Independent Performance Evaluation (IPE) Report

on

Rajshahi Water Supply and Sewerage Authority (RWASA)

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.

Rajshahi Water Supply and Sewerage Authority (RWASA) has been evaluated for 2(two) consecutive years and 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, RWASA achieved a weighted average score of 2.50 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:

Table 1: Key Operational Activities:

Sl	Particulars	Unit	FY 2021-22	FY 2022-23	FY 2023-24
01.	Total Customers	Nos.	47,220	49,419	49,958
02.	Water Production	Million Liter	10,200	10,600	10,400
03.	Installation of new pipeline	Km.	30	32	36
04.	Installation of new Deep Tube Well	Nos.	10	05	20
05.	System loss	%	1.00	0.94	1.01

Source: RWASA

Rajshahi Water Supply and Sewerage Authority (RWASA) has demonstrated overall steady operational progress over the last three fiscal years. The number of customers increased consistently from 47,220 in FY 2021–22 to 49,958 in FY 2023–24, indicating gradual expansion of service coverage. Water production rose from 10,200 million liters in FY 2021–22 to 10,600 million liters in FY 2022–23, before declining slightly to 10,400 million liters in FY 2023–24. Infrastructure development showed positive momentum, as installation of new pipelines increased steadily from 30 km to 36 km over the period, supporting network expansion and improved distribution. Although the number of newly installed deep tube wells declined in FY 2022–23, the sharp increase to 20 wells in FY 2023–24 reflects renewed efforts to strengthen water abstraction capacity to meet growing demand. System loss remained very low and stable, fluctuating marginally around 1 percent.

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 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	12.00% or more	10.00% to 11.99	8.00% to 9.99%	6.00% to 7.99%	Below 6.00%
	2b. Service Revenue Growth	QN	4	15.00% or more	13.00% to 14.99%	11.00% to1 12.99%	9.00% to 10.99%	Below 9.00%
	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**						
	1a. Entity Strategic Plan	QL	4	89.00%	Very Good	3	Note 1
2	**Growth Trajectory**						
	2a.Net Income Growth	QN	4	3.18%	Under Performing	0	AFS
	2b Service Revenue Growth	QN	4	13.40%	Very Good	3	AFS
	2c. Other Growth	QL	3	86.00%	Very Good	3	Note 2
3	**Effective Implementation of Public Policy**	QL	3	82.00%	Very Good	3	Note 3
4	**Efficiency of Project Implementation/ Project Goal Achievement**	QN	4	93.87%	Excellent	4	Note 4
5	**Social Contribution**	QL	3	68.00%	Fair	1	Note 5
		Sub-Total	25				

Note 1: Rajshahi WASA has undertaken a number of projects to modernize and strengthen the water supply and sewerage systems in Rajshahi City Corporation in line with the Sustainable Development Goals (SDGs) as well as national plans and strategies of Bangladesh. The “Renovation of Rajshahi WASA Water Supply System” and the “Surface Water Treatment Plant Project” are designed to achieve 100 percent dependence on surface water by 2030, thereby supporting SDG 6 (Clean Water and Sanitation) and SDG 13 (Climate Action) through sustainable water resource management and reduced reliance on groundwater. Through expansion of the pipeline network and enhancement of water production capacity, RWASA aims to ensure full water coverage in Rajshahi City by 2025, which aligns with SDG 11 (Sustainable Cities and Communities). In addition, plans to construct a “Waste Water Treatment Plant” and implement a “Modern Sewerage Management and Sewerage Treatment Plant” by 2030 for efficient sanitation system, further advancing SDG 6 and supporting national priorities for environmental sustainability and improved urban living standards.

Note 2: During FY 2023-24, RWASA upgraded its pipeline network with the following improvements:

i. Installation of 36 km. new pipelines.
ii. Installation of 20 nos. new tubewells.
iii. Cleaning of 5,000 meters of old pipelines to ensure safe water supply.
iv. Increased the consumer by 539 nos.
v. Gas Chlorinators have been connected to 15 pumps to supply clean water.

Note 3: Rajshahi WASA has effectively implemented public policy by enhancing water supply and sewerage systems, promoting good governance, and improving operational efficiency through digital metering. It focuses on modernizing pipelines and gradually expanding the use of surface water, with a target of reaching 100 percent by 2030, in alignment 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 4: RWASA achieved, on average, 92.69% of its financial target and 95.04% 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: RWASA has undertaken several social and environmental initiatives:
Obtaining environmental clearance certificates annually for all projects from the Department of Environment to ensure compliance with environmental regulations.

