Independent Performance Evaluation (IPE) Report

on

Dhaka Water Supply and Sewerage Authority

For 2023-24

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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 20 (twenty) SOEs/ABs in total 30 (thirty) SOEs/ABs to conduct Independent Performance Evaluation for the FY 2023-24

Dhaka Water Supply and Sewerage Authority (DWASA) is among the 30 (thirty) selected State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) for the Independent Performance Evaluation (IPE) for FY 2023-24. Based on the evaluation results, DWASA achieved a weighted average score of 2.39 out of 4.00, earning a grade of "Good" for the fiscal year.

1. Introduction:

Dhaka Water Supply and Sewerage Authority (DWASA) was created under the WASA Ordinance No. XIX of 1963. Later on, in 1989 the drainage system of Dhaka city was handed over to Dhaka WASA from the Department of Public Health & Engineering. Beside this, the water, drainage and sewerage services of Narayanganj city were also transfer to Dhaka WASA in 1990. After a longtime in FY2019-2020 the water, drainage and sewerage services of Narayanganj city were transferred to Narayanganj City Corporation. Then after In Fy 2020-21 the drainage system has been handed over to Dhaka North and Dhaka South City Corporation under the three signed MOU. At Present Dhaka WASA has been operate under the WASA Act, 1996. The Prime objective of DWASA in to Provide safe and quality assured water and efficient sanitation facilities for the city dwellers of Dhaka. Currently Dhaka WASA Covers 67%. of its water supply from the groundwater and 33%. through surface water sources. DWASA covers 360 sq. km. service area with more than 20 million people. Dhaka city was divided into 10 zones for its maintenance, operation and distribution services.

The Local Government Division under the Ministry of Local Government, Rural Development and cooperative oversees Dhaka WASA's operations. The key operational activities of the entity are Provided below:

Table 1: Key Operational Activities:

Sl#	Particulars	unit	FY 2021-22	FY2022-23	FY2023-24
1	Water Connections	NO	381,049	388,428	397,043
2	Deep Tube well	NO	986	997	1.082
3	Water Production/Day	MLD	2,650	2.680	2,900
4	Water Line	km	4,150	4,500	5,100
5	Sewerage line	km	934	934	934
6	System Loss	%	22	22	22

Source: DWASA

Over the past three fiscal years, Dhaka Water Supply and Sewerage Authority (DWASA) has recorded steady growth in service coverage and production capacity, while its efficiency indicators have remained stable. The number of water connections increased from 381,049 in FY 2021–22 to 388,428 in FY 2022–23, representing a growth of about 1.9 percent, and further to 397,043 in FY 2023–24, an increase of approximately 2.2 percent over the previous year and about 4.2 percent over the two-year period. The number of deep tube wells rose from 986 to 997 (about 1.1 percent growth) and then to 1,082, reflecting a sharper increase of about 8.5 percent in FY 2023–24 and an overall growth of nearly 9.7 percent over the period. Daily water production increased from 2,650 MLD to 2,680 MLD (about 1.1 percent growth) and then to 2,900 MLD (about 8.2 percent growth), indicating a significant capacity addition in the most recent year. The length of water distribution lines expanded from 4,150 km to 4,500 km (about 8.4 percent growth) and further to 5,100 km (about 13.3 percent growth), representing a substantial network expansion of nearly 22.9 percent over the three years. In contrast, sewerage line length remained unchanged at 934 km throughout the period, showing no expansion in wastewater infrastructure. System loss remained constant at 22 percent in all three years, indicating that efficiency in reducing losses did not improve despite network growth. Overall, the data indicate that DWASA focused strongly on expanding water supply capacity and network coverage, while sewerage infrastructure and system loss reduction did not progress over the same period.

2. Roles and Functions:

i. Water supply to low-income community.
ii. Expansion, management and Conservation of Water supply system in Dhaka City.
iii. Enhance financial management and improve billing services.
iv. Installing digital meters to improve Operational efficiency.
v. Increase the reliance on and utilization of surface water for supply
vi. Digitalizing the revenue collection Process.

3. Core Business:

i. To Construct, develop and maintain necessary in infrastructure for lifting, Purifying and Preserving water for supply to Public for residential, Commercial, official and industrial Purposes.
ii. To Construct, design and operate sewerage facilities and maintain the system in a Pollution free water.
iii. Switching to surface water from underground extraction due to rapid depletion of the ground water level.

