

Independent Performance Evaluation (IPE) Report
on
Civil Aviation Authority of Bangladesh (CAAB)
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.

Civil Aviation Authority of Bangladesh (CAAB) is included in the list of 20 selected SOEs/ABs for Independent Performance Evaluation (IPE) for FY 2022-23. As per the result of IPE, CAAB has obtained a weighted average score of 3.19 out of 4.00 and graded 'Very Good' in FY 2022-23.

1. Introduction

The Civil Aviation Authority of Bangladesh (CAAB) was originally governed by the Civil Aviation Ordinance of 1960 and the Civil Aviation Rules of 1981. In 1985, the Department of Civil Aviation (DCA) and the former Airport Development Agency (ADA) were merged to form CAAB through the promulgation of the Civil Aviation Authority Ordinance of 1985. This ordinance was later replaced by the Civil Aviation Authority Act of 2017, which was enacted to enhance safety, security, and airport management while aligning Bangladesh's aviation sector with international civil aviation regulations. The Ministry of Civil Aviation & Tourism oversees CAAB's activities.

CAAB aims to establish Hazrat Shahjalal International Airport as a hub for air transportation in the South-East Asian region, leveraging Bangladesh's strategic geographical position for connecting Eastern and Western countries. Currently, CAAB manages 28 operational units, including 9 (nine) airports across the country. The key operational activities of CAAB are detailed below:

Key Operational Activities

SI No	Particulars	unit	FY 2020-21	FY 2021-22	FY 2022-23
1.	Total Passengers Transportation	Million Person	2.354	8.219	114.115
2.	Total Cargo Transportation	Million MT	0.278	0.350	0.335
3.	Total Aircrafts Landed	Nos.	70,352	79,650	105,581
4.	Total Aircrafts over flied	Nos.	90,504	99,300	135,784

Source: CAAB Budget 2021-22 & 2022-23 and Annual Performance Agreement (APA) 2021-22 & 2022-23

During FY 2022-23, passenger transportation, aircraft landings, and overflights increased by 1,288.43%, 32.56%, and 36.74%, respectively, compared to FY 2021-22. However, cargo transportation decreased by 4.29% during the same period. These indicators demonstrate a significant growth in CAAB's operational activities, despite a slight decline in cargo volume.

2. Role & Functions:

- 1) Manage and oversee civil aviation activities in Bangladesh.
- 2) Develop infrastructure to ensure safe, efficient, and well-coordinated civil air transport services.
- 3) Provide aeronautical and flight inspection services for aircraft registered in Bangladesh.
- 4) Ensure aviation services meet international safety and efficiency standards.
- 5) Develop skilled manpower for the civil aviation sector in Bangladesh.
- 6) Modernize airports and coordinate air routes and services.
- 7) Control airspace, ensuring safe aircraft take-offs, landings, and overflights, along with aeronautical inspections.
- 8) Issue Air Operator Certificates (AOCs) to airlines and license pilots, controllers, and aircraft engineers.
- 9) Develop an efficient and high-quality cargo transportation system.
- 10) Conduct regulatory activities to ensure safe aviation practices in compliance with international standards.
- 11) Enhance passenger service standards at airports.
- 12) Manage air traffic services and related operations.
- 13) Supervise flight safety in accordance with the ICAO Convention for all flights operating in Bangladesh.
- 14) Provide air traffic and radar services for the safe take-off and landing of aircraft.
- 15) Conduct flight operations and issue necessary clearances.
- 16) Issue license for air traffic controllers, pilots, aircrew, aircraft engineers, and ground crew.

3. Core Business:

- 1) Provide search and rescue operations in the event of aircraft crashes or fires at any airport.
- 2) Formulate and implement civil aviation laws and policies.
- 3) Ensure the safety and security of all aircraft operating within Bangladesh's airspace and airports.
- 4) Construct, maintain, and operate airports, terminals, hangars, and other facilities essential for civil aviation in Bangladesh.
- 5) Develop rules, regulations, and standards for aviation transport.
- 6) Regulate and oversee all activities of privately owned aircraft.
- 7) Issue certificates of registration and airworthiness for aircraft.
- 8) Conduct monitoring, surveys, testing, and research as required.

4. Evaluation Parameters

Criteria: Business and Governance
Indices: A. Business Strategy and Social Responsibility

Table 1(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	Entity Strategy							
	• Entity Strategic Plan	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Growth Trajectory							
	2a. Net Income Growth	QN	4	30.00% or more	25.00% to 29.99%	20.00% to 24.99%	15.00% to 19.99%	Below 15.00%
	2b. Service Revenue Growth	QN	4	10.00% or more	8.00% to 9.99%	6.00% to 7.99%	4.00% to 5.99%	Below 4.00%
	2c. Other Growth	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Effective Implementation of Public Policy • Implement activities to achieve policy goal	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
4	Efficiency of Project Implementation/ Project Goal Achievement: • Percentage of estimated target achieved"	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	Social Contribution • Environmental Contribution • CSR/WPPF • Training/Volunteering	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 1(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	Entity Strategy						
	Entity Strategic Plan	QL	4	91.00%	Excellent	4	Note 1
2	Growth Trajectory						
	2a. Net Income Growth	QN	4	106.45 %	Excellent	4	AFS
	2b Service Revenue Growth	QN	4	67.20%	Excellent	4	AFS
	2c. Other Growth	QL	3	92.00%	Excellent	4	Note 2
3	Effective Implementation of Public Policy	QL	3	90.00%	Very Good	3	Note 3
4	Efficiency of Project Implementation/ Project Goal Achievement:	QN	4	90.98%	Very Good	3	Note 4
5	Social Contribution	QL	3	89.00%	Very Good	3	Note 5
			25				