Indices: B. Operational Efficiency

Table 3 (a): Standard of Indices B 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	**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	Tk1.50 mil or more	Tk1.25 to 1.49 mil	Tk.1.00 to 1.24 mil	Tk0.75 to 0.99 mil	Below Tk. 0.75 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. 0.02to 0.03	Below Tk. 0.02
4	**Production**							
	Asset Turnover (Times)	QN	5	0.05 or more	0.04 to 0.0499	0.03 to 0.0399	0.02 to 0.0299	Below 0.02
		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	86.00%	Very Good	3	Note 6
2	**Labor Productivity**						
	Added Value per Employee (million Tk.)	QN	5	Tk 1.03 mil	Good	2	AFS
3	**Capital Productivity**						
	3a. Added Value per Tk. Value of Assets	QN	5	Tk. 0.014	Fair	1	AFS
	3b. Added Value Per Tk. Value of PPE	QN	5	Tk.0.07	Very Good	3	AFS
4	**Production**						
	Asset Turnover (Times)	QN	5	0.03	Good	2	AFS
	Sub-total		25				

Note-6. 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.
v. Introduced the Grievance Redress System (GRS) for the stakeholders' feedback/complain 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 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	Tk60.00 to Tk. 79.99 mil	Tk.40,.00 to Tk. 59.99 mil	Below Tk. 40.00 mil
2	Profit before Tax	QN	3	Tk120.00 mil or more	Tk.100.00 to Tk. 119.99 mil	Tk. 80.00 to Tk. 99.99 mil	Tk.60.00 to Tk79.99 mil	Below Tk. 60.00 mil
3	Return on Assets (%)	QN	3	10.00 % or more	8.00% to 9.99 %	6.00 % to7.99%	4.00% to5.99%	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% to24.99%	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 % to7.99%	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						
	ii. Financial Risk							
1	Debt Equity Ratio (Times)	QN	3	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	3	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	3	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
4	Accounts Receivable Period (Days)	QN	3	60 days or less	61 days to 70 days	71 days to 80 days	81 days to 90 days	More than 90 days
	iii. Transactions with Govt.							
1	Taxes Paid	QN		91-100%	81-90%	71-80%	41-70%	Below 41%
2	Debt Service Liabilities Paid	QN		91-100%	81-90%	71-80%	41-70%	Below 41%

Table 3 (b): Achievement of Indices C

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance measuring
					Grade	Score	
	i. Financial Performance						
1	Operating profit	QN	3	Tk. (123.57) mil	Under Performing	0	AFS
2	Profit before Tax	QN	3	Tk. 89.93 mil	Good	2	AFS
3	Return on Assets (%)	QN	3	1.58%	Under Performing	0	AFS
4	Return on Sales (%)	QN	3	45.92%	Excellent	4	AFS
5	Return on Equity (%)	QN	3	1.60%	Under Performing	0	AFS
6	Net Worth Growth (%)	QN	3	36.29%	Excellent	4	AFS
7	Capital Budget Utilization (%)	QN					
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	3	0.015	Excellent	4	AFS
2	Debt to Assets (Times)	QN	3	0.016	Excellent	4	AFS
3	Current Ratio (Times)	QN	3	20.93	Excellent	4	AFS
4	Accounts Receivable Period (Days)	QN	3	26.95	Excellent	4	AFS
	iii) Transactions with Government						
1	Taxes Paid	QN					Note-7
2	Debt Service Liabilities Paid	QN					Note-8
		Sub-total					

Note-7: In FY 2023–24, RWASA reported a net profit after tax of Tk. 89.93 million, which included a government grant of Tk. 177.01 million. Without this grant, RWASA would have incurred a net loss of Tk. 87.07 million. As a result, the organization did not pay corporate tax to the Government of Bangladesh

Note -8: During FY 2023-24, 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 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 4(b): Achievement of Indices D