4. Evaluation Parameters

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

Table 2 (a): Standard of Indices A FY 2023-24

		* 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**
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	10.00% or more	8.00% to 9.99	6.00% to 7.99%	4.00% to 5.99%	Below 4.00%
	2b. Service Revenue Growth	QN	4	12.00% or more	10.00% to 11.99%	8.00% to 9.99%	6.00% to 7.99%	Below 6.00%
	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 2 (b): Achievement of Indices A

Serial No.	**Indicators & Sub-Indicators**	**Types of Measurement**	**Weight for sub-indicators**	**Actual Performance**	**Achievement**		**Basis of Performance Measuring**
					Grade	**Score**	
1	**Entity Strategy**						
	Entity Strategic Plan	QL	4	91.00%	Excellent	4	Note 1
2	**Growth Trajectory**						
	2a. Net Income Growth	QN	4	Negative	Underperforming	0	AFS
	2b. Service Revenue Growth	QN	4	8.19%	Good	2	AFS
	2c. Other Growth	QL	3	82.00%	Very Good	3	Note 2
3	**Effective Implementation of Public Policy**	QL	3	91.00%	Excellent	4	Note 3
4	**Efficiency of Project Implementation/ Project Goal Achievement**	QN	4	94.24%	Excellent	4	Note 4
5	**Social Contribution**	QL	3	85.00%	Very Good	3	Note 5
		Sub-Total	25				

Note 1:

Dhaka WASA has a Master Plan namely 'The Water Supply Master Plan for Dhaka City' aims to ensure safe, sufficient, affordable, and reliable water supply services in Dhaka up to 2035, with a long-term vision extending to 2060. The plan, requiring an estimated investment of US$ 4 billion, focuses on equitable water distribution, 24-hour pressurized supply, reduced dependency on groundwater, financial sustainability, reduction of non-revenue water, community participation, and institutional reforms for improved governance and service delivery. Based on this plan, the entity has undertaken several projects to improve the water supply and sanitation service network in the Dhaka metropolitan area. Major water supply initiatives include the Saidabad Water Treatment Plant Project (Phase III), Construction of the Padma Water Treatment Plant at Munshiganj, Dhaka Water Supply Network Improvement Project, Emergency Water Supply Projects, Dhaka Environmentally Sustainable Water Supply Project, and restoration of water bodies for sustainable water management in the Dhaka watershed. These initiatives directly contribute to SDG 6 (Clean Water and Sanitation) by ensuring safe, affordable, and sustainable access to drinking water, and also support SDG 11 (Sustainable Cities and Communities) and SDG 13 (Climate Action) through improved urban resilience and environmentally sustainable water management.

In addition, to strengthen sanitation and wastewater management services, DWASA has undertaken projects such as the Construction of the Sewerage Treatment Plant at Uttara, Dasherkandi Sewage Treatment Plant Project, Dhaka Sanitation Improvement Project, Construction of Sewerage Treatment Plants at Rayer Bazar, and the Mirpur Sewerage System Development Project. These projects contribute to SDG 6.2 by improving sanitation and hygiene, and to SDG 14 (Life Below Water) by reducing untreated wastewater discharge into rivers and wetlands.

Overall, the strategic plans and projects of Dhaka WASA are aligned with the National Strategic Plan as well as the Government of Bangladesh's commitment to achieving the Sustainable Development Goals, particularly SDGs 6, 11, 13, and 14.

Note 2: Dhaka WASA has undertaken the following measures to enhance its operational Process:

i. Presently Water Pump are operating under SCADA (Supervisory Control and Data Acquisition) which are Integrated into the IWOC (Integrated Water Operative Center)
ii. Repair and renovation of 40 km water line
iii. Cleaning 550 km of sewage line during FY 2023-24.
iv. Increased the daily water production capacity up to 2.650 million liters.
v. Water transmission lines from the treatment Plants are under automation using the E-PRV.

Note 3: Over the last three fiscal years, Dhaka WASA has effectively implemented public policy in expanding water supply coverage and production capacity. The increase in water connections, daily water production, and distribution network length reflects successful execution of government policies aimed at improving access to safe water and strengthening urban service delivery. The shift toward surface water sources and the expansion of treatment and distribution infrastructure are consistent with national strategies to ensure water security and reduce pressure on groundwater resources.

