

Independent Performance Evaluation (IPE) Report
on
Rajshahi Water Supply and Sewerage Authority (RWASA)
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.

Rajshahi Water Supply and Sewerage Authority (RWASA) is among the 20 selected State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) for the Independent Performance Evaluation (IPE) for FY 2022-23. Based on the evaluation results, RWASA achieved a weighted average score of 2.56 out of 4.00, earning a grade of "Good" for the fiscal year.

1. Introduction

The Public Health and Engineering Directorate initially launched a project in 1996 to improve water supply management in Rajshahi City. Later, the government established Rajshahi Water Supply and Sewerage Authority (Rajshahi WASA) on August 1, 2010, under the authority as per Section 3 of the Water Supply and Sewerage Authority Act 1996 (Act No. 6 of 1996). The prime objective of Rajshahi WASA is to provide safe drinking water and implement an environmentally friendly, modern sewerage management system for the residents of Rajshahi City. Currently, Rajshahi WASA covers 87.58% of its water supply through groundwater and 9% through surface water sources. The Local Government Division under the Ministry of Local Government, Rural Development, and Co-operatives oversees Rajshahi WASA's operations. The key operational activities of the entity are outlined below:

Key Operational Activities:

Sl#	Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
01.	Total Customers	Nos.	45,572	47,220	49,419
02.	Water Production	Million Liter	10,050	10,200	10,600
03.	Installation of new pipe line	Km.	39	30	32
04.	Installation of new Deep Tube Well	Nos.	10	10	05
05.	System loss	%	1.01	1.00	0.94

Source: RWASA

In FY 2022-23, Rajshahi WASA demonstrated notable year-on-year improvements across key operational activities. The total number of customers increased by 4.65% compared to FY 2021-22, reaching 49,419. Water production rose by 3.92% to 10,600 million liters. The installation of new pipelines slightly increased by 6.67%, totaling 32 km. However, the number of newly installed deep tube wells decreased by 50%, with only five installed in FY 2022-23. System loss improved, reducing from 1.00% in FY 2021-22 to 0.94%, reflecting enhanced efficiency.

2. Role and Functions

Rajshahi WASA mainly performs the following functions:

- i. Enhancing water supply and sewerage management systems.
- ii. Strengthening good governance and implementing reform initiatives.
- iii. Conducting inspections and evaluations of offices under its jurisdiction.
- iv. Advancing management, planning, and capacity-building efforts.
- v. Installing digital meters to improve operational efficiency.

3. Core Business

- i. Increase the reliance on and utilization of surface water for supply.
- ii. Expand and modernize the pipeline network to achieve 100% water coverage within Rajshahi City Corporation.
- iii. Enhance financial management and improve billing services.

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							
	1a. Entity Strategic Plan	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Growth Trajectory							
	2a. Net Income Growth	QN	4	15.00% or more	13.00% to 14.99	11.00% to 12.99%	9.00% to 10.99%	Below 9.00%
	2b. Service Revenue Growth	QN	4	20.00% or more	18.00% to 19.99%	16.00% to 17.99%	14.00% to 15.99%	Below 14.00%
	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						
	1a. Entity Strategic Plan	QL	4	90.00%	Very Good	3	Note 1
2	Growth Trajectory						
	2a. Net Income Growth	QN	4	1,324.39%	Excellent	4	AFS & Note 2
	2b. Service Revenue Growth	QN	4	168.11%	Excellent	4	AFS & Note 2
	2c. Other Growth	QL	3	92.00%	Excellent	4	Note 3
3	Effective Implementation of Public Policy	QL	3	82.00%	Very Good	3	Note 4
4	Efficiency of Project Implementation/ Project Goal Achievement	QN	4	86.00%	Very Good	3	Note 5
5	Social Contribution	QL	3	80.00%	Good	2	Note 6
Sub-Total			25				

Note 1: Rajshahi WASA has undertaken several plans to modernize and enhance the water supply and sewerage systems within Rajshahi City Corporation, in alignment with both the Sustainable Development Goals (SDGs) and the national plans and strategies of Bangladesh.

The "Renovation of Rajshahi WASA Water Supply System" and the "Surface Water Treatment Plant Project" aim to ensure 100% reliance on surface water by 2030. These projects directly contribute to SDG 6 (Clean Water and Sanitation) and SDG 13 (Climate Action) by promoting sustainable water resource use and reducing dependence on groundwater.

