) is owed by various government organizations, while the remaining 65.40% is due from enlisted and non-enlisted shipping parties and others.

## Indices: D. Corporate Governance Practices

**Table 5(a): Standards of Indices D**

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	<b>Commitment to Corporate Governance:</b> <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Ethics</li> <li>• Key policies of Board</li> <li>• Board structure</li> <li>• Employees service rules/regulations</li> <li>• Appointment of Board Secretary</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Board Practices:</b> <ul style="list-style-type: none"> <li>• Composition of Board of Directors and number of meetings held</li> <li>• TOR of board</li> <li>• Number of independent Board Directors</li> <li>• Name &amp; Number of board committees and number of meetings held</li> <li>• Number of board decisions that have been implemented</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
3	<b>Transparency and Disclosure:</b> <ul style="list-style-type: none"> <li>• Board of directors and Senior managers name and biographies</li> <li>• Audited financial statement</li> <li>• Citizen charter</li> <li>• APA</li> <li>• Code of conduct</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
4	<b>Control Environment and Process:</b> <ul style="list-style-type: none"> <li>• Entity's internal control systems for different departments</li> <li>• Internal audit procedure and reporting authority</li> <li>• Entity's computer-based management information system (database)</li> <li>• Any authority of the board to mitigate the entity's emergency situation</li> <li>• Measures taken for safe working environment in the entity's premises</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	<b>Performance against the key Indicators of APA<sup>1</sup>:</b> <ul style="list-style-type: none"> <li>• Total Performance score achieved on APA</li> </ul>	QN	4	100%	90%	80%	70%	60%

<sup>1</sup>Standard of APA Indicator is set on the basis of Annual Performance Agreement (APA) Guideline.

**Table 5(b): Achievement of Indices D**

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Commitment to Corporate Governance	QL	4	80%	Good	2	Note 8
2	Board Practices	QL	4	75%	Good	2	Note 9
3	Transparency and Disclosure	QL	4	76%	Good	2	Note 10
4	Control Environment and Process.	QL	4	76%	Good	2	Note 11
5	Performance against the key Indicators of APA	QN	4	91.89%	Very Good	3	Score of APA for FY 2022-23
Sub-total			20				
Grand Total (A+B+C+D):			100				

\* Standard for Financial and Non-Financial indicators are set on the basis of IPE process.

**Note-8:** CPA has established its own Code of Conduct and adheres to international standards of ethics to guide its organizational behavior. The Board of CPA operates under defined policies aligned with its goals and objectives, and has a designated Board Secretary.

The Authority has comprehensive service rules for its employees and follows a wide range of structured guidelines, rules, and manuals to ensure effective governance. These include regulatory frameworks such as the Private Offdock/CFS Guideline 2016, Regulations for Working of Chittagong Port (Cargo & Container), 2001, and The Service Regulations of Chittagong Port Employees - 1991. In addition, CPA has manuals covering recruitment, automation, traffic, container handling, auditing, store systems, and disaster preparedness.

**Note-9:** The Board of Directors of the Chittagong Port Authority comprises a Chairman and four regular members, all appointed by the government, and functions in accordance with the Terms of Reference (TOR) defined in the CPA Act-2022.

In the fiscal year 2022–23, the Board convened thirty-six (36) meetings and executed two hundred sixty-seven (267) decisions.

Currently, the Board has no committees, and there are no independent members. The CPA Act does not include any provision for the appointment of independent directors.

**Note- 10:** The entity maintains transparency by publishing its Acts, Rules, audited financial statements, profiles of Board Directors and senior management, the Citizen Charter, and the Annual Performance Agreement (APA) on its official website.

For the fiscal year 2022–23, the audited financial statements were published seven months after the end of the fiscal year. The auditors issued qualified opinions on various issues and highlighted several key observations in their report.