Note 4: DWASA achieved, on average, 95.34% of its financial target and 93.13% of its physical target across its eight (eight) ongoing projects during FY 2023-24. These achievements were considered in determining its overall performance score for the fiscal year.

Note 5: DWASA has undertaken the following social and environmental initiatives:

i. Obtaining annual environmental clearance certificates for all projects from the Department of Environment to ensure compliance with environmental standards and the Environmental Management Plan (EMP), with a focus on climate change adaptation and mitigation.
ii. Maintaining Provident and Pension Funds for its employees.
iii. Implementing an environmentally friendly, pollution-free sewerage system in Dhaka City Corporation area.
iv. Easy arrangements for clean water to the residents of the Low Income Communities (LIC) area.

Indices: B. Operational Efficiency

Table 3 (a): Standard of Indices B FY 2023-24

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
		* Standard						
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 5.00 mil or more	Tk 4.50 to 4.99 mil	Tk. 4.00 to 4.49 mil	Tk 3.50 to 3.99 mil	Below Tk. 3.50 mil
3	**Capital Productivity**							
	3a. Added Value per Tk. Value of Assets	QN	4	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	4	Tk. 0.10 or more	Tk. 0.08 to 0.09	Tk. 0.06 to 0.07	Tk. 0.04 to 0.05	Below Tk. 0.04
4	**Production**							
	4a. Inventory Turn Over (times)	QN	4	8.00 or more	7.00 to 7.99	6.00 to 6.99	5.00 to 5.99	Below 5.00
	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 3 (b): Achievement of Indices B

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	**Service Delivery**						
	Service Benefit & Accessibility	QL	5	89.00%	Very Good	3	Note- 6
2	**Labor Productivity**						
	2a. Added Value per Employee (million Tk.)	QN	4	TK 4.23 mil	Good	2	AFS
3	**Capital Productivity**						
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.03	Very Good	3	AFS
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk.0.07	Good	2	AFS
4	**Production**						
	4a. Inventory Turn over	QN	4	5.40	Fair	1	AFS
	4b. Asset Turnover (Times)	QN	4	0.06	Good	2	AFS
		Sub-total	25				

Note-6: Dhaka WASA has implemented the following facilities for its stakeholders:

1. Introduced the call center called Dhaka Link 16162 for customers. Various types of complaints are received from the respective areas through this link.
2. The entity now implementing Iron Removal Plant (IRP) to reduce the iron from the deep tube wells water to a safe limit for customer wellbeing.
3. Arranging awareness buildup program for the consumers.
4. DWASA maintaining central laboratory for the water quality analysis.
5. Introduced Water ATM control center of Dhaka. DWASA provides 349 Water ATM service to the customers through Real Time Online Monitoring for 24 hours.
6. Formulate Water Master Plan and Sewerage Master Plan to assess the demand growth of water forecast as well as growth for sanitation services.
7. A 100% Real Time online Billing System has been introduced through which the customer Can get the latest information on WASA bill.
8. Through mobile/credit card/online banking customer can pay the WASA bill easily.
9. Most of slums in Dhaka city already given legal water Connection.
10. DWASA currently implementing e-water/sewerage Connection, e-documents, e-recruitment etc.

Indices: C. Financial

Table 4 (a): Standard of Indices C FY 2023-24

		* Standard						
Serial No.	**Indicators & Sub-indicators**	**Types of Measurement**	**Weight for Sub-indicators**	**Grade: Excellent**	**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. 5,000 mil or more	Tk. 4,500 to Tk. 5,999 mil	Tk. 4,000 to Tk. 4,499 mil	Tk. 3,500 to Tk. 3,999 mil	Below Tk. 3,500 mil
2	Profit before Tax	QN	3	Tk. 700 mil or more	Tk. 650 to Tk. 699 mil	Tk. 600 to Tk. 649 mil	Tk. 550 to Tk. 599 mil	Below Tk. 550 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	10.00% or more	8.00% to 9.99%	6.00% to 7.99%	4.00% to 5.99%	Below 4.00%
5	Return on Equity (%)	QN	2	10.00% or more	8.00% to 9.99%	6.00 % to 7.99%	4.00 % to 5.99%	Below 4.00%
6	Net Worth Growth (%)	QN	2	12.00 or more	10.00%to 11.99%	8.00% to 9.99%	6.00% to 7.99%	Below 6.00%
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 2.00	2.01 to 2.50	2.51 to 3.00	More than 3.00
2	Debt to Assets (Times)	QN	2	0.40or 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	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
4.	Debt Coverage Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50 to 1.74	1.25to 1.49	Below 1.25
5.	Accounts Receivable Period (Days)	QN	2	90 days or less	110 days to 91 days	130 days to 111 days	150 days to 131 days	More than 150 days
	iii. Transactions with Govt.							
1	Taxes Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Debt Service Liabilities Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 4 (b): Achievement of Indices C