By expanding the pipeline network and increasing water production, RWASA targets 100% water coverage in Rajshahi City by 2025, aligning with SDG 11 (Sustainable Cities and Communities) and national goals of universal access to basic services.

Additionally, the planned "Modern Sewerage Management and Sewerage Treatment Plant" seeks to establish an efficient sanitation system by 2030, further advancing SDG 6 and supporting national commitments to environmental sustainability and improved urban living standards.

Note 2: In FY 2022-23, RWASA increased its water tariff rates by approximately 300%, leading to a substantial rise in both its sales revenue and net income.

Note 3: During FY 2022-23, RWASA upgraded its pipeline network with the following improvements:

- i. Automated operation of 60 water pumps.
- ii. Installation of 966 washouts in the pipeline network to enhance water quality.
- iii. Regeneration of 67 tube wells.
- iv. Procurement of 10 new pump motors.
- v. Acquisition of 2 water tanks and 20 generators.

Note 4: Rajshahi WASA has effectively implemented public policy by enhancing water supply and sewerage systems, promoting good governance, and improving operational efficiency through digital metering. Its focus on expanding surface water uses and modernizing pipelines aligns with national goals for sustainable urban development. Consistent growth in water production, expanded pipeline networks, reduced system loss, and increased customer coverage demonstrate successful execution of strategic objectives in line with national development plans and public service delivery standards.

Note 5: RWASA achieved 86% financial progress against its target during FY 2022-23. However, the entity did not provide data on the physical progress of its projects. Consequently, the evaluation is based solely on financial target achievement for the fiscal year.

Note 6: RWASA has undertaken several social and environmental initiatives:

- i. Obtaining environmental clearance certificates annually for all projects from the Department of Environment to ensure compliance with environmental regulations.
- ii. Maintaining Provident Fund and Gratuity Fund facilities for its employees.

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	5	Tk0.20 mil or more	Tk0.18 to 0.19 mil	Tk.0.16 to 0.17 mil	Tk0.14 to 0.15 mil	Below Tk. 0.14 mil
3	Capital Productivity							
	3a. Added Value per Tk. Value of Assets	QN	5	Tk. 0.04 or more	Tk. 0.03 to 0.039	Tk. 0.02 to 0.029	Tk. 0.01 to 0.019	Below Tk. 0.01
	3b. Added Value Per Tk. Value of PPE	QN	5	Tk. 0.08 or more	Tk. 0.06 to 0.07	Tk. 0.04 to 0.05	Tk. 0.02 to 0.03	Below Tk. 0.02
4	Production							
	Asset Turnover (Times)	QN	5	0.04 or more	0.03 to 0.0399	0.02 to 0.0299	0.01 to 0.0199	Below 0.01
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	91.00%	Excellent	4	Note 7
2	Labor Productivity						
	Added Value per Employee (million Tk.)	QN	5	Tk 0.16 mil	Good	2	AFS
3	Capital Productivity						
	3a. Added Value per Tk. Value of Assets	QN	5	Tk. 0.01	Fair	1	AFS
	3b. Added Value Per Tk. Value of PPE	QN	5	Tk.0.04	Good	2	AFS
4	Production						
	Asset Turnover (Times)	QN	5	0.04	Good	2	AFS
Sub-total			25				

Note-7. RWASA has established the following facilities to enhance service delivery for stakeholders:

- i. A One-Stop Service Center for bill adjustments, installment payment of arrears, and resolving pipeline issues.
- ii. A dedicated app for water service connection applications, water bill payments, and accessing other information.
- iii. An online permission system for installing deep tube wells and submersible pumps.
- iv. A computerized billing system, enabling customers to pay bills through mobile banking.