Note-1. The Civil Aviation Authority of Bangladesh (CAAB) is implementing strategic projects aligned with national development priorities such as National Strategic Plan, Government Policy Directives from the National Budget to ensure safe, modern, and internationally compliant aviation services. Key infrastructure projects are Hazrat Shahjalal International Airport Expansion (Phase-1), construction of new terminals at Cox’s Bazar and Shah Amanat International Airports, and upgradation of Saidpur Airport—are designed to improve connectivity, trade facilitation, and regional integration.

The installation of advanced RADAR and CNS-ATM systems supports global aviation standards, reinforcing aviation safety and operational efficiency. These initiatives contribute directly to SDG 9 (Industry, Innovation and Infrastructure) by upgrading critical infrastructure, and SDG 8 (Decent Work and Economic Growth) by promoting tourism, employment, and regional development. Furthermore, CAAB’s modernization efforts strengthen Bangladesh’s role in international air transport, supporting SDG 17 (Partnerships for the Goals) through enhanced global and regional cooperation.

Note-2: During FY 2022-23, CAAB has undertaken the following expansion and upgradation projects to enhance and strengthen the operational capabilities of various airports:

- I. Hazrat Shahjalal International Airport Expansion (Phase-1):
 - Achieved 76% overall progress, including the construction of 230,000 square meter Third Terminal Building and a 63,000 square meter Export-Import Cargo Complex.
- II. Installation of RADAR with CNS-ATM System at Hazrat Shahjalal International Airport:
 - Reached 31.57% overall completion, with the casting of the third floor of the Air Traffic Management Control Tower.
- III. Cox’s Bazar Airport Runway Expansion Project:
 - Completed 67.77% of construction work. Upon completion, the runway will be extended from 9,000 feet to 10,700 feet.
- IV. 10,912.49 square meter International Passenger Terminal Building at Cox’s Bazar Airport:
 - Achieved 90.97% completion.
- V. Runway Overlay Project at Shah Amanat International Airport:
 - 67.77% completed. Upon completion, the runway will be capable of accommodating smooth takeoff and landing of Boeing 777 aircraft.
- VI. Osmani International Airport Expansion Project (phase 1):
 - 22% of construction work completed. Upon project completion, the Passenger Terminal will expand by 34,919 square meters and the Cargo Building by 6,982 square meters.

Note-3: The Civil Aviation Authority of Bangladesh (CAAB) effectively implements public policy through its comprehensive oversight and regulation of the civil aviation sector. Its role spans from managing and coordinating aviation infrastructure to ensuring safety and compliance with international standards. CAAB's public policy implementation focuses on aviation safety, infrastructure development, efficient airspace management, and capacity building - thereby fostering a secure, modern, and internationally compliant civil aviation environment in Bangladesh.

Note-4: CAAB achieved 88.90% of its financial target and 93.06% of its physical target in implementing its projects during FY 2022-23. An overall score has been assigned based on this combined performance.

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

- i. Environmental Compliance: Obtains environmental clearance certificates annually for all its projects from the Department of Environment to ensure compliance with environmental standards.
- ii. Employee Welfare: Provides facilities such as Provident Fund, Pension Fund, Benevolent Fund, and Group Insurance for its employees.
- iii. Corporate Social Responsibility (CSR): Distributed Tk. 25 million as financial assistance to economically disadvantaged employees of CAAB under its CSR program.
- iv. Educational Support: Operates two schools and colleges in Dhaka and three high schools in various districts.

Indices: B. Operational Efficiency

Table 2(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	Service Delivery							
	• Service Benefit & Accessibility	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Labor Productivity							
	• Added Value per Employee (million Tk.)	QN	4	Tk 7.00 mil or more	Tk6.00 to 6.99 mil	Tk5.00 to 5.99 mil	Tk4.00 to 4.99 mil	Below Tk. 4.00 mil
3	Capital Productivity							
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.07 or more	Tk. 0.06 to 0.069	Tk. 0.05 to 0.059	Tk. 0.04 to 0.049	Below Tk. 0.04
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk. 0.30 or more	Tk. 0.25 to 0.29	Tk. 0.20 to 0.24	Tk. 0.15 to 0.019	Below Tk. 0.15
4	Production							
	4a. Inventory Turnover (Times)	QN	4	5.00 or more	4.00 to 4.99	3.00 to 3.99	2.00 to 2.99	Below 2.00
	4b. Asset Turnover (Times)	QN	4	0.10 or more	0.08 to 0.09	0.06 to 0.07	0.04 to 0.05	Below 0.04
Sub-total			25					

