

**Independent Performance Evaluation (IPE)  
Report  
on  
Chittagong Port Authority (CPA)  
For 2021-22**

## **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	11
6. Performance Evaluation