Indices: C. Financial

Table 3(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	3	Tk. 100.00 mil or more	Tk. 80.00 to Tk.99.99 mil	Tk.60.00 to Tk. 79.99 mil	Tk.40.00 to Tk. 59.99 mil	Below Tk. 40.00 mil
2	Profit before Tax	QN	3	Tk.120.00 mil or more	Tk.100.00 to Tk. 119.99 mil	Tk. 80.00 to Tk. 99.99 mil	Tk.60.00 to Tk.79.99 mil	Below Tk. 60.00 mil
3	Return on Assets (%)	QN	3	10.00 % or more	8.00% to 9.99 %	6.00 % to 7.99%	4.00% to 5.99%	Below 4.00%
4	Return on Service Revenue (%)	QN	3	35.00% or more	30.00% to 34.99%	25.00% to 29.99%	20.00% to 24.99%	Below 20.00%
5	Return on Equity (%)	QN	3	12.00% or more	10.00% to 11.99%	8.00 % to 9.99%	6.00 % to 7.99%	Below 6.00%
6	Net Worth Growth (%)	QN	3	18.00 or more	16.00% to 17.99%	14.00% to 15.99%	12.00% to 13.99%	Below 12.00%
7	Capital Budget Utilization (%)	QN	3	91-100%	81-90%	71-80%	41-70%	Below 41%
	ii. Financial Risk							
1	Debt Equity Ratio (Times)	QN	3	0.70 or less	0.71 to 1.00	1.01 to 1.30	1.31 to 1.60	More than 1.60
2	Debt to Assets (Times)	QN	2	0.40 or less	0.41 to 0.60	0.61 to 0.80	0.81 to 1.00	More than 1.00
3	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
4	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	Fees & Charges Paid	QN						
3	Debt Service Liabilities Paid	QN						

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 Performance						
1	Operating profit	QN	3	Tk. (135.47) million	Under Performing	0	AFS
2	Profit before Tax	QN	3	Tk. 87.16 million	Good	2	AFS
3	Return on Assets (%)	QN	3	2.08%	Under Performing	0	AFS
4	Return on Sales (%)	QN	3	50.47%	Excellent	4	AFS
5	Return on Equity (%)	QN	3	2.12%	Under Performing	0	AFS
6	Net Worth Growth (%)	QN	3	144.46%	Excellent	4	AFS
7	Capital Budget Utilization (%)	QN	3	98.92%	Excellent	4	
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	3	0.02	Excellent	4	AFS
2	Debt to Assets (Times)	QN	2	0.018	Excellent	4	AFS
3	Current Ratio (Times)	QN	2	19.10	Excellent	4	AFS
4	Accounts Receivable Period (Days)	QN	2	155.86	Good	2	AFS
	iii) Transactions with Government						
1	Taxes Paid	QN					Note-8
2	Fees & Charges Paid	QN					
3	Debt Service Liabilities Paid	QN					Note-9
Sub-total							

Note-8: In FY 2022–23, RWASA reported a net profit after tax of Tk. 87.16 million, which included a government grant of Tk. 192.14 million. Without this grant, RWASA would have incurred a net loss of Tk. 104.99 million. As a result, the organization did not pay corporate tax to the Government of Bangladesh (GoB).

Note 9: During FY 2022-23, RWASA had no long-term liabilities with the GoB or other agencies, resulting in no Debt Service Liability (DSL) for the fiscal year.

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 Score: 3	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 • 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 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	Performance against the key Indicators of APA¹: <ul style="list-style-type: none"> • Total Performance score achieved on APA 	QN	4	100%	90%	80%	70%	60%

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

Table 4(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	78%	Good	2	Note 10
2	Board Practices	QL	4	79%	Good	2	Note 11
3	Transparency and Disclosure	QL	4	79%	Good	2	Note 12
4	Control Environment and Process.	QL	4	79%	Good	2	Note 13
5	Performance against the key Indicators of APA	QN	4	98.00% (prov.)	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-10: RWASA was established under the Water Supply and Sewerage Authority Act of 1996. Its corporate governance framework adheres to the Code of Conduct, Employee Service Rules and Regulations, key policies of the Board, and the Citizen Charter. The organization has a Corporate Secretary for its Board.

Note 11: The Board of Directors of RWASA consists of 13 (thirteen) members appointed by the Government of Bangladesh (GOB). The Board includes the Managing Director as an ex-officio member, 2 (two) representatives from different Ministries, and 10 (ten) members nominated from various organizations. The Chairman is appointed by the GOB, while the Vice Chairman is elected by the Board members from among the Directors. RWASA does not have any Board committees. In the fiscal year 2022-23, three Board meetings were conducted, and 25 decisions were successfully implemented.