**Note-11:** The CPA has implemented the following measures to control the environment and processes:

- i. CPA has an Internal Audit and Inspection Department to ensure efficient internal control.
- ii. It maintains a Personal Management Information System (PMIS) and a database system.
- iii. The entity complies with the International Ship and Port Facility Security (ISPS) Code to ensure port safety and security.
- iv. Various safety measures have been put in place, including the installation of fire extinguishers, fire tenders, and rescue & recovery vehicles.
- v. CPA operates its own fire service station to maintain port safety.
- vi. To protect the port area, CPA has constructed a boundary wall with metal wire surrounding the area.

## **5. IPE Process**

- I. Performances of non-financial indicators of Chittagong Port Authority (CPA) has been evaluated using information and documents of the inception report provided by CPA.
- II. Actual performance of non-financial indicators is determined through the collective decision of ERT members.
- III. According to IPEG, actual financial performances of CPA are to be evaluated on the basis of national best practices/standard. However, due to non-availability of such standard and comparable entities in the country, CPA's financial performance was assessed based on its performance over the last five years on respective financial indicators.
- IV. Performances of all financial indicators are evaluated based on audited financial statements.
- V. Measurement tools used for financial indicators are suggested by IPEG.
- VI. Grades and scores are assigned according to the IPEG.

## 6. Performance Evaluation Results

### Chittagong Port Authority (CPA)

Fiscal Year: 2022-23

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
a	b	c	d	e	f
A	<b>Business Strategy and Social Responsibility:</b>	25			
1	Entity Strategy: • Entity Strategic Plan		4	4	0.16
2	Growth Trajectory: 2a. Net Income Growth		4	4	0.16
	2b. Service Revenue Growth		4	2	0.08
	2c. Other Growth		3	2	0.06
3	Effective Implementation of Public Policy Implement activities to achieve policy goal		3	1	0.03
4	Efficiency of Project Implementation/ Project Goal Achievement: • Percentage of estimated target achieved"		4	1	0.04
5	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		3	3	0.09
	<b>Sub Total</b>		<b>25</b>		<b>0.62</b>
B	<b>Operational Efficiency:</b>	25			
1	Service Delivery: • Service benefits and Accessibility		5	3	0.15
2	Labor Productivity: • Added Value Per Employee		4	4	0.16
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		4	4	0.16
	3b. Added Value Per TK Value of PPE		4	4	0.16
4	Production:				
	a. Asset Turnover		4	3	0.12
	b. Capacity Utilization (%)		4	4	0.16
	<b>Sub Total</b>		<b>25</b>		<b>0.91</b>

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
C	<b>Financial:</b>	30			
	<b>i. Financial Performance:</b>				
1	Operating profit		2	4	0.08
2	Profit before tax		2	4	0.08
3	Return on assets		2	3	0.06
4	Return on Service Revenue		2	4	0.08
5	Return on equity		2	3	0.06
6	Net worth growth		2	0	0.00
7	Capital budget utilization		2	3	0.06
	<b>ii. Financial Risk:</b>				
1	Debt equity ratio		2	3	0.06
2	Debt to assets		2	3	0.06
3	Debt Coverage Ratio		2	4	0.08
4	Current ratio		2	4	0.08
5	Accounts Receivable Period		2	0	0.00
6	Accounts Payable Period		2	0	0.00
	<b>iii. Transactions with Government:</b>				
1	Dividend paid		2	4	0.08
2	Taxes paid		1	4	0.04
3	Debt Service Liabilities Paid		1	4	0.04
	<b>Sub Total</b>		<b>30</b>		<b>0.86</b>