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance measuring
					Grade	Score	
	i. Financial Performance						
1	Operating profit	QN	3	Tk. 4,377.90 Mil	Good	2	AFS
2	Profit before Tax	QN	3	(Tk. 556.22) mil	Under performing	0	AFS
3	Return on Assets (%)	QN	2	(0.76)%	Under Performing	0	AFS
4	Return on Sales (%)	QN	2	(12.37)%	Under Performing	0	AFS
5	Return on Equity (%)	QN	2	(3.06)%	Under Performing	0	AFS
6	Net Worth Growth (%)	QN	2	(2.45%)	Under Performing	0	AFS
7	Capital Budget Utilization (%)	QN	2	88.80%	Very Good	3	Annexure-1 SL 27 &28
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	2	3.00	Under Performing	0	AFS
2	Debt to Assets (Times)	QN	2	0.75	Good	2	AFS
3	Debt Coverage Ratio (Times)	QN	2	0.64	Under Performing	1	AFS
4	Current Ratio (Times)	QN	2	2.61	Excellent	4	AFS
5	Accounts Receivable Period (Days)	QN	2	125.47	Good	2	AFS
	iii) Transactions with Government						
1	Taxes Paid	QN	2	215.45%	Excellent	4	SL-31,32 of Annexure -1
2	Debt Service Liabilities Paid	QN	2	100%	Excellent	4	SL-33,34 of Annexure -1
		Sub-total	30				

Indices: D. Corporate Governance Practices

Table 5 (a): Standard of Indices D

FY 2023-24

		* 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**
1	**Commitment to Corporate Governance:** • Code of Conduct • Ethics • Key policies of Board • Board structure • Employees service rules/ regulations • Appointment of Board Secretary	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	**Board Practices:** • 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	5	91-100%	81-90%	71-80%	41-70%	Below 41%
3	**Transparency and Disclosure:** • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
4	**Control Environment and Process:** • 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	5	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 5 (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	5	91%	Excellent	4	Note 7
2	Board Practices	QL	5	85%	Very Good	3	Note 8
3	Transparency and Disclosure	QL	5	92%	Excellent	4	Note 9
4	Control Environment and Process.	QL	5	82%	Very Good	3	Note 10
	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 7: DWASA was established under the Water Supply and Sewerage Authority Act of 1996. It adheres to corporate governance principles through its Code of Conduct, Employee Service Rules and Regulations, Key Board Policies, and Citizen Charter. Additionally, DWASA has appointed a Corporate Secretary for its Board.

Note 8: The Board of Directors of DWASA consists of 12 (twelve) members nominated by the Government of Bangladesh (GOB). The Board includes, the Managing Director as an ex-officio member, 2 (two) members representing two Ministries, 9 (nine) members nominated from various organizations. The Chairman is appointed by the GOB. DWASA currently does not have any Board committees. During FY 2023-24, the Board convened 24 (twenty four) meetings, resulting in the implementation of 71 (seventy one) decisions.

Note- 9: The names and biographies of DWASA’s Board of Directors and senior managers, along with its Audited Financial Statements, Citizen Charter, relevant Acts, Rules, Regulations, and Code of Conduct, are available on the DWASA website.

