

**Independent Performance Evaluation (IPE) Report**  
**on**  
**Khulna Development Authority (KDA)**  
**For 2022-23**

## Table of contents

	Executive Summary	1
1.	Introduction	1
2.	Role and Functions	2
3.	Core Business	2
4.	Evaluation Parameters	3
5.	IPE Process	10
6.	Performance Evaluation Results	11
7.	Interpretation of Results	14
8.	Findings from the Audit Report 2022-23	15
9.	Recommendation for Performance Based Incentives	15
10.	Recommendations for Improvements	15
11.	Conclusion	16
	<b>Annexure</b>	
	Annexure – i: Financial Information	17
	Annexure – ii: Non-Financial Information	20

## 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.

Khulna Development Authority (KDA) 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, KDA achieved a weighted average score of 2.69 out of 4.00, earning a "Good" grade.

### 1. Introduction

The Khulna Development Authority (KDA) was established under the Ordinance of 1961 to facilitate the development and planned growth of Khulna City and its surrounding regions. This ordinance was later replaced by the Khulna Development Authority Act of 2018. KDA is responsible for constructing roads, developing parks, and creating residential, commercial, and industrial plots in Khulna City, Daulatpur Industrial City, and nearby areas. It plays a vital role in transforming Khulna into a well-planned, modern city in Bangladesh. The Ministry of Housing and Public Works oversees the activities of KDA. The key operational activities of KDA are provided below:

**Table 1. Key Operational Activities**

SL	Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
1	Approved Building Plan	Nos.	735	1,391	1,548
2	NOC issued for land uses	Nos.	1,801	1,358	1,262
3	Residential Plot Allotment	Nos.	32	15	-
4	Commercial Cum Residential Plot Allotment	Nos.	10	5	-

Source: KDA, Annual Performance Agreement (APA) 2021-22 and 2022-23

The key operational activities of the Khulna Development Authority (KDA) show significant year-on-year changes during FY 2020-21 to FY 2022-23. Approved building plans increased steadily, rising by 89.2% from 735 in FY 2020-21 to 1,391 in FY 2021-22, and by 11.3% to 1,548 in FY 2022-23. In contrast, the issuance of NOCs for land use declined, dropping by 24.6% from 1,801 in FY 2020-21 to 1,358 in FY 2021-22, and further by 7.1% to 1,262 in FY 2022-23. Residential plot allotments decreased drastically from 32 in FY 2020-21 to 15 in FY 2021-22, with no allotments reported in FY 2022-23. Similarly, commercial-cum-residential plot allotments decreased from 10 in FY 2020-21 to 5 in FY 2021-22, with none allocated in FY 2022-23.

## **2. Role and Functions**

Khulna Development Authority (KDA) mainly performs the following functions:

- i. Develops residential, commercial, and industrial plots within Khulna City, Daulatpur Industrial City, and surrounding areas.
- ii. Constructs infrastructure such as roads, bypasses, bridges, foot over bridges, culverts, buildings, commercial complexes, bus terminals, community centers, and parks as directed by the government.
- iii. Issues No Objection Certificates (NOC) for land use within the KDA region.
- iv. Approves building construction plans within Khulna City and the broader KDA area.
- v. Monitors and controls unauthorized and illegal construction activities in Khulna City and its vicinity.

## **3. Core Business**

- i. Prepares the Master Plan, Detailed Area Plan, and Structure Plan for areas under KDA jurisdiction.
- ii. Mitigate Khulna City's housing challenges by implementing plans to expand residential areas in the city and surrounding regions.
- iii. Executes, supervises, and finances development projects under its purview.