Table 2(b): Achievement of Indices B

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Service Delivery						
	• Service Benefit & Accessibility	QL	5	89.00%	Very Good	3	Note 6
2	Labor Productivity						
	• Added Value per Employee (million Tk.)	QN	4	Tk. 6.28 mil	Very Good	3	AFS
3	Capital Productivity						
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.07	Excellent	4	AFS
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk.0.34	Excellent	4	AFS
4	Production						
	4a. Inventory Turnover (Times)	QN	4	3.12	Good	2	AFS
	4b. Asset Turnover (Times)	QN	4	0.09	Very Good	3	AFS
Sub-total			25				

Note-6: The entity has introduced the following facilities for airport users:

- i. Efficient Baggage Delivery: Ensures baggage delivery within an hour.
- ii. New Telephone Booths: Installed five free telephone booths for passenger use.
- iii. Help Desk Services: Provides information and assistance to passengers through a dedicated help desk.
- iv. Free Internet Access: Offers complimentary internet services.
- v. Airline Hotline Numbers: Shares airlines' hotline numbers with passengers.
- vi. Improved Trolley Availability: Added new trolleys for passenger convenience.
- vii. Directional Assistance: Provides various types of directional information to assist passengers.
- viii. Web Portal Launch: Introduced a web portal at Dhaka International Airport.
- ix. 24/7 Call Center: Established a round-the-clock call center to assist passengers.

Indices: C. Financial

Table 3(a): Standard of Indices C

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
i. Financial								
1	Operating profit	QN	2	Tk. 10,000 mil or more	Tk. 8,000 to Tk. 9,999 mil	Tk.6,000 to Tk. 7,999 mil	Tk.4,000 to Tk. 5,999 mil	Below Tk. 4,000 mil
2	Profit before Tax	QN	2	Tk. 12,000 mil or more	Tk.10,000 to Tk. 11,999 mil	Tk. 8,000 to Tk. 9,999 mil	Tk. 6,000 to Tk.7,999 mil	Below Tk. 6,000 mil
3	Return on Assets (%)	QN	2	5.00 % or more	4.50% to 4.99 %	4.00%to4.49 %	3.50% to3.99%	Below 3.50%
4	Return on Service Revenue (%)	QN	2	50.00% or more	40.00% to 49.99%	30.00% to 39.99%	20.00% to 29.99%	Below 20.00%
5	Return on Equity (%)	QN	2	6.00% or more	5.50%to 5.99%	5.00 % to 5.49%	4.50 % to 4.99%	Below 4.50%
6	Net Worth Growth (%)	QN	2	10.00 or more	8.00%to 9.99%	6.00% to7.99%	4.00% to 5.99%	Below4.00%
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	1.50 or less	1.51 to 1.75	1.76 to 2.00	2.01 to 2.25	More than 2.25
2	Debt to Assets (Times)	QN	2	0.50 or less	0.51 to 0.65	0.66 to 0.80	0.81 to 0.95	More than 0.95
3	Debt Coverage Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
4	Current Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
5.	Accounts Receivable Period (Days)	QN	2	120 days or less	121 days to 140 days	141 days to 160 days	161 days to 180 days	More than 180 days
iii. Transactions with Govt.								
1	Taxes Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Dividend Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Debt Service Liabilities Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 3 (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							
1	Operating profit	QN	2	Tk. 20,116.45 mil	Excellent	4	AFS Note-7
2	Profit before Tax	QN	2	Tk. 23,138.71 mil	Excellent	4	AFS Note-7
3	Return on Assets (%)	QN	2	6.07%	Excellent	4	AFS
4	Return on Sales (%)	QN	2	68.68%	Excellent	4	AFS
5	Return on Equity (%)	QN	2	11.65%	Excellent	4	AFS
6	Net Worth Growth (%)	QN	2	24.90%	Excellent	4	AFS
7	Capital Budget Utilization (%)	QN	2	70.16%	Fair	1	SL-27,28 of Annexure -1
ii. Financial Risk							
1	Debt Equity Ratio (Times)	QN	2	0.92	Excellent	4	AFS
2	Debt to Assets (Times)	QN	2	0.48	Excellent	4	AFS
3	Debt Coverage Ratio (Times)		2	Negative	Under Performing	0	AFS
4	Current Ratio (Times)	QN	2	4.06	Excellent	4	AFS
5	Accounts Receivable Period (Days)	QN	2	1,814	Under Performing	0	AFS Note 8
iii) Transactions with Government							
1	Taxes Paid	QN	2	100%	Excellent	4	SL-31,32 of Annexure -1
2	Dividend Paid	QN	2	100%	Excellent	4	SL-29,30 of Annexure -1
3	Debt Service Liabilities Paid	QN	2	100%	Excellent	4	SL-34,35 of Annexure -1
Sub-total			30				

Note-7: In FY 2022–23, CAAB recorded a 106.45% increase in profit compared to FY 2021–22, primarily driven by a notable surge in passenger transportation, aircraft landings, and overflights. The appreciation of foreign currency during the period also played a significant role in boosting profits. However, there was a slight rise in the Cost of Sales compared to the previous fiscal year.