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
D	<b>Corporate Governance Practices:</b>	20			
1	Commitment to Corporate Governance: <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Ethics</li> <li>• Key policies of Board</li> <li>• Board structure</li> <li>• Employee's service rules/ regulations</li> <li>• Appointment of Board Secretary</li> </ul>		4	2	0.08
2	Board Practices: <ul style="list-style-type: none"> <li>• Composition of Board of Directors and number of meetings held</li> <li>• TOR of board</li> <li>• Number of independent Board Directors</li> <li>• Name &amp; Number of board committees and number of meetings held</li> <li>• Number of board decisions that have been implemented</li> </ul>		4	2	0.08
3	Transparency and Disclosure: <ul style="list-style-type: none"> <li>• Board of directors and Senior managers name and biographies</li> <li>• Audited financial statement</li> <li>• Citizen charter</li> <li>• APA</li> <li>• Code of conduct</li> </ul>		4	2	0.08
4	Control Environment and Process: <ul style="list-style-type: none"> <li>• Entity's internal control systems for different departments</li> <li>• Internal audit procedure and reporting authority</li> <li>• Entity's computer-based management information system (database)</li> <li>• Any authority of the board to mitigate the entity's emergency situation</li> <li>• Measures taken for safe working environment in the entity's premises</li> </ul>		4	2	0.08
5	Performance against the key Indicators of APA: <ul style="list-style-type: none"> <li>• Total Performance score achieved on APA</li> </ul>		4	3	0.12
	<b>Sub Total</b>		<b>20</b>		<b>0.44</b>
	<b>Grand Total (A+B+C+D)</b>	<b>100</b>	<b>100</b>		<b>2.83</b>



## 7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Chittagong Port Authority Scored 2.83 out of 4.00 in the year 2022-23.

**7 (A)** The performance of CPA is graded “Excellent” in the following areas:

- Entity Strategic Plan
- Return on Service Revenue
- Capacity Utilization
- Labor Productivity
- Debt Coverage Ratio
- Net Income Growth
- Capital Productivity
- Current Ratio

The performance of CPA is graded “Very Good” in the following areas:

- Service Delivery
- Annual Performance Agreement (APA)
- Capital Budget Utilization
- Debt Equity Ratio
- Debt to Assets
- Return on Assets
- Return on Equity
- Assets Turnover
- Social Contribution

The performance of CPA is graded “Good” in the following areas:

- Transparency and Disclosure
- Board Practices
- Service Revenue Growth
- Control Environment and Process
- Corporate Governance.
- Other Growth

The performance of CPA is graded “Fair” in the following areas:

- Efficiency of Project Implementation
- Effective Implementation of Public Policy

The performance of CPA is graded “Under Performing” in the following areas:

- Accounts Receivable Period
- Accounts Payable Period
- Net worth Growth

## **7 (B) Other important aspects of Performance during FY 2022-23:**

- I. CPA has earned an operating profit of Tk 17,065.98 million.
- II. The entity earned net profit (after tax) of Tk 17,222.52 million.
- III. CPA Current Ratio (Time) 2.53 which indicates entity is in a well position to meet its current liabilities in due period.
- IV. CPA Paid Taxes Tk 6,467.70 million, Dividend Tk 800.00 million, DSL Tk 85.01 million to GOB.

## **8. Findings from the Audit Report 2022-23**

8.1 In the CPA Audit Report for 2022-23, the auditors provided the qualified opinion on the following accounts and issues:

- i. The audit report highlighted the following accounts that remained unadjusted and carried forward with the same amount for an extended period:
  - Receivables amounting to Tk. 730.52 million
  - Advances, Deposits, and Prepayments totaling Tk. 2,205.26 million
  - Other Finance totaling Tk. 273.76 million
- ii. CPA did not provide aging details for Accounts Receivables and Accounts Payables in the audit report, preventing an assessment of the recoverability of receivables and the liability related to other finances.
- iii. CPA faces uncertainty regarding the repayment of a fixed deposit of Tk. 1,793.15 million from Padma Bank PLC, which is experiencing a liquidity crisis. However, CPA did not make any provision for the expected loss, as required by IFRS-9.
- iv. CPA used a cash basis of accounting for Rental Income of Tk. 639.39 million, deviating from the accrual basis required by IAS-27.

8.2 In the CPA Audit Report for 2022-23, the auditors highlighted and drew attention to the following issues:

- a) The Capital Work in Progress (CWIP) account includes Tk. 20,268.17 million, which has remained unadjusted for an extended period. The entity has not provided a completion certificate for the capitalization of CWIP.
- b) There is a difference of Tk. 418.36 million in the loan to Payra Port account, which should be reconciled between CPA and Payra Port to resolve the discrepancy.
- c) The payable Goods and Services accounts include Tk. 126.86 million that has been carried forward for a prolonged period.
- d) CPA has not maintained a Deferred Tax Account, which constitutes non-compliance with IAS-37.