Serial No.	Indicators & Sub-Indicators	Types of Measuremen	Weight for sub-	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Commitment to Corporate Governance	QL	5	81%	Very Good	3	Note 9
2	Board Practices	QL	5	82%	Very Good	3	Note 10
3	Transparency and Disclosure	QL	5	85%	Very Good	3	Note 11
4	Control Environment and Process.	QL	5	82%	Very Good	3	Note 12
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: 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 10: The Board of Directors of RWASA consists of 12 (twelve) members appointed by the Government of Bangladesh (GOB). The Board includes the Managing Director as an ex-officio member, 2 (two) representatives from Ministries, and 9 (nine) members nominated from various organizations which include 1 (one) Women Director and 7 (seven) Independent Directors. 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 FY 2023-24, 5 (five) Board meetings were conducted, and 40 (forty) decisions were successfully implemented.

Note 11: The names and biographies of the Board of Directors and Senior Managers, Audited Financial Statements, Citizen Charter, Acts, Rules, Regulations, and Code of Conduct are all publicly disclosed on the RWASA website.

Note 12: 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) have been evaluated using information and documents of the inception report provided by RWASA.

ii. Actual performance scores of non-financial indicators is 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 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.

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

Rajshahi Water Supply and Sewerage Authority (RWASA)

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	3	0.12
2	Growth Trajectory: 2a. Net IncomeGrowth		4	0	0.00
	2b. Service Revenue Growth		4	3	0.12
	2c. Other Growth		3	3	0.09
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	1	0.03
		Sub Total	**25**		**0.57**
B	**Operational Efficiency:**	25			
1	Service Delivery: • Service benefits and Accessibility		5	3	0.15
2	Labor Productivity: Added Value Per Employee		5	2	0.10
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		5	1	0.05
	3b. Added Value Per TK Value of PPE		5	3	0.15
4	Production:				
	Asset Turnover		5	2	0.10
		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
	ii. Financial Risk:				
1	Debt equity ratio		3	4	0.12
2	Debt to assets		3	4	0.12
4	Current ratio		3	4	0.12
5	Accounts receivable period		3	4	0.12
		Sub Total	**30**		**0.78**

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 • Employees service rules/ regulations • Appointment of Board Secretary		5	3	0.15
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	3	0.15
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				**0.60**
	Grand Total (A+B+C+D)	**100**	**100**		**2.50**

7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Rajshahi water Supply Sewerage Authority Scored 2.50 out of 4.00 in the year 2023-24.

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

- Debt to Assets
- Return on Service Revenue
- Net Worth Growth
- Current Ratio
- Efficiency of Project Implementation
- Debt to Equity
- Accounts Receivable Period

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

- Entity Strategic Plan
- Service Revenue Growth
- Effective Implementation of Public Policy
- Transparency and Disclosure
- Corporate Governance
- Capital Productivity
- Service Delivery
- Other Growth
- Board Practices
- Control Environment and Process

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

- Labour Productivity
- Assets Turnover

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

- Social Contribution

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

- Return on Equity
- Return on Assets
- Net Income Growth

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

- RWASA has incurred an operating loss of Tk. 123.57 million.
- The entity earned a net profit (after tax) of Tk. 89.93 million in FY 2023–24, supported by an operating grant of Tk. 177.01 million from the Government. RWASA Current Ratio (Times) 20.93 which indicates the entity is in a good position to meet it current liabilities in due period.

8. Findings from the Audited Financial Statements 2023-2024

i. In the Audit Report 2023-24 the entity did not provide aging of accounts receivable of Tk 149.82 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 2023-24 the authority incurred an operating loss of Tk 123.57 million, but no explanation is provided in the report in this regard.

iv. In the Audit Report 2023-24 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 2.50 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 2023-24.

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) RWASA should take appropriate measures to enhance operating revenue and reducing operating expenses through the adoption of modern technology and sound financial management practices.

b) 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.

c) The entity 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.

d) RWASA should implement the modern, environmentally friendly sewerage plan within the projected timeline for Rajshahi City Corporation.

e) Proper measures should be taken to reduce system losses in water supply to an acceptable and efficient range.

f) RWASA should adopt Enterprise Resource Planning (ERP) software to streamline its operational activities that improve overall efficiency.