Note-8: According to the CAAB Audit Report for FY 2022–23, Accounts Receivable totaled Tk. 14,181.44 million. Of this amount, Tk. 14,125.41 million is owed by nine domestic airports, Tk. 53.47 million by CEMSU, and the remaining Tk. 2.56 million by the Civil Circle of the Authority.

Indices: D. Corporate Governance Practices

Table 4 (a): Standard 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	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	Commitment to Corporate Governance: <ul style="list-style-type: none"> • Code of Conduct • Ethics • Key policies of Board • Board structure • Employees service rules/ regulations • Appointment of Board Secretary 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Board Practices: <ul style="list-style-type: none"> • Composition of Board of Directors and number of meetings held • TOR of board • Number of independent Board Directors • Name & Number of board committees and number of meetings held • Number of board decisions that have been implemented 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Transparency and Disclosure: <ul style="list-style-type: none"> • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
4	Control Environment and Process: <ul style="list-style-type: none"> • Entity's internal control systems for different departments • Internal audit procedure and reporting authority • Computer-based management information system (database) • Any authority of the board to mitigate the entity's emergency situation • Measures for safe working environment in the entity's premises 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	Performance against the key Indicators of APA¹: Total Performance score achieved on APA	QN	4	100%	90%	80%	70%	60%

Table 4(b): Achievement of Indices D

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Commitment to Corporate Governance	QL	4	82%	Very Good	3	Note 9
2	Board Practices	QL	4	81%	Very Good	3	Note 10
3	Transparency and Disclosure	QL	4	80%	Good	2	Note 11
4	Control Environment and Process.	QL	4	82%	Very Good	3	Note 12
5	Performance against the key Indicators of APA	QN	4	89.89%	Good	2	Score of APA for FY 2022-23
Sub-total			20				
Grand Total (A+B+C+D):			100				

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

Note-9: CAAB is governed by the Civil Aviation Authority Act, 2017 and adheres to various frameworks for corporate governance, including:

- Code of Conduct
- Employee service rules and regulations
- Key policies set by the Board
- Ethics outlined in the National Integrity Strategy
- Citizen Charter
- Standards and guidelines of the International Civil Aviation Organization (ICAO)
- International Air Transport Association (IATA) regulations
- Provisions of the Chicago Convention

Additionally, CAAB has a Corporate Secretary for its Board.

Note-10: The Board of Directors consists of 10 members, including:

- The Chairman (ex-officio)
- Six Members (ex-officio)
- The Chief Engineer of the Authority (ex-officio)
- One representative from the Ministry of Civil Aviation and Tourism
- One representative with experience in civil aviation

All Board members are appointed by the government. The Board operates under its Terms of Reference (TOR) and does not have any board committees.

During FY 2022-23, the Board held 12 meetings and successfully implemented 69 decisions.

Note-11: The entity's Board of Directors, Senior Managers' name and biographies, Audited Financial Statement, Citizen Charter, APA, Act, Rules, Regulations and Code of Conduct are disclosed on CAAB's website.

Note-12: CAAB has implemented the following measures to strengthen internal control and ensure safety:

- i. Audit Department: The Audit Department operates directly under the Chairman of CAAB and comprises two sections: Audit and Internal Audit.
- ii. Internal Audit Section: Responsible for maintaining financial control and discipline across various departments of authority.
- iii. Audit Section: Tasked with identifying irregularities, defalcations, and misappropriations in CAAB's funds and accounts.
- iv. Utilizes customized software for managing accounts, inventory, and other departmental operations.
- v. Security Oversight: CAAB performs the following Aviation Security oversight:
 - CE-1 : Aviation Security Legislation.
 - CE-2 : Aviation Security Programmes and Regulations
 - CE-3 : State Appropriate Authority for Aviation Security and its Responsibility.
 - CE-4 : Personnel Qualifications and Training.
 - CE-5 : Provision of Technical Guidance, Tools and Security Critical Information
 - CE-6 Certification and approval Obligations

CE-7 Quality Control Obligations.
CE-8: Resolution of Security Concerns.

- vi. Aviation Safety: The entity establishes and implements the below Aviation Safety:
- CE-1: Primary Aviation Legislation.
 - CE-2: Specific Operating regulations
 - CE- 3 : State System & Functions.
 - CE-4: Qualified Technical Personnel.
 - CE-5 : Technical Guidance, Tools & Provisions of Safety Critical info:
 - CE-6 : Licensing, Certification &/ or Approval Obligations:
 - CE-7: Surveillance Obligations.
 - CE-8: Resolution of Safety Issues.