Note 12: The names and biographies of the Board of Directors and Senior Managers, Audited Financial Statements, Citizen Charter, APA, Acts, Rules, Regulations, and Code of Conduct are all publicly disclosed on the RWASA website.

Note 13: RWASA has implemented several measures to enhance environmental and process control, including:

- i. Maintaining specific software for accounts and inventory management.
- ii. Utilizing an e-filing system.
- iii. Adopting the EGP system for procurement processes.
- iv. Installing firefighting equipment in the office building.
- v. Setting up CCTV cameras to monitor the office premises for safety and security.
- vi. Enforcing the required safety regulations.

5. IPE Process

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

Rajshahi Water Supply and Sewerage Authority (RWASA)

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	3	0.12
2	Growth Trajectory: 2a. Net IncomeGrowth		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	2	0.06
Sub Total			25		0.83
B	Operational Efficiency:	25			
1	Service Delivery: • Service benefits and Accessibility		5	4	0.20
2	Labor Productivity: 2a. Added Value Per Employee		5	2	0.10
	2b. Employees cost on Value addition (%)				
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		5	1	0.05
	3b. Added Value Per TK Value of PPE		5	2	0.10
4	Production:				
	4a. Input use Efficiency				
	4b. Inventory Turnover				
	4c. Asset Turnover		5	2	0.10
	4d. Capacity Utilization				
Sub Total			25		0.55

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		3	0	0.00
2	Profit before tax		3	2	0.06
3	Return on assets		3	0	0.00
4	Return on Service Revenue		3	4	0.12
5	Return on equity		3	0	0.00
6	Net worth growth		3	4	0.12
7	Capital budget utilization		3	4	0.12
	ii. Financial Risk:				
1	Debt equity ratio		3	4	0.12
2	Debt to assets		2	4	0.08
3	Debt coverage ratio				
4	Current ratio		2	4	0.08
5	Accounts receivable period		2	2	0.04
6	Accounts payable period				
	iii. Transactions with Government:				
1	Taxes paid				
2	Fees & charges paid				
3	Debt Service Liabilities Paid				
	Sub Total		30		0.74

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 • Employees service rules/ regulations • Appointment of Board Secretary 		4	2	0.08
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	2	0.08
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	2	0.08
5	Performance against the key Indicators of APA: <ul style="list-style-type: none"> • Total Performance score achieved on APA 		4	3	0.12
	Sub Total				0.44
	Grand Total (A+B+C+D)	100	100		2.56

7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Rajshahi water Supply Sewerage Authority Scored 2.56 out of 4.00 in the year 2022-23.

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

- Service Delivery
- Other Growth
- Service Revenue Growth
- Capital Budget Utilization
- Debt to Assets
- Net Income Growth
- Return on Service Revenue
- Net Worth Growth
- Current Ratio
- Debt to Equity

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

- Annual Performance Agreement (APA)
- Entity Strategic Plan
- Effective Implementation of Public Policy
- Efficiency of Project Implementation

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

- Labour Productivity
- Board Practices
- Transparency and Disclosure
- Corporate Governance
- Control Environment and Process
- Social Contribution
- Assets Turnover
- Accounts Receivable Period

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

- Capital Productivity

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

- Return on Equity
- Return on Assets

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

- RWASA has incurred an operating loss of Tk.135.47 million.
- The entity earned net profit (after tax) of Tk.87.16 million which includes TK.192.14 million operating grant from government.
- RWASA Current Ratio (Times) 19.10 which indicates entity is in a well position to meet its current liabilities in due period.

8. Findings from the Audit Report 2022-2023

- i. In the Audit Report 2022-23 the entity did not provide aging of accounts receivable Tk 105.02 million, it is also non-compliance of IAS 37.
- ii. The entity did not maintain bad debts provision account for the bad and doubtful on accounts receivable amount.
- iii. During FY 2022-23 the authority incurred an operating loss of Tk 135.47 million but no explanation is provided in the report in this regard.
- iv. In the Audit Report 2022-23 RWASA did not maintain Inventory Account for its chemicals, spare parts & materials etc. , It is noncompliance of IAS-2

9. Recommendation for Performance Based Incentives:

Rajshahi Water Supply and Sewerage Authority has obtained a weighted score 2.56 out of a scale 4.00 and is graded "Good". Therefore, IPEC recommended non-financial incentive for the employees of RWASA. Also, a certificate from Finance Division may be awarded to RWASA for being graded "Good" in IPE for the FY 2022-23.