#### 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	<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 Surplus Growth	QN	4	50.00% or more	40.00% to 49.99%	30.00% to 39.99%	20.00% to 29.99%	Below 20.00%
	2b. Service Revenue Growth	QN	4	15.00% or more	12.00% to 14.99%	9.00% to 11.99%	6.00% to 8.99%	Below 6.00%
	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	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	93.00%	Excellent	4	Note 1
2	Growth Trajectory						
	2a. Net Surplus Growth	QN	4	(9.68%)	Underperforming	0	AFS
	2b. Service Revenue Growth	QN	4	(15.36%)	Underperforming	0	AFS
	2c. Other Growth	QL	3	85.00%	Very Good	3	Note 2
3	Effective Implementation of Public Policy	QL	3	95.00%	Excellent	4	Note 3
4	Efficiency of Project Implementation/ Project Goal Achievement:	QN	4	91%	Excellent	4	Note 4
5	Social Contribution	QL	3	92.00%	Excellent	4	Note 5
Sub-Total			25				

**Note-1:** The Khulna Development Authority's Detailed Area Plan 2031 lays the groundwork for inclusive, sustainable urban growth in Khulna, Nawpara, Mongla, and Rupsha by developing residential, commercial, and industrial plots along with new roads, bridges, buildings, and complexes-advancing SDG 11 (Sustainable Cities and Communities) and SDG 9 (Industry, Innovation and Infrastructure). By promoting regional industrialization to boost productivity and create jobs, KDA supports SDG 8 (Decent Work and Economic Growth) and SDG 17 (Partnerships for the Goals). Furthermore, KDA's strategic plans align with the National Strategic Plan and Government Policy Directives outlined in the national budget

**Note-2:** KDA has introduced the following automation facilities to enhance services for stakeholders:

- i. Online Application for Building Plans: Stakeholders can submit applications for building construction or structure plans through an online system.
- ii. SMS Notifications for Plan Decisions: KDA communicates decisions regarding building construction plans via SMS.
- iii. NOC Application and SMS Updates: Applications for No Objection Certificates (NOC) on land use can be submitted online, with decisions also communicated through SMS.
- iv. Automated Land Mutation Information: System-generated information slips are provided for land mutation purposes.
- v. Automated Possession Letters: Stakeholders receive system-generated possession letters for plots and stalls.
- vi. Online Plot/Stall Allotment: Applications for plot and stall allotments, along with KDA's responses, are managed online.

**Note-3:** Khulna Development Authority (KDA) effectively implements public policy by contributing to planned urban development, in line with the national development strategies and SDG 11 (Sustainable Cities and Communities). KDA prepares and executes the Master Plan, Detailed Area Plan, and Structure Plan to address housing shortages, improve land use, and ensure orderly expansion of Khulna City and its surroundings.

**Note-4:** KDA achieved 100% 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-5:** KDA has undertaken the following social and environmental initiatives:

- i. Environmental Pollution Prevention Measures:
  - Mandatory construction of dustbins, septic tanks, and shock walls within building premises.
  - Establishment of Secondary Transfer Points (STPs) for waste management in multistoried buildings.
- ii. Employee Welfare Programs:
  - Maintenance of Provident Fund, Group Insurance, Benevolent Fund, and Pension Fund facilities for its employees.
- iii. Corporate Social Responsibility (CSR) Activities:
  - Operation of KDA School & College and KDA Jame Masjid as part of its CSR initiatives
  - To build green buildings, KDA has incorporated a requirement for environmentally friendly sanitation systems in building and structural plans in FY 2022-23.

## 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	<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	5	Tk. 1.0 mil or more	Tk. 0.85 to 0.99 mil	Tk. 0.70 to 0.84 mil	Tk. 0.55 to 0.69 mil	Below Tk. 0.55 mil
3	<b>Capital Productivity</b>							
	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. 0.05 or more	Tk. 0.04 to 0.049	Tk. 0.03 to 0.039	Tk. 0.02 to 0.029	Below Tk. 0.02
4	<b>Production</b>							
	Asset Turnover (Times)	QN	5	0.04 or more	0.03 to 0.039	0.02 to 0.029	0.01 to 0.019	Below 0.01
Sub-total			25					