5. IPE Process

- i. Performances of non-financial indicators of Civil Aviation Authority of Bangladesh (CAAB) has been evaluated using information and documents of the inception report provided by CAAB.
- ii. Actual performance of non-financial indicators is determined through the collective decision of ERT members.
- iii. According to IPEG, actual financial performances of CAAB 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, CAAB'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

Civil Aviation Authority of Bangladesh (CAAB)

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	Business Strategy and Social Responsibility:	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	4	0.16
	2c. Other Growth		3	4	0.12
3	Effective Implementation of Public Policy: • Implement activities to achieve policy goal		3	3	0.09
4	Efficiency of Project Implementation/ Project Goal Achievement: • Percentage of estimated target achieved		4	3	0.12
5	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		3	3	0.09
		Sub Total	25		0.90
B	Operational Efficiency:	25			
1	Service Delivery: • Service benefits and Accessibility		5	3	0.15
2	Labor Productivity: 2a. Added Value Per Employee		4	3	0.12
	2b. Employees' cost on Value addition (%)				
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: 4a. Input use Efficiency				
	4b. Inventory Turnover		4	2	0.08
	4c. Asset Turnover		4	3	0.12
	4d. Capacity Utilization				
		Sub Total	25		0.79

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
C	Financial:	30			
	i. Financial Performance:				
1	Operating profit		2	4	0.08
2	Profit before tax		2	4	0.08
3	Return on assets		2	4	0.08
4	Return on Service Revenue		2	4	0.08
5	Return on equity		2	4	0.08
6	Net worth growth		2	4	0.08
7	Capital budget utilization		2	1	0.02
	ii. Financial Risk:				
1	Debt equity ratio		2	4	0.08
2	Debt to assets		2	4	0.08
3	Debt coverage ratio		2	0	0.00
4	Current ratio		2	4	0.08
5	Accounts receivable period		2	0	0.00
6	Accounts payable period				
	iii. Transactions with Government:				
1	Taxes paid		2	4	0.08
2	Dividend paid		2	4	0.08
3	Debt Service Liabilities Paid		2	4	0.08
	Sub Total		30		0.98

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
D	Corporate Governance Practices:	20			
1	Commitment to Corporate Governance: <ul style="list-style-type: none"> • Code of Conduct • Ethics • Key policies of Board • Board structure • Employee's service rules/ regulations • Appointment of Board Secretary 		4	3	0.12
2	Board Practices: <ul style="list-style-type: none"> • Composition of Board of Directors and number of meetings held • TOR of board • Number of independent Board Directors • Name & Number of board committees and number of meetings held • Number of board decisions that have been implemented 		4	3	0.12
3	Transparency and Disclosure: <ul style="list-style-type: none"> • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct 		4	2	0.08
4	Control Environment and Process: <ul style="list-style-type: none"> • Entity's internal control systems for different departments • Internal audit procedure and reporting authority • Entity's computer-based management information system (database) • Any authority of the board to mitigate the entity's emergency situation • Measures taken for safe working environment in the entity's premises 		4	3	0.12
5	Performance against the key Indicators of APA: <ul style="list-style-type: none"> • Total Performance score achieved on APA 		4	2	0.08
	Sub Total				0.52
	Grand Total (A+B+C+D)	100	100		3.19

7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Civil Aviation Authority of Bangladesh (CAAB) Scored 3.19 out of 4.00 in the year 2022-23.

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

- Entity Strategic Plan
- Other Growth
- Net Income Growth
- Service Revenue Growth
- Capital Productivity
- Return on Assets
- Return on Service Revenue
- Net Worth Growth
- Return on Equity
- Debt Equity Ratio
- Debt to Assets
- Current Ratio

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

- Assets Turnover
- Control Environment and Process
- Board Practices
- Corporate Governance
- Effective Implementation of Public Policy
- Efficiency of Project Implementation
- Social Contribution
- Service Delivery
- Labour Productivity

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

- Inventory Turnover
- Annual Performance Agreement (APA)
- Transparency and Disclosure

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

- Capital Budget Utilization

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

- Debt Coverage Ratio
- Accounts Receivable Period

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

- CAAB has earned operating profit of Tk.20,116.45 million.
- The entity earned net profit (after tax) of Tk. 19,638.71 million.
- CAAB Current Ratio (Times) 4.06 which indicates entity is in a well position to meet its current liabilities in due period.
- CAAB Paid Taxes Tk.5,699.60 million and DSL Tk.879.998 million.
- GOB invested Tk.20,953.98 million as equity to CAAB against the completion of development projects.
- Deposited Surplus Fund TK.6,000 million to GOB.