Note-10: DWASA has implemented the following measures to enhance environmental controls and operational processes:

i. An internal audit section has been established to ensure an effective internal control system reporting directly to the Managing Director.
ii. Adopted Electronic Government Procurement (EGP) for purchasing.
iii. DWASA now uses e PIMS, MIS, AMS & PPS software in its operational process.
iv. Introduced paperless payment system to contractors and others.
v. E-tendering system is maintaining to ensure transparency in procurement.
vi. Installed firefighting equipment in office buildings to ensure fire safety.
vii. Set up CCTV cameras for comprehensive monitoring and security of office premises.
viii. Ensures compliance with required safety rules and regulations.

5. IPE Process

i. Performances of non-financial indicators of Dhaka Water Supply and Sewerage Authority (DWASA)has been evaluated using information and documents of the inception report provided by DWASA.

ii. Actual performance scores of non-financial indicators are determined through the collective decision of ERT members.

iii. Non-financial Indicators’ Score will be based on specific documentary evidence.

iv. According to IPEG, actual financial performances of DWASA 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, DWASA’s financial performance was assessed based on its performance over the last five years on respective financial indicators.

v. Performances of all financial indicators are evaluated based on audited financial statements.

vi. Measurement tools used for financial indicators are suggested by IPEG.

vii. Grades and scores are assigned according to the IPEG.

6. Performance Evaluation Results

Dhaka Water Supply and Sewerage Authority (DWASA)
Fiscal Year: 2023-24

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	0	0.00
	2b. Service Revenue Growth		4	2	0.08
	2c. Other Growth		3	3	0.09
3	Effective Implementation of Public Policy: • Implement activities to achieve policy goal		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	3	0.09
		Sub Total	**25**		**0.70**
B	**Operational Efficiency:**	25			
1	Service Delivery: • Service benefits and Accessibility		5	3	0.15
2	Labor Productivity: 2a. Added Value Per Employee		4	2	0.08
	2b. Employees cost on Value addition (%)				
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		4	3	0.12
	3b. Added Value Per TK Value of PPE		4	2	0.08
4	Production:				
	4a. Input use Efficiency				
	4b. Inventory Turnover		4	1	0.04
	4c. Asset Turnover		4	2	0.08
	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	2	0.06
2	Profit before tax		3	0	0.00
3	Return on assets		2	0	0.00
4	Return on Service Revenue		2	0	0.00
5	Return on equity		2	0	0.00
6	Net worth growth		2	0	0.00
7	Capital budget utilization		2	3	0.06
	ii. Financial Risk:				
1	Debt equity ratio		2	0	0.00
2	Debt to assets		2	2	0.04
3	Debt coverage ratio		2	0	0.00
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	4	0.08
2	Debt Service Liabilities Paid		2	4	0.08
		Sub Total	**30**		**0.44**

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: • Code of Conduct • Ethics • Key policies of Board • Board structure • Employee's service rules/ regulations • Appointment of Board Secretary		5	4	0.20
2	Board Practices: • 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		5	3	0.15
3	Transparency and Disclosure: • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct		5	4	0.20
4	Control Environment and Process: • 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		5	3	0.15
	Sub Total				**0.70**
	Grand Total (A+B+C+D)	**100**	**100**		**2.39**

7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Dhaka Water Supply and Sewerage Authority Scored 2.39 out of 4.00 in the year 2023-24.

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

- Service Delivery
- Transparency and Disclosure
- Corporate Governance
- Efficiency of Project Implementation
- Entity Strategic Plan
- Current Ratio
- Effective Implementation of Public Policy

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

- Control Environment and Process
- Capital Productivity
- Board Practices
- Other Growth
- Social Contribution
- Service Delivery
- Capital Budget Utilization

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

- Service Revenue Growth
- Labour Productivity
- Assets Turnover
- Debt to Assets
- Accounts Receivable Period

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

- Inventory Turnover

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

- Return on Equity
- Return on Assets
- Net Income Growth
- Return on Sales
- Net Worth Growth
- Debt to Equity
- Debt Coverage Ratio

7. (B) Other important aspects of Performance during FY 2023-24:

- DWASA has earned operating profit of Tk4,377.90 million.
- In FY 2023–24, DWASA incurred a net loss (after tax) of Tk. 2,745.26 million, primarily due to a 35.20% decrease in non-operating income compared to the previous year. Additionally, the entity accounted Tk. 1,204.01 million for interest on long-term loans.DWASA Current Ratio (Times) 2.61 which indicates entity is in a well position to meet it current liabilities in due period.
- Entity's Debt Equity Ratio (Times) is shows 3.00 that indicates high leverage which poses a fiscal risk to GOB.