**Table 2(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	Product, Service Delivery						
	Product Service Benefit & Accessibility	QL	5	91.00%	Excellent	4	Note 6
2	Labor Productivity						
	Added Value per Employee (million Tk.)	QN	5	Tk. 0.60 mil	Fair	1	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. 0.02	Fair	1	AFS
4	Production						
	Asset Turnover (Times)	QN	5	0.03	Very Good	3	AFS Note 7
Sub-total			25				

**Note-6:** KDA has implemented the following measures to ensure an efficient and convenient delivery service for stakeholders:

- i. One-Stop Service Center:
  - a) Issuance of information slips for land mutation.
  - b) Issuance of No Objection Certificates (NOC) for borrowing.
  - c) Issuance of possession certificates.
  - d) Submission of applications for plot or stall allotments.
- ii. Software Implementation:
  - a) Accurate maintenance of data on premium installments, interest, arrears, and due payments.
  - b) Issuance of online payment clearance certificates and NOCs for land use.
  - c) Automation of the structural design approval process has been introduced in FY 2022-23.
  - d) Introduction of online payment systems for land installments, NOCs, and building plan fees, streamlining services for stakeholders.

**Note-7:** Standard of Asset Turnover is set based on KDA's last 5 (five) years' actual performance on Asset Turnover.

### 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
	<b>i. Financial Performance</b>							
1	Surplus of Income over Expenditure	QN	2	Tk. 10.00 million or more	Tk. 8.00 to Tk9..99 million	Tk. 6.00 to Tk. 7.99 million	Tk. 4.00 to Tk. 5.99 million	Below Tk. 4.00 million
2	Surplus before Tax	QN	2	Tk. 110 million or more	Tk. 105 to Tk. 109 million	Tk. 100 to Tk. 104 million	Tk. 95 to Tk. 99 million	Below Tk. 95 million
3	Return on Assets (%)	QN	2	1.60% or more	1.40% to 1.59%	1.20% to 1.39%	1.00% to 1.19%	Below 1.00%
4	Return on Service Revenue (%)	QN	3	35% or more	30%to 34%	25% to29%	20% to24%	Below 20%
5	Return on Equity (%)	QN	2	2% or more	1.75%to 1.99%	1.50%to1.74%	1.25%to1.49%	Below 1.25%
6	Net Worth Growth (%)	QN	3	1.00 % or more	0.75%to 0.99%	0.50%to 0.74%	0.25%to 0.49%	Below 0.25%
	<b>ii. Financial Risk</b>							
1	Debt Equity Ratio (Times)	QN	3	1.50 or less	1.51 to 1.60	1.61 to 1.70	1.71 to 1.80	More than 1.80
2	Debt to Assets (Times)	QN	3	0.60or less	0.61 to 0.80	0.81 to 1.00	1.01 to 1.20	More than 1.20
3	Current Ratio (Times)	QN	3	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
	<b>iii. Transactions with Govt.</b>							
1	Contribution Paid	QN	3	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Taxes Paid	QN	4	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	
	<b>i. Financial Performance</b>						
1	Operating Surplus/(Deficit) over Expenditure	QN	2	(Tk70.60) million	Under Performing	0	AFS
2	Surplus before Tax	QN	2	Tk. 121.13 million	Excellent	4	AFS
3	Return on Assets (%)	QN	2	1.12%	Fair	1	AFS
4	Return on Service Revenue (%)	QN	3	41.53%	Excellent	4	AFS
5	Return on Equity (%)	QN	2	1.33%	Fair	1	AFS
6	Net Worth Growth (%)	QN	3	0.70%	Good	2	AFS
	<b>ii. Financial Risk</b>						
1	Debt Equity Ratio (Times)	QN	3	0.18	Excellent	4	AFS Note 8
2	Debt to Assets (Times)	QN	3	0.15	Excellent	4	AFS Note 8
3	Current Ratio (Times)	QN	3	2.60	Excellent	4	AFS
	<b>iii. Transactions with Govt.</b>						
1	Contribution Paid	QN	3	100%	Excellent	4	Annexure 1 SL 29 & 30
2	Taxes Paid	QN	4	100%	Excellent	4	Annexure 1 SL 31 & 32
Sub-total			30				