8. Findings from the Audit Report 2022-2023

8.1 In CAAB audit report 2022-23 the auditor provided a qualified opinion on the following accounts and issues:

- 1) The authority did not maintain fixed assets register for its property and assets.
- 2) The auditor did not verify, confirm the existence, accuracy, valuation and completeness of CAAB property, plant and equipment worth TK14,260.16 million due to shortage of relevant documents and unsatisfactory audit testing report.
- 3) Due to lack of appropriate audit evidence regarding repairs and maintenance cost the auditor did not segregate revenue and capital expenditure which may impact on the operating profit of the authority.
- 4) Auditors found discrepancies between record and physical existence of inventories in all other units except HSIA (Dhaka) and Shah Mukdum Airport (SMA). Central Procurement, Engineering and Store Unit (CPESU) management did not provide any record/evidence to the auditor for stock of store spares TK 1,005.985 million.
- 5) In audit report the entity did not provide aging of receivable and payable accounts. Among the total debtors and total creditors, a few debtors' balance of Tk. 593.22 million and a few creditors balance of Tk. 139.06 million were carried forward since long period and which has not been settled till date.
- 6) CAAB management did not provide sufficient audit evidence and relevant documents to the auditors for balance confirmation of some ledgers. For this reason, the auditors could not conclude whether there is any requirement of adjustment for bad debt or payable balance written off;
- 7) The entity has long-term sales & supply contracts denominated in a currency other than its functional currency. But authority did not maintain foreign exchange gain/loss account as per "IAS 21 The effects of changes foreign exchange rates;
- 8) CEMSU deducted TDS Tk. 4,628,532 and VAT Tk. 5,177,125 shows under current liabilities over the last two years but did not deposit government exchequer;
- 9) Auditor identified deficiencies in overtime disbursement such as lack of calculation sheet, breakdown of amount, hourly rate etc.;
- 10) Defalcation amount of Tk. 5,108,947 lying unadjusted for several years;
- 11) FDR interest income of CAAB headquarters is calculated on a cash basis instead of accrual basis;
- 12) Income TAX provisions are not kept adequate for the FY 2022-23.

8.2 In the CAAB Audit Report 2022-23, the auditor emphasis and drew attention on the following issues:

- 1) CAAB did not apply the concept of IFRS-10 Consolidated Financial Statements in the aggregated Financial Statement of 28 individual units.
- 2) CAAB prepared the Cash Flow Statement as per their own format that does not comply with IAS-7.

9. Recommendation for Performance Based Incentives

CAAB has obtained a weighted score of 3.19 out of a scale 4.00 and is graded “Very Good”. Therefore, IPEC recommended a non-financial incentive for the employees of CAAB. Also, a certificate from Finance Division may be awarded to CAAB for being graded “Very Good” in IPE for the FY 2022-23.

10. Recommendations for Improvements:

To enhance the performance of CAAB, the following recommendations are proposed based on the findings of the Independent Performance Evaluation (IPE):

1. Timely Completion of RADAR Installation Project: Expedite the completion of the RADAR installation project, including the CNS-ATM (Communications, Navigation, and Surveillance – Air Traffic Management) system, within the specified timeline.
2. Timely Execution of Development Projects: Ensure the timely completion of key development projects, such as runway expansion, improvement of aircraft take-off and landing facilities, and the extension of terminal and cargo buildings.
3. Enhanced Aviation Safety Measures: Implement modern aviation management practices to ensure the safe landing and take-off of aircraft operating in Bangladesh.
4. Increased Passenger and Cargo Handling Capacity: Execute plans and programs to meet current business demands by enhancing passenger and cargo handling capacities.
5. Workforce Development: Provide comprehensive training for staff to improve efficiency and modernize airport management operations.
6. Improved Financial Discipline and Reporting: Prepare CAAB’s financial statements in accordance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to ensure better financial discipline, transparency, and reporting.
7. The entity should settle and resolve the qualified opinion of the Auditor as IAS/IFRS for fair presentation of its AFS.
8. CAAB should provide the relevant documents and evidence as required by the Auditor.
9. The entity should maintain a specific provision for the significant amount of accounts receivable in accordance with IAS 36, due to the potential risk of non-recovery of long-outstanding receivables. In line with the Prudence Principle, an adequate provision should be ensured to cover such risks.

11. Conclusion

Based on Audited Financial Statements, data and documents of Civil Aviation Authority of Bangladesh (CAAB), Independent Performance Evaluation (IPE) report has been prepared for FY 2022-23. In the report it is found that CAAB's both financial and non- financial performance during FY 2021-22 is satisfactory compared to last fiscal year (2021-22). Hence, to improve the overall performance of CAAB, the entity should take appropriate steps to execute their undertaken plan & program timely. The entity should take appropriate steps to comply with the relevant IAS/IFRS and resolve the financial anomalies mentioned in CAAB Audit Report 2022-23.

Civil Aviation Authority of Bangladesh (CAAB)