8. Findings from the Audited Financial Statements 2023-2024

In Dhaka WASA Audit Report 2023-24 the auditor emphasized and drew attention to the following issues:

1. In the Audit Report 2023-24 outstanding gross receivables stand Tk. 7550 million as on 30th June 2024 which includes Tk. 1960 million that carried forward more than three years without any recovery. But the authority is providing 5% provision on gross receivable and total provision now stand Tk. 370 million. No aging statements were provided in audit report. So, adequate bad debt provision should be kept as per IFRS -9.
2. Dhaka WASA has completed "Dasherkandi Sewerage Treatment plant" of 35,350 million on December 31,2023. But the cost of Tk. 35,350 million is shows in Capital work in progress account without transferring the completed project cost to property, plant and equipment account that resulting non charge of depreciation allowance as a result total operating express is understanded.
3. In the audit report 2023-24 rent receivable stand Tk. 63.20 million which includes Tk. 59.50 million receivable from ATN Bangla Ltd. that has been carried forward from year to year since longtime without any recovery. So, adequate bad debt provisions should be kept for fair presentation of its AFS.

9. Recommendation for Performance Based Incentives

Dhaka Water Supply and Sewerage Authority has obtained a weighted score 2.39 out of a scale 4.00 and is graded "Good". Therefore, IPEC recommended non-financial incentive for the employees of DWASA. Also, a certificate from Finance Division may be awarded to DWASA for being graded "Good" in IPE for the FY 2023-24.

10. Recommendations for Improvements:

To enhance DWASA's performance, the following recommendations are proposed based on findings from the IPE:

i) To increase the ratio of surface and ground water Production to 70:30 by 2030 Dhaka WASA should Complete the water treatment plant of Saidabad and Padma water treatment Plant of Munshigonj within timeline.

ii) Dhaka WASA should execute the DISNIP Project to reduce the system loss and improve the quality of water.

iii) The entity should implement the sewerage treatment plant to Provide the safety sanitation service to the People of Dhaka City Corporation

iv) DWASA should take pipelines network expansion plan to meet the customers growing demand in Dhaka City

v) The entity should take steps to install digital water meters for all its customers to ensure accuracy and transparency in balling

vi) DWASA should implement the ERP Software to enhance operational efficiency and accuracy

vii) To strengthen internal control and compliance, DWASA should establish Board Committees such as an Audit Committee and Nomination & Remuneration Committee (NRC) and Procurement Committee etc.

viii) DWASA's financial statements should be prepared in compliance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to improve financial discipline, transparency, and reporting quality.

ix) The entity should maintain a comprehensive and up-to-date asset register, reflecting acquisition costs or fair values, to ensure accurate and transparent financial reporting.

x) The entity may consider appointing women directors to its Board in alignment with the OECD Guidelines on Corporate Governance of State-Owned Enterprises (2024), UN Sustainable Development Goal (SDG) 5 on Gender Equality, and World Bank/IFC corporate governance recommendations to promote gender diversity.

xi) To implement the government directive the entity should arrange tree plantation programs with an aim to mitigate climate change and address global warming.

xii) The entity may arrange public hearings before fixing the water tariff to help build public trust and ensure that tariff structures are fair, justified, and responsive to users' needs and affordability.

11. Conclusion

Based on the audited financial statements, data, and relevant documents of Dhaka Water Supply and Sewerage Authority (DWASA), the Independent Performance Evaluation (IPE) report has been prepared for FY 2023–24. The report finds that DWASA's financial performance has been deteriorating, as the entity has incurred consecutive losses over the last two fiscal years. To improve overall performance and financial sustainability, DWASA should increase water production, expand the water supply network, and ensure timely completion of sewerage system development projects, which would help enhance revenue generation and move toward profitability. In addition, the entity should ensure compliance with relevant International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) in preparing its accounts for fair presentation.