**Note-8:** KDA has implemented almost all its development projects using government grants or its own funds. As a result, the entity does not have any long-term loans, aside from current liabilities

## 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	<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 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	82%	Very Good	3	Note 9
2	Board Practices	QL	4	83%	Very Good	3	Note 10
3	Transparency and Disclosure	QL	4	89%	Very Good	3	Note 11
4	Control Environment and Process.	QL	4	81%	Very Good	3	Note 12
5	Performance against the key Indicators of APA	QN	4	97.30%	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-9:** KDA operates under its own Act, adhering to the KDA Employees Service Rules 1990, the KDA Employees Pensions Rules 2003, and the KDA Employees Retirement Act 2003. It also follows the Citizen Charter to ensure accountability and effective governance. Additionally, the entity has a Corporate Secretary for its board.

**Note-10:** The board of directors of KDA consists of 23 (twenty-three) members, all nominated by the Government of Bangladesh (GOB). The board includes a chairman and four regular directors. Among the remaining 18 (eighteen) members, four are independent directors, with at least one being a town planner and one a woman. During FY 2022-23, the board conducted four meetings, resulting in the implementation of 29 decisions. Notably, KDA does not have any board committees.

**Note-11:** KDA transparently discloses its Acts, Rules, Audited Financial Statements, the names and biographies of Board Directors and Senior Managers, the Citizen Charter, and the Annual Performance Agreement (APA) on its official website.

**Note-12:** KDA has implemented the following measures to control the environment and process:

- An independent Audit Section has been established to ensure an effective internal control system, reporting directly to the Chairman. The Audit Section verifies and examines bills, claims, and payments to ensure transaction authenticity and to identify any irregularities or misappropriation of funds.
- Customized software is utilized for operations in the Accounts, Planning, and Design departments, streamlining processes and improving efficiency.
- E-tendering systems have been adopted under a computer-based management and information system to ensure transparency in procurement.
- Firefighting equipment has been installed at the office building to enhance fire safety measures.
- CCTV cameras have been set up to monitor and ensure the security of the entire office building.
- Implemented an automated employee salary payment system in FY 2022-23.

## **5. IPE Process**

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

### Khulna Development Authority

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 Surplus Growth		4	0	0.00
	2b. Service Revenue Growth		4	0	0.00
	2c. Other Growth		3	3	0.09
3	<b>Effective Implementation of Public Policy</b>		3	4	0.12
4	Efficiency of Project Implementation/ Project Goal Achievement: • Percentage of estimated target achieved"		4	4	0.16
5	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		3	4	0.12
	<b>Sub Total</b>		<b>25</b>		<b>0.65</b>

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
B	<b>Operational Efficiency:</b>	25			
1	Service Delivery: • Service benefits and Accessibility		5	4	0.20
2	Labor Productivity: 2a. Added Value Per Employee		5	1	0.05
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		5	1	0.05
	3b. Added Value Per TK Value of PPE		5	1	0.05
4	Production:				
	a. Asset Turnover		5	3	0.15
	<b>Sub Total</b>		<b>25</b>		<b>0.50</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	Surplus of Income over Expenditure		2	0	0.00
2	Surplus before tax		2	4	0.08
3	Return on assets		2	1	0.02
4	Return on Service Revenue		3	4	0.12
5	Return on equity		2	1	0.02
6	Net worth growth		3	2	0.06
	<b>ii. Financial Risk:</b>				
1	Debt equity ratio		3	4	0.12
2	Debt to assets		3	4	0.12
3	Current ratio		3	4	0.12
	<b>iii. Transactions with Government:</b>				
1	Dividend/Contribution paid		3	4	0.12
2	Taxes paid		4	4	0.16
	<b>Sub Total</b>		<b>30</b>		<b>0.94</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>• Employees service rules/ regulations</li> <li>• Appointment of Board Secretary</li> </ul>		4	3	0.12
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	3	0.12
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	3	0.12
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	3	0.12
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>0.60</b>
	<b>Grand Total (A+B+C+D)</b>	<b>100</b>	<b>100</b>		<b>2.69</b>