Annexure-1

Financial & Other Information

Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
1	Current Assets:		
	i. Inventories		
	• Material		
	• Accessories/ Supplies	22,911,252	24,289,460
	• Store & spare parts	1,629,148,275	1,544,958,793
	ii. Receivable:		
	• Trade	14,181,444,681	11,331,131,973
	• Others	10,101,442	10,101,442
	iii. Cash and Cash Equivalent	5,775,144,677	7,771,869,370
	iv. Others Current Assets	213,396,528,287	132,865,633,821
2	Total Current Assets (i+ii+iii+iv)	235,015,278,614	153,547,984,859
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	69,482,756,263	66,428,144,075
	• Investment in Shares	15,000,000	15,000,000
	• Other Non-Current Assets including FDR	19,108,845,941	14,101,398,602
4	Total Assets (2+3)	323,621,880,819	234,092,527,535
5	Current Liabilities:		
	i. Payables:		
	• Trade		
	• Others		
	ii. Other Current Liabilities	57,889,102,674	29,448,197,498
6	Total Current Liabilities (i+ii)	57,889,102,674	29,448,197,498
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	97,143,754,612	68,864,718,475
	ii. Deferred Liabilities		
	iii. Other Non-Current Liabilities		
8	Total Non-Current Liabilities (i+ii+iii)	97,143,754,612	68,864,718,475
9	Total Liabilities (6+8)	155,032,857,286	98,312,915,973
10	Equity:		
	i. Capital Fund	3,655,860,297	3,655,860,297
	ii. Government Equity	70,861,995,898	49,908,015,824
	iii. General Reserve	14,058,363,363	12,280,048,578
	iv. Reserve Fund	111,007,733	111,007,733
	v. Reserve for Other	237,737,183	237,737,183
	vi. Retained Earnings/(Loss)	79,664,059,058	69,586,941,944
11	Total Equity (i+ii+iii+iv+v)	168,589,023,533	135,779,611,561
12	Total Equity and Liabilities (9+11)	323,621,880,819	234,092,527,535

Annexure 1

Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2022-23		2021-22	
		Amount	Percentage	Amount	Percentage
13	a. Net Sales Revenue	28,594,122,068	100%	17,102,015,569	100%
14	Less: Cost of Services	5,026,974,348	17.58%	4,455,408,807	26.05%
15	Gross Profit/(Loss) (13-14)	23,567,147,720	82.42%	12,646,606,762	73.95%
16	Less: Operating Expenses:				
	Administrative Expenses	3,450,695,143	12.07%	3,135,085,922	18.33%
17	Total Operating Expenses (i+ii)	3,450,695,143	12.07%	3,135,085,922	18.33%
18	Operating Profit/(Loss) (15-17)	20,116,452,577	70.35%	9,511,520,840	55.62%
19	Add: Non-Operating Income	3,032,165,938		2,007,742,677	
20	Less: Financial Expenses	9,909,618		6,770,664	
21	Less: Other Non-Operating Expenses				
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	23,138,708,897		11,512,492,853	
23	Less: Provision for Tax				
	i. Current tax	3,500,000,000		2,000,000,000	
	ii. Deferred tax				
24	Net Profit/(Loss) After Tax (22-23)	19,638,708,897		9,512,492,853	

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
25	Credit Sales	2,850,312,708	
26	Credit Purchases		
27	Capital Budget Allocation	8,552,100,000	7,998,300,000
28	Actual Capital Expenditure	6,000,217,552	6,272,973,821
29	Dividend Payable	1,250,000,000	1,250,000,000
30	Dividend Paid	1,250,000,000	1,250,000,000
31	Taxes Payable	5,690,000,000	2,798,021,105
32	Taxes Paid	5,699,602,443	2,798,021,105
33	Debt Service Liabilities (DSL) Payable	879,998,000	
34	Debt Service Liabilities (DSL) Paid	879,998,000	
35	Fees, Fine and Charges Payable		
36	Fees, Fine and Charges Paid		
37	New Government Investment:		
	• Equity	20,953,980,074	17,598,837,506
	• Debts/Loan		
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants		
	• Subsidies		
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	(43,445,447,706)	(53,905,404,979)
40	Added Value	23,567,147,720	12,646,606,762
41	Employee's cost includes wages, salaries, bonus, provident fund contribution and other allowances		
42	Capacity Utilization (%)		
43	Input use Efficiency (%)		
44	Number of Employees (Nos)	3,754	3,754
45	Performance score achieved on APA	89.89%	

Template for the Collection of Non-Financial Data

Financial Year: 30 June 2024

Name of the SOE/AB: Civil Aviation Authority of Bangladesh (CAAB)