10. Recommendations for Improvements:

Based on the findings of the Independent Performance Evaluation (IPE), the following recommendations are proposed to enhance the performance of RWASA:

- a) **Timely Implementation of Surface Water Treatment Plan:** RWASA should prioritize completing the surface water treatment plan on schedule to increase the production and supply of surface water, reducing reliance on groundwater and establishing a sustainable water supply system for Rajshahi City.
- b) **Expansion of Water Supply Network:** The organization should develop a plan to install additional pipelines to extend its water supply network. This expansion will help to increase the customer base and boost RWASA's operational income.
- c) **Execution of Environmentally Friendly Sewerage Plan:** RWASA should implement the modern, environmentally friendly sewerage plan within the projected timeline for Rajshahi City Corporation.
- d) **Reduction of Water Supply System Loss:** Proper measures should be taken to reduce system losses in water supply to an acceptable and efficient range.
- e) **Implementation of ERP Software:** RWASA should adopt Enterprise Resource Planning (ERP) software to streamline its operational activities and improve overall efficiency.
- f) **Formation of Board Committees:** To strengthen internal control and compliance, RWASA should establish Board Committees such as an Audit Committee and Nomination & Remuneration Committee (NRC).
- g) **Installation of Digital Meters:** The organization should take steps to install digital water meters for all its customers to enhance accuracy and transparency in billing.
- h) **Preparation of Audited Financial Statements:** RWASA should ensure that its Audited Financial Statements are prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) for disclosure and transparency.

11. Conclusion

Based on Audited Financial Statements, data and documents of Rajshahi Water Supply and Sewerage Authority (RWASA), Independent Performance Evaluation (IPE) report has been prepared for FY 2022-23. In the report it is found that RWASA's financial and non-financial performance is in moderate position. Hence, to improve the overall performance of RWASA, the entity's operating performance should be improved by expanding its water supply network and implement the sewerage project in Rajshahi City Corporation. Besides, the entity should comply with the relevant IAS/IFRS in preparing their accounts for fair presentation of AFS.

Rajshahi Water Supply and Sewerage Authority (RWASA)

Annexure-1

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		
	• Material		
	• Accessories/ Supplies		
	• Others (including spare parts)		
	ii. Receivable:		
	• Trade	105,020,853	72,347,895
	• Others		
	iii. Cash and Cash Equivalent including FDR	787,090,458	624,291,486
	iv. Others Current Assets	1,019,097	1,019,097
2	Total Current Assets (i+ii+iii+iv)	893,130,407	697,658,478
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	1,092,864,190	1,015,472,424
	• Capital Work in Progress	2,204,564,178	4,408,947
	• Other Non Current Assets		
4	Total Assets (2+3)	4,190,558,775	1,717,539,849
5	Current Liabilities:		
	i. Payables:		
	• Trade		
	• Others	19,460,149	7,349,541
	ii. Other Current Liabilities	27,308,159	28,407,991
6	Total Current Liabilities (i+ii)	46,768,308	35,757,532
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts		
	ii. Deferred Liabilities	32,584,889	
	iii. Other Non-Current Liabilities		
8	Total Non-Current Liabilities (i+ii+iii)	32,584,889	
9	Total Liabilities (6+8)	79,353,197	35,757,532
10	Equity:		
	i. Share Capital		
	ii. Grant Received from City Corporation	491,571,870	491,571,870
	iii. Donation from GOB	2,723,406,567	344,504,727
	iv. Funds & Other Reserves		
	v. Revaluation Reserve		
	vi. Retained Earnings/(Loss)	896,227,141	845,705,720
11	Total Equity (i+ii+iii+iv+v)	4,111,205,578	1,681,782,317
12	Total Equity and Liabilities (9+11)	4,190,558,775	1,717,539,849

Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2022-23		2021-22	
		Amount	Percentage	Amount	Percentage
13	. Net Sales Revenue	172,698,694	100%	64,412,579	100%
14	Less: Cost of Services	285,942,948	165.57%	289,847,277	449.99%
15	Gross Profit/(Loss) (13-14)	(113,244,254)	(65.57%)	(225,434,698)	(349.99%)
16	Less: Operating Expenses:				
	i. Administrative Expenses	22,227,168	12.87%	29,430,277	45.69%
	ii. Marketing Expenses				
17	Total Operating Expenses (i+ii)	22,227,168	12.87%	29,430,277	45.69%
18	Operating Profit/(Loss) (15-17)	(135,471,422)	(78.44%)	(254,864,975)	(395.68%)
19	Add: Non-Operating Income	30,485,493		23,969,134	
20	Add: Donation from GOB	192,142,704		237,014,732	
21	Less: Financial Expenses				
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	87,156,775		6,118,892	
23	Less: Provision for Tax				
	i. Current tax				
	ii. Deferred tax				
24	Net Profit/(Loss) After Tax (22-23)	87,156,775		6,118,892	

Annexure 1

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
25	Credit Sales	245,852,129	
26	Credit Purchases		
27	Capital Budget Allocation		
28	Actual Capital Expenditure		
29	Dividend Payable		
30	Dividend Paid		
31	Taxes Payable		
32	Taxes Paid		
33	Debt Service Liabilities (DSL) Payable		
34	Debt Service Liabilities (DSL) Paid		
35	Fees, Fine and Charges Payable		
36	Fees, Fine and Charges Paid		
37	New Government Investment:		
	• Equity		
	• Debts/Loan		
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Operating Grant	192,142,704	237,014,732
	• Capital Grant	2,378,483,991	
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	163,311,492	57,535,935
40	Added Value	44,343,945	(86,331,276)
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)	283	289
45	Performance score achieved on APA	98.00 %(prov.)	96.67%


Schedule-02

Non-Financial Information

Sl.	Particulars	
A	Enterprise Information and Legal Framework	
2	Sector	Water supply and sanitation
3	Name of Entity	Rajshahi WASA, Rajshahi
4	Number of Subsidiaries	N/A
5	Number of Branches	N/A
6	Website	https://rajshahiwasa.portal.gov.bd/
7	Email Address	rajshahiwasa@gmail.com
8	Year of Incorporation	2010
9	Governing Law	Water Act 1996
10	Other relevant Governing Laws & Regulations	rajshahi wasa service regulation 2018
11	Incorporation Structure	SOE
12	Listed on the Stock Exchange	N/A
B	Ownership and Shareholder Protection	
14	Administrative Ministry	Local government division
15	Structure of Organization	State own Enterprise
C	Strategy and Governance Information	
17	Board of Directors (Number disaggregated by gender and profile)	2022-23: 08 male & 02 female
18	Qualification of Board Members	Water Act 1996 rules 6(1)
19	Number of Independent Director	N/A
20	Chairman to be Independent of CEO	Yes
21	Board Committees	No
22	Number of Board Meetings held	3 times in a fiscal year
23	Board Sitting Fees	Board Chairman 11,000/-, Other member 9,000/-
24	Executive Management	Md. Zakir Hossain, Managing Director
25	Selection process of Board Members	Local government division select the board member following water act 1996
26	Strategic Plan/Public Policy Goal (copy required)	N/A
27	Innovative work (Description)	water bill print & payment update option added to rajshahi wasa website
28	Project Completion Rate: Actual Achievement /Target	86.00%
D	Ownership Structure	
30	Govt. Shareholding	100.00%
31	Private Shareholding	
32	Others	

Non-Financial Information

Sl.	Particulars	
E	Fiscal and Financial Discipline	
34	Who are the Primary Lenders to the Enterprise	GOB
F	Controls, Transparency and Disclosure	
36	Latest Audited Financial Statement	25-Dec-23
37	Audited by	Sarder Murshed & Co. Chartered Accountants
38	Risk Assessment Report	No
39	Internal Control	Yes
40	Timely public disclosure of financial statements	Yes
41	Measures for safe working Environment/Process (Description)	No
G	Human Resources	
43	Number of employees	81(regular), 203(irregular day labor)
44	Number of New Job Creation (Regular, Internship, etc.)	No
H	Employee and Social Welfare	
46	CSR, WPPF, etc.	Provident fund & Gratuity fund available


 মোঃ আব্দুর রহমান
 প্রধান বাজেট ও হিসাবরক্ষণ কর্মকর্তা
 রাজশাহী ওয়াসা, রাজশাহী।