## 7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Khulna Development Authority Scored 2.69 out of 4.00 in the year 2022-23.

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

- Entity Strategic Plan
- Social Contribution
- Return on Service Revenue
- Debt Equity Ratio
- Efficiency of Project Implementation
- Debt to Assets
- Current Ratio
- Service Delivery
- Effective Implementation of Public Policy

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

- Board Practices
- Control Environment and Process
- Annual Performance Agreement (APA).
- Corporate Governance.
- Other Growth
- Transparency and Disclosure
- Assets Turnover

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

- Net Worth Growth

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

- Capital Productivity
- Return on Equity
- Labour Productivity
- Return on Assets

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

- Net Income Growth
- Service Revenue Growth.

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

- i. KDA has incurred an operating loss of Tk.70.60 million.
- ii. The entity earned net Profit (after tax) of Tk.90.85 million.
- iii. KDA Current Ratio (Time) 2.60 which indicates entity is in a well position to meet its current liabilities in due period.
- iv. KDA paid Taxes Tk.30.28 million
- v. KDA paid Tk. 20.00 million as Contribution to GOB.
- vi. The entity received Tk. 1,342.50 million as grant from GOB against different development projects.



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

In KDA Audit Report 2022-23 the following anomalies are found:

- a) KDA did not maintain the Deferred Tax Account.
- b) The authority did not provide Cash Flow Statement in KDA Audit Report.
- c) In the Audit Report, Fund Accounts show Tk. 6,844.60 million without disclosing Capital, Reserve & Retained Earnings separately.

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

Khulna Development Authority has obtained a weighted score of 2.69 out of a scale 4.00 and is graded “Good”. Therefore, IPEC recommended non-financial incentive for the employees of KDA. Also, a certificate from Finance Division may be awarded to KDA for being graded “Good” in IPE for the FY 2022-23.

## **10. Recommendations for Improvements**

To enhance KDA’s performance, the following recommendations are proposed based on the findings of IPE:

- a) Improving Operative Income:
  - i. Implement an automated system for all types of revenue collection to ensure reliable and efficient services for stakeholders.
  - ii. Develop additional residential areas in Khulna city, Mongla, Nawapara, and Rupsha as per the Detailed Area Plan to address housing challenges.
  - iii. Take initiatives to increase revenue from KDA’s markets, bus terminals, and community centers.
- b) Housing for Low-Income and Homeless People: Implement housing arrangements to support low-income and homeless individuals.
- c) Renovation of Bus Terminals: Modernize existing bus terminals with automation systems to enhance efficiency and service quality.
- d) Strengthening Internal Control: Establish board committees, such as the Audit Committee and Nomination & Remuneration Committee (NRC) to improve internal control and compliance.
- e) Financial Reporting: Prepare financial statements in accordance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to enhance financial discipline, transparency, and reporting quality.
- f) Monitoring Unauthorized Construction: Ensure proper updates and records for buildings or structures constructed without prior KDA approval.

## **11. Conclusion**

Based on Audited Financial Statements, data and documents of Khulna Development Authority (KDA), Independent Performance Evaluation (IPE) report have been prepared for FY 2022-23. In the report it is found that KDA's financial and non-financial performance has improved compared to last fiscal year. Therefore, for overall performance improvement of KDA, the entity should extend its jurisdiction by developing more residential, commercial and industrial area for the people of Khulna City, Mongla, Nawapara and Rupsha to fulfill their housing needs as well as to increase business activities and industrial establishments that will increase its regular income also.