Serial No.	Particulars	
a	b	c
A	Enterprise Information and Legal Framework	
1	Budget Sector	Aviation Transport sector.
2	Ministry/ Division	Ministry of Civil Aviation and Tourism.
3	Number and Name of Subsidiaries	N/A
	i.	Name of Subsidiaries
	ii.	Name of Subsidiaries
	iii.	Name of Subsidiaries
	iv.	Name of Subsidiaries
4	Number and Name of Unit	29
	1	Office of the Chariman, Civil Aviation Authority of Bangladesh (CAAB)Unit
	2	Central Procurement, Engineering and Store Unit (CPESU)
	3	Office of the Executive Director, Central Procurement, Engineering and Store Un
	4	Office of the Superintending Engineer, Civil Circle, Kurmitola, Dhaka.
	5	Office of the Superintending Engineer, E/M Circle, Kurmitola, Dhaka.
	6	Office of the Superintending Engineer, Civil Circle Project, Kurmitola, Dhaka.
	7	Office of the Superintending Engineer, E/M Circle Project, Kurmitola, Dhaka.
	8	Office of the Executive Engineer, Civil Division- 1, Kurmitola, Dhaka.
	9	Office of the Executive Engineer, Civil Division- 2, Kurmitola, Dhaka.
	10	Office of the Executive Engineer, Civil Division- 3, Kurmitola, Dhaka.
	11	Office of the Executive Engineer, Civil Division- 4, Kurmitola, Dhaka.
	12	Office of the Executive Engineer, Civil Division- 5, Kurmitola, Dhaka.
	13	Office of the Executive Engineer, Civil Division- 6, Kurmitola, Dhaka.
	14	Office of the Executive Engineer, E/M Division- 1, Kurmitola, Dhaka.
	15	Office of the Executive Engineer, E/M Division- 2, Kurmitola, Dhaka.
	16	Office of the Executive Engineer, E/M Division- 3, Kurmitola, Dhaka.
	17	Office of the Executive Engineer, E/M Division- 4, Kurmitola, Dhaka.
	18	Office of the Executive Engineer, E/M Division- 5, Kurmitola, Dhaka.
	19	Office of the Executive Director, Hazrat Shahjalal International Airport, Kurmitol
	20	Office of the Director, Shah Amanat International Airport, Chattogram.
	21	Office of the Director, Osmani International Airport, Sylhet.
	22	Office of the Director, Cox's Bazar International Airport, Cox's Bazar.
	23	Office of the Airport Manager, Jashore Airport, Jashore.
	24	Office of the Airport Manager, Shah Makhdum Airport, Rajshahi.
	25	Office of the Airport Manager, Barishal Airport, Barishal.
	26	Office of the Airport Manager, Ishwardi Airport, Pabna.
	27	Office of the Airport Manager, Saidpur Airport, Nilphamari.
	28	Office of the Airport Manager, Cumilla Airport, Cumilla.
	29	Office of the Director, Civil Aviation Academy, Kurmitola, Dhaka.
5	Website	http://caab.portal.gov.bd/
6	Email Address	dcom@caab.gov.bd

Serial No	Particulars	
a	b	c
7	Year of Establishment	In the year 1985.
8	Governing Law	The Authority was functioning under the Civil Aviation Ordinance,1960 and the Civil Aviation Rules,1984(CAR'84).Later on the Civil Aviation Authority Act,2017 has been also promulgated by repealing The Civil Aviation Authority Ordinance,1985.
9	Other relevant Governing Laws & Regulations	Income tax ordinance 1984, Income Tax Rules 1984, Securities and Exchange Ordinance 1969,ICAO.IATA.
10	Listed on the Stock Exchange	No
11	Structure of Organization	In the year 1985, the Government of the People's Republic of Bangladesh formed Civil Aviation Authority, Bangladesh (CAAB) vide Ordinance No. XXXVIII of 1985, titled The Civil Aviation Authority Ordinance, 1985.
B Strategy and Governance Information		
12	Board of Directors (Number Disaggregated by Gender	9
	1	Chairman, ex-officio, who shall also be the President of the Board;
	2	Six members, ex-officio;
	3	Chief Engineer of the Authority, ex-officio;
	4	one representative, not below the rank of a joint secretary, from the Ministry of Civil Aviation and Tourism;
	5	one representative, experienced in civil aviation, nominated by the Government.
	6	The member nominated under clause (e) of sub-section (1) shall hold office for the next 3(three) years from the date of his nomination :
13	Number of Independent Director	N/A
14	Number of Board Committees and Name	Number
	i.	Details
	ii.	Details
	iii.	Details
15	Number of Board Meetings Held	12(±)
16	Number of Board Decisions Implemented	Number
17	Board Sitting Fees	BDT 12,000.00
18	Selection Process of Board Members	As Per Law
19	Strategic Plan/ Public Policy Goal (copy required)	Attachment/ Details
20	Innovative Work (Description)	Attachment/ Details
21	Project Completion Rate: Actual Achievement/ Target	
	i. Financial Achievement	100%
	ii. Physical Achievement	100%
C Ownership Structure		
22	Govt. Shareholding	100%
23	Private Shareholding	0
24	Others	0
D Fiscal and Financial Discipline		
25	Who are the Primary/ Major Lenders to the Enterprise	GoB
E Controls, Transparency and Disclosure		
26	Latest Audited Financial Statement	2023-2024
27	Audited by	A. Matin & Co., Chartered Accountants
28	Risk Assessment Report	
29	Internal Audit Department	
30	Timely Public Disclosure of Financial Statements	

	Particulars	
a	b	c
32	Measures for Climate Change	
33	Performance Score Achieved on APA	
F	Human Resources	
34	Number of Employees	2867 as on 30.06.2024
35	Number of New Job	2848
	i. Recruitments	
	ii. Internship	
G	Employee and Social Welfare	
36	CSR, WPPF, BPPF, Other Fund	Provident Fund and Employees Gratuity Fund, Benvolent Fund.
37	Retirement Benefit	CPF/GPF

Signature, Name, and Designation of the Authorized Person:

0

Phone Number: 0

E-mail: 0