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

h) The entity should take steps to install digital water meters for all its customers to enhance accuracy and transparency in billing.

i) The entity should prepare its accounts in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), and the rules and regulations of the Financial Reporting Council (FRC) to ensure proper disclosure and transparency.

j) The entity should maintain an up-to-date asset register with costs or fair values for accurate and transparent financial reporting.

k) RWASA should adopt effective cost-control measures to rationalize expenditures on Consultancy Fee, Overtime, Survey, Miscellaneous Good Purchase etc. as these costs have increased significantly compared to the previous fiscal year.

l) 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.

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

n) RWASA should develop and implement a comprehensive business plan aimed at reducing operating costs and strengthening long-term financial sustainability. This plan should include cost optimization measures such as improving operational efficiency, enhancing energy efficiency, and adopting modern technologies.

11. Conclusion

Based on the audited financial statements, data, and relevant documents of the Rajshahi Water Supply and Sewerage Authority (RWASA), the Independent Performance Evaluation (IPE) report has been prepared for FY 2023–24. The report finds that RWASA's overall financial and non-financial performance remains at a moderate level. To enhance overall performance, RWASA should implement all ongoing and planned projects, including the "Surface Water Treatment Plant" and "Sewerage Treatment Plant," within the approved schedule and program. In addition, the entity should further expand its water supply network within Rajshahi City Corporation. RWASA should also ensure full compliance with relevant IAS/IFRS in the preparation of its accounts to ensure fair presentation of the audited financial statements.

Annexure-1

Rajshahi Water Supply and Sewerage Authority (RWASA)
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		
	• Accessories/ Supplies		
	• Others (including spare parts)		
	ii. Receivable:		
	• Trade	149,824,519	105,020,853
	• Others		
	iii. Cash and Cash Equivalent including FDR	951,298,386	787,090,458
	iv. Others Current Assets	-	1,019,097
2	Total Current Assets (i+ii+iii+iv)	1,101,122,905	893,130,407
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	1,208,311,361	1,092,864,190
	• Capital Work in Progress	3,381,767,627	2,204,564,178
	•Other Non Current Assets		
4	Total Assets (2+3)	5,691,201,892	4,190,558,775
5	Current Liabilities:		
	i. Payables:		
	• Trade		
	• Others	23,269,151	19,460,149
	ii. Other Current Liabilities	29,349,780	27,308,159
6	Total Current Liabilities (i+ii)	52,618,931	46,768,308
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts		
	ii. Deferred Liabilities	35,338,024	32,584,889
	iii. Other Non-Current Liabilities		
8	Total Non-Current Liabilities (i+ii+iii)	35,338,024	32,584,889
9	Total Liabilities (6+8)	87,956,954	79,353,197
10	Equity:		
	i. Share Capital		
	ii. Grant Received from City Corporation	491,571,870	491,571,870
	iii. Donation from GOB	4,125,514,140	2,723,406,567
	iv. Funds & Other Reserves		
	v. Revaluation Reserve		
	vi. Retained Earnings/(Loss)	986,158,928	896,227,141
11	Total Equity (i+ii+iii+iv+v)	5,603,244,938	4,111,205,578
12	Total Equity and Liabilities (9+11)	5,691,201,892	4,190,558,775

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	195,848,345	100%	172,698,694	100%
14	Less: Cost of Services	289,732,655	147.94%	285,942,948	165.57%
15	Gross Profit/(Loss) (13-14)	(93,884,310)	(47.94%)	(113,244,254)	(65.57%)
16	Less: Operating Expenses:				
	i. Administrative Expenses	29,683,628	15%	22,227,168	12.87%
	ii. Marketing Expenses				
17	Total Operating Expenses (i+ii)	29,683,628	15.16%	22,227,168	12.87%
18	Operating Profit/(Loss) (15-17)	(123,567,938)	(63.09%)	(135,471,422)	(78.44%)
19	Add: Non-Operating Income	36,494,316		30,485,493	
20	Add: Donation from GOB	177,005,408		192,142,704	
21	Less: Financial Expenses				
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	89,931,786		87,156,775	
23	Less: Provision for Tax				
	i. Current tax				
	ii. Deferred tax				
24	Net Profit/(Loss) After Tax (22-23)	89,931,786		87,156,775	

Annexure 1

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2023-24	2022-23
25	Credit Sales	315,189,304	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	177,005,408	192,142,704
	• Capital Grant	1,395,610,970	2,378,483,991
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	128,288,239	163,311,492
40	Added Value	82,297,170	44,343,945
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)	78	81
45	Performance score achieved on APA		