**Khulna Development Authority (KDA)**  
**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		
	• Work-in-Progress (WIP)		
	• Others (including spare parts)	186,575	78,673
	• Finished goods		
	ii. Receivable:		
	• Trade		0
	• Others		0
	iii. Cash and Cash Equivalent including FDR	3,220,669,274	2,342,772,557
	iv. Others Current Assets	25,773,631	25,369,570
2	Total Current Assets (i+ii+iii+iv)	3,246,629,479	2,368,220,800
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	4,846,113,534	4,846,824,861
	• Investments		0
	• Other non-current assets		0
4	Total Assets (2+3)	8,092,743,013	7,215,045,661
5	Current Liabilities:		
	i. Payables:		
	• Trade		0
	• Others		0
	ii. Other Current Liabilities	1,248,146,990	417,926,864
6	Total Current Liabilities (i+ii)	1,248,146,990	417,926,864
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts		0
	ii. Deferred Liabilities		0
	iii. Other Non-Current Liabilities		0
8	Total Non-Current Liabilities (i+ii+iii)		0
9	Total Liabilities (6+8)	1,248,146,990	417,926,864
10	Equity:		
	Fund Account	6,844,596,022	6,797,118,797
11	Total Equity	6,844,596,022	6,797,118,797
12	Total Equity and Liabilities (9+11)	8,092,743,013	7,215,045,661

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	218,743,044	100%	258,453,299	100%
14	Less: Cost of Services	138,918,002	63.51%	172,726,752	66.83%
15	Gross Surplus/(Deficit) (13-14)	79,825,042	36.49%	85,726,547	33.17%
16	Less: Operating Expenses:				
	i. Administrative Expenses	150,425,791	68.77%	148,174,604	57.33%
	ii. Marketing Expenses			0	
17	Total Operating Expenses (i+ii)	150,425,791	68.77%	148,174,604	57.33%
18	Operating Profit Surplus/(Deficit) (15-17)	(70,600,749)	(32.28%)	(62,448,057)	(24.16%)
19	Add: Non-Operating Income	191,732,919		196,566,753	
20	Less: Financial Expenses			0	
21	Less: Other Non-Operating Expenses			0	
22	Net Surplus/(Deficit) before Tax (18+19-20-21)	121,132,170		134,118,696	
23	Less: Provision for Tax				
	i. Current tax	30,283,043		33,529,674	
	ii. Deferred tax			0	
24	Net Profit/(Loss)/Surplus/(Deficit) After Tax (22-23)	90,849,127		100,589,022	

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
25	Credit Sales		
26	Credit Purchases		
27	Capital Budget Allocation	35,700,000	569,000,000
28	Actual Capital Expenditure	1,251,395	37,464,161
29	Dividend Payable	20,000,000	15,000,000
30	Dividend Paid	20,000,000	10,000,000
31	Taxes Payable	30,283,000	33,529,674
32	Taxes Paid	30,283,000	33,529,674
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:		
	• Grants	1,342,500,000	350,000,000
	• Subsidies		
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)		
40	Added Value	117,862,058	119,157,488
41	Employee's cost includes wages, salaries, bonus, provident fund contribution and other allowances		148,174,604
42	Capacity Utilization (%)		
43	Input use Efficiency (%)		
44	Number of Employees (NoS)	194	199
45	Performance score achieved on APA	97.30%	94.60%