- e) CPA did not report Miscellaneous Income of Tk. 455.95 million and Rental Income of Tk. 639.39 million in the VAT return, although VAT was paid on these amounts.
- f) CPA holds Fixed Deposits of Tk. 10,445.55 million with other banks facing liquidity crises, but no provision has been made for the expected loss, as required by IFRS-9.

## **9. Recommendation for Performance Based Incentives**

Chittagong Port Authority has obtained a weighted score of 2.83 out of a scale 4.0 and is graded “Good”. Therefore, IPEC recommended non-financial incentive for the employees of CPA. Also, a certificate from Finance Division may be awarded to CPA for being graded “Good” in IPE for the FY 2022-23.

## **10. Recommendations for Improvements**

To enhance the performance of CPA, the following recommendations are made based on the findings of the IPE:

- a) The authority should take steps to implement the "Breakwater Navigational and Access Channel Dredging" project to ensure proper navigation for the Bay Terminal Channel.
- b) The container handling process should be fully automated to improve productivity and efficiency.
- c) CPA should proceed with the implementation of the existing plan to upgrade terminals for multipurpose use.
- d) A Terminal Operating System (TOS) should be implemented to ensure the safety, security, and efficient operation of all types of cargo and vehicles.
- e) CPA should develop a strategic plan to reduce ship turnaround times, container dwell times, and berth occupancy rates to acceptable levels.
- f) CPA should establish Board Committees, such as an Audit Committee and Nomination & Remuneration Committee (NRC) to strengthen internal control and compliance.
- g) CPA is advised to maintain a specific provision against the Fixed Deposit Receipt (FDR) with Padma Bank Ltd as per the applicable IAS/IFRS standards.
- h) CPA's financial statements should be prepared in accordance with the applicable IAS and IFRS to enhance financial discipline, transparency, and reporting.
- i) CPA should provide appropriate evidence as required by the auditors.
- j) CPA should follow financial rules and regulations, IAS/IFRS guideline, mitigate the Auditor's qualified opinion and advice to ensure the financial governance, safeguard public fund as well as institutional accounting.
- k) CPA should take initiative to include an Independent Director on its board to enhance transparency, objectivity, and accountability in the Board's decision-making processes.
- l) The entity should transfer completed projects cost from the CWIP Accounts to respective accounts for fair presentation of its financial statements.
- m) To meet the growing demand CPA should take and implement their projects timely to enhance the port capacity.

## **11. Conclusion**

Based on Audited Financial Statements, data and documents of Chittagong Port Authority (CPA), Independent Performance Evaluation (IPE) report has been prepared for FY 2022-23. In the report it is found that CPA's financial and non-financial performances have improved compared to previous fiscal year. The entity should complete all undertaken projects within timeline to increase its operational activities as well as socio economic development of Bangladesh. CPA should take appropriate steps to resolve the financial anomalies mentioned in CPA Audit Report 2022-23.

## Annexure-1

### Chittagong Port Authority (CPA) Financial & Other Information

Amount in BDT

Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
1	Current Assets:		
	i. Inventories		
	• Accessories (including spare parts)	7,307,243	7,307,243
	ii. Receivable:		
	• Trade	2,536,092,670	2,523,098,756
	• Others	178,717,812	275,210,241
	iii. Cash and Cash Equivalent including FDR	80,120,322,282	91,478,001,924
	iv. Others Current Assets	18,129,838,013	16,735,105,782
2	Total Current Assets (i+ii+iii+iv)	100,972,278,020	111,018,723,946
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	76,742,110,459	67,738,041,178
	• Capital Work in Progress	75,178,989,676	71,988,694,532
	• Loan to Payra Port	496,200,000	496,200,000
	• Other non-current assets including Intangible Assets	652,502,491	736,250,523
4	Total Assets (2+3)	254,042,080,646	251,977,910,179
5	Current Liabilities:		
	i. Payables:		
	• Trade	339,056,431	32,953,699,409
	• Others	84,505,320	427,126,272
	ii. Other Current Liabilities	39,514,712,779	7,925,678,257
6	Total Current Liabilities (i+ii)	39,938,274,530	41,306,503,938
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	585,619,684	386,292,472
	ii. Deferred Liabilities		0
	iii. Other Non-Current Liabilities	71,018,078,947	65,656,412,239
8	Total Non-Current Liabilities (i+ii+iii)	71,603,698,631	66,042,704,711
9	Total Liabilities (6+8)	111,541,973,161	107,349,208,649
10	Equity:		
	i. Capital Fund	79,672,089,706	73,362,383,993
	ii. Reserve and Fund	52,811,995,056	61,562,949,841
	iii. Retained Earnings/(Loss)	10,016,022,724	9,703,367,696
11	Total Equity (i + ii + iii)	142,500,107,486	144,628,701,530
12	Total Equity and Liabilities (9+11)	254,042,080,646	251,977,910,179