Annexure-1

Dhaka Water Supply and Sewerage Authority (DWASA)

Financial & Other Information

Amount in BDT

Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year	Previous Fiscal Year
		2023-24	2022-23
1	Current Assets:		
	i. Inventories		
	• Material	2,723,371,394	2,675,036,906
	• Finished Goods (Bottle Water)	203,024	578,134
	• Others (including spare parts)		
	ii. Receivable:		
	• Trade	7,173,495,302	7,274,610,669
	• Others	249,530,105	146,440,305
	iii. Investment in FDR	8,172,429,414	6,823,661454
	iv. Cash and Cash Equivalent	7,352,625,181	8,684,846,277
	v. Others Current Assets	3,520,220,404	3,575,880,380
2	Total Current Assets (i+ii+iii+iv)	29,191,874,824	29,181,054,125
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	173,513,456,460	176,105,172,914
	• Capital Work in Progress	156,303,351,828	128,191,096,287
	• Intangible Assets	25,796,503	23,572,021
4	Total Assets (2+3)	359,034,479,615	333,500,895,347
5	Current Liabilities:		
	i. Payables:		
	• Trade	2,363,526,336	1,270,473,470
	• Others	327,032,661	900,220,516
	ii. Other Current Liabilities	8,487,344,640	8,244,326,705
6	Total Current Liabilities (i+ii)	11,177,903,637	10,415,020,691
7	Non-Current Liabilities:		
	i. Loan & Borrowings	160,314,567,011	143,020,280,547
	ii. Deferred Liabilities	14,267,786,126	13,218,881,162
	iii. Grant & Other Fund	83,511,373,572	74,830,439,159
8	Total Non-Current Liabilities (i+ii+iii)	258,093,726,709	231,069,600,868
9	Total Liabilities (6+8)	269,271,630,346	241,484,621,559
10	Equity:		
	i. Capital Fund	1,547,617,279	1,547,617,279
	ii. Revaluation Reserve	93,119,056,012	93,262,118,757
	iii. Retained Earnings/(Loss)	(4,903,824,022)	(2,793,462,247)
11	Total Equity (i+ii+iii+iv+v)	89,762,849,269	92,016,273,788
12	Total Equity and Liabilities (9+11)	359,034,479,615	333,500,895,347

Annexure 1

Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2023-24		2022-23	
		Amount	Percentage	Amount	Percentage
13	Net Sales Revenue	22,188,781,956	100%	20,508,816,289	100%
14	Less: Cost of Services	14,588,606,844	66%	10,964,329,058	53%
15	Gross Profit/(Loss) (13-14)	7,600,175,112	34%	9,544,487,231	47%
16	Less: Operating Expenses:				
	i. Administrative Expenses	3,222,272,075	15%	3,068,823,550	15%
	ii. Marketing Expenses				
17	Total Operating Expenses (i+ii)	3,222,272,075	15%	3,068,823,550	15%
18	Operating Profit/(Loss) (15-17)	4,377,903,037	20%	6,475,663,681	32%
19	Add: Non-Operating Income	3,274,303,548		5,053,308,622	
20	Less: Non-Operating Expenses	7,004,411,332		13,480,235,173	
21	Less: Financial Expenses	1,204,013,104		1,403,326,470	
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	(556,217,853)		(3,354,589,339)	
23	Less: Provision for Tax				
	i. Current tax	823,903,928		295,996,084	
	ii. Deferred tax	1,365,137,479		1,608,083,393	
24	Net Profit/(Loss) After Tax (22-23)	(2,745,259,259)		(5,258,668,815)	

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2023-24	2022-23
25	Credit Sales	20,868,253,329	19,308,380,221
26	Credit Purchases		
27	Capital Budget Allocation	2,596,103,000	2,999,106,000
28	Actual Capital Expenditure	2,305,288,000	1,666,663,000
29	Dividend Payable		
30	Dividend Paid		
31	Taxes Payable	382,405,769	321,129,811
32	Taxes Paid	823,903,928	295,996084
33	Debt Service Liabilities (DSL) Payable	7,000,000,000	6,800,000,000
34	Debt Service Liabilities (DSL) Paid	7,000,000,000	6,800,000,000
35	Fees, Fine and Charges Payable		
36	Fees, Fine and Charges Paid		
37	New Government Investment:		
	• Equity		
	• Debts/Loan	14,819,551,752	15,224,378,873
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Operating Grant		
	• Subsidies		
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	4,472,190,726	1,615,673,600
40	Added Value	11,679,865,402	12,674,853,795
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)	2,650	2,866
45	Performance score achieved on APA		