## Schedule – 2

## Non-financial Information format

Sl.	Particulars	
<b>A</b>	<b>Enterprise Information and Legal Framework</b>	
2	Sector	
3	Name of Entity	Khulna Development Authority
4	Number of Subsidiaries	Nil
5	Number of Branches	
6	Website	<a href="http://www.kda.gov.bd">www.kda.gov.bd</a>
7	Email Address	<a href="mailto:kda@kda.gov.bd">kda@kda.gov.bd</a>
8	Year of Incorporation	1961
9	Governing Law	Kda Act, 2018
10	Other relevant Governing Laws & Regulations	Kda Employees service rules, 1990 Kda Employees retirement rules, 2003 Kda Employees Pension Regulation, 2003 Kda Act, 2018
11	Incorporation Structure	x
12	Listed in the Stock Exchange	N/A
<b>B</b>	<b>Ownership and Shareholder Protection</b>	
14	Administrative Ministry	Ministry of Housing and Public Works
15	Structure of Organization	Semi-Government (Autonomous Body)
<b>C</b>	<b>Strategy and Governance Information</b>	
17	Board of Directors (Number disaggregated by gender and profile)	23 (Twenty Three)
18	Qualification of Board Members	Described in KDA Act 2018
19	Number of Independent Director	4
20	Chairman to be Independent of Board	
21	Board Committees	
22	Number of Board Meetings held	4 in one years
23	Board Sitting Fees	2,000/- (Two Thousand)
24	Executive Management	
25	Selection process of Board Members	Described in KDA Act 2018

26	Strategic Plan/Public Policy Goal (copy required)	<p>a) Ensure all the services &amp; facilities according to projected population up to 2031.</p> <p>b) Preserve highly proficient cultivable land to ensure agricultural production.</p> <p>c) Encourage industrialization for productivity and employment generation.</p> <p>d) Making healthy city to ensure sustainable development.</p> <p>e) Protection of water body for water supply &amp; drainage.</p>
27	Innovative work (Description)	<p>a) Online payment collection system for installment of land, NOC (No Objection Certificate), Building plan approval fee and others</p> <p>b) Giving NOC for land use commercial loan and building plan through online system within mentioned time</p> <p>c) Providing KIOSK for self operated information of land, building plan and other services of KDA.</p> <p>d) People can explore the land use and of Khulna master plan by putting Upazilla, Mouza and plot number.</p>
28	Project Completion Rate: Actual Achievement /Target	53 Projects completed since inception
D	Ownership Structure	
30	Govt. Shareholding	N/A
31	Private Shareholding	N/A
32	Others	N/A
E	Fiscal and Financial Discipline	
34	Who are the Primary Lenders to the Enterprise	N/A
F	Controls, Transparency and Disclosure	
36	Latest Audited Financial Statement	Attached in online
37	Audited by	HUSSAIN KHAJA & CO.
38	Risk Assessment Report	Good
39	Internal Control	Yes


স্বাঃ মোঃ সাইদুল হক  
হিসাব রক্ষণ অফিসার  
কেডিএ, খুলনা।


প্রকৌঃ কাজী মোঃ সাবিরুল আলম  
প্রধান প্রকৌশলী (চঃ দাঃ)  
খুলনা উন্নয়ন কর্তৃপক্ষ



40	Timely public disclosure of financial statements	Timely disclosure by website.(www.kda.gov.bd)
41	Measures for safe working Environment/Process (Description)	Employees can work here in safe environment. They work here without mental agony. They get there benefits in time. So, they work satisfaction.
G	Human Resources	
43	Number of employees	194
44	Number of New Job Creation (Regular, Internship, etc.)	Nil
H	Employee and Social Welfare	
46	CSR, WPPF, Provident Fund, Gratuity Fund etc.	Financing KDA College. Provident Fund, Group Insurance. Benevolent Fund, Pension Fund Available.

Note: Above mentioned non-financial information to be provided for IPE.

  
 মোঃ সাঈদুল হক  
 হিসাব রক্ষন অফিসার  
 কেডিএ, খুলনা।

  
 গকৌঃ কাজী মোঃ সাবিরুল আলম  
 প্রধান প্রকৌশলী (চঃ দাঃ)  
 ালনা ইন্থান কর্তৃপক্ষ