# Annexure-1

Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2022-23		2021-22	
		Amount	Percentage	Amount	Percentage
13	Net Service Revenue	38,130,246,620	100%	34,591,017,612	100%
14	Less: Cost of Services	16,689,338,513	43.77%	15,020,589,575	43.42%
15	Gross Profit/(Loss)/Surplus/(Deficit) (13-14)	21,440,907,107	56.23%	19,570,428,037	56.58%
16	Less: Operating Expenses:				
	i. Administrative Expenses	4,374,928,061	11.47%	4,645,443,998	13.43%
	ii. Marketing Expenses			0	
17	Total Operating Expenses (i+ii)	4,374,928,061	11.47%	4,645,443,998	13.43%
18	Operating Profit/(Loss)/Surplus/(Deficit) (15-17)	17,065,979,046	44.76%	14,924,984,039	43.15%
19	Add: Non-Operating Income	6,259,027,833		6,134,492,928	
20	Less: Financial Expenses			0	
21	Less: Foreign Exchange Loss	283,832,532		0	
22	Net Profit/(Loss)/Surplus/(Deficit) before Tax (18+19 – 20 – 21)	23,041,174,348		21,059,476,967	
23	Less: Provision for Tax				
	i. Current tax	5,818,650,587		5,510,000,000	
	ii. Deferred tax			0	
24	Net Profit/(Loss)/Surplus/(Deficit) After Tax (22-23)	17,222,523,761		15,549,476,967	

# Annexure-1

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
25	Credit Sales	6,600,604,750	5,617,543,643
26	Credit Purchases	339,056,431	47,080,378,152
27	Capital Budget Allocation	9,817,231,000	49,469,350,000
28	Actual Capital Expenditure	8,521,338,000	7,744,127,000
29	Dividend Payable	800,000,000	800,000,000
30	Dividend Paid	800,000,000	800,000,000
31	Taxes Payable	5,818,650,587	5,510,000,000
32	Taxes Paid	6,467,700,745	5,714,739,962
33	Debt Service Liabilities (DSL) Payable	85,007,717	82,874,060
34	Debt Service Liabilities (DSL) Paid	85,007,717	82,874,060
35	Fees, Fine and Charges Payable		0
36	Fees, Fine and Charges Paid		0
37	New Government Investment:		
	• Equity		0
	• Debts/Loan		0
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants		0
	• Subsidies		0
	• Other Transfer (Specify)		0
39	Operating Cash Surplus/(Deficit)	17,985,326,520	15,066,095,710
40	Added Value	28,480,347,692	26,049,325,922
41	Employee's cost includes wages, salaries, bonus, provident fund contribution and other allowances		2,747,976,305
42	Capacity Utilization (%)	100%	100%
43	Input use Efficiency (%)		0.00%
44	Number of Employees (Nos)	5,342	5248
45	Performance score achieved on APA	91.89%	73.89%



## Template for the Collection of Non-Financial Data

For the Financial Year Ended: 30 June 2023

Name of the SOE/AB: Chittagong Port Authority (CPA)

Serial No	Particulars	
a	b	c
1	<b>Enterprise Information and Legal Framework</b>	
2	Sector	Transport and Communication
3	Name of Entity	Chittagong Port Authority (CPA)
4	Number of Subsidiaries	N/A
5	Number of Branches	N/A
6	Website	<a href="http://cpa.gov.bd">cpa.gov.bd</a>
7	Email Address	<a href="mailto:info@cpa.gov.bd">info@cpa.gov.bd</a>
8	Year of Incorporation	Incorporated by Port Ordinance 1976
9	Governing Law	Chittagong Port Authority Act, 2022
10	Other relevant Governing Laws & Regulations	Chittagong Port Authority Employee Service Regulation-1991
11	Incorporation Structure	Autonomous Body
12	Listed on the Stock Exchange	No
13	<b>Ownership and Shareholder Protection</b>	
14	Administrative Ministry	Ministry Of Shipping
15	Structure of Organization	Autonomous Body
16	<b>Strategy and Governance Information</b>	
17	Board of Directors (Number disaggregated by gender and profile)	N/A
18	Qualification of Board Members	N/A
19	Number of Independent Director	N/A
20	Chairman to be Independent of CEO	Yes
21	Board Committees	Chairman & 4 Member
22	Number of Board Meetings held	36
23	Board Sitting Fees	N/A
24	Executive Management	CPA Board
25	Selection process of Board Members	Appointed by Govt.
26	Strategic Plan/Public Policy Goal (copy required)	Yes
27	Innovative work (Description)	1. Online Shipping Agent Licence Enlist and Renewal System. 2. Easy Health Service (EHS) 3. Personnel Management Information System (PMIS) 4. Hydrographic Automation & Online Data Display System 5. চবক এর নৌ-প্রকৌশল বিভাগের পিআরএল গমনকারী কর্মকর্তা কর্মচারীদের জন্য পিআরএল পরবর্তী করণীয় সম্পর্কিত চেকলিস্ট তৈরি।
28	Project Completion Rate: Actual Achievement /Target	Attached



Serial No	Particulars	
a	b	c
29	<b>Ownership Structure</b>	
30	Govt. Shareholding	
31	Private Shareholding	
32	Others	
33	<b>Fiscal and Financial Discipline</b>	
34	Who are the Primary Lenders to the Enterprise	
35	<b>Controls, Transparency and Disclosure</b>	
36	Latest Audited Financial Statement	Audit Report 2022-23
37	Audited by	Snehasish Mahmud & Co. and Mahfel Huq & Co.
38	Risk Assessment Report	N/A
39	Internal Control	Internal Audit and Inspection Department of CPA
40	Timely public disclosure of financial statements	Audit Report & Annual report are published in CPA website regularly.
41	Measures for safe working Environment/Process (Description)	চট্টগ্রাম বন্দর কর্তৃপক্ষ একটি ISPS Compliance ভুক্ত প্রতিষ্ঠান। এখানে প্রবেশ ও বহির্গমন অধিক নিরাপত্তার সাথে নিয়ন্ত্রণ করা হয়। এছাড়াও নিয়মিত ফায়ার ও নিরাপত্তা সংক্রান্ত সরঞ্জামাদি হালনাগাদ রাখা হয়।
42	<b>Human Resources</b>	
43	Number of employees	5342
44	Number of New Job Creation (Regular, Internship, etc.)	
45	<b>Employee and Social Welfare</b>	
46	CSR, WPPF, etc.	চট্টগ্রাম বন্দর কর্তৃপক্ষ কর্তৃক ০৫ টি প্রাথমিক বিদ্যালয়, ০২ টি হাই স্কুল, ০১ টি মাদ্রাসা, ০২ টি কলেজ, ১৫ টি মসজিদ, ১ টি মন্দির ও ১ টি বৌদ্ধ বিহার পরিচালনা করা হচ্ছে। এছাড়াও বন্দর কর্তৃপক্ষ এর হাসপাতাল ও স্টেডিয়াম সহ ক্রীড়া কমপ্লেক্স রয়েছে।

Signature, Name, and Designation of the  
Authorized Person:

**Md. Mafizur Rahman**

Phone Number: 01717-192386

E-mail: mrcpa.bd@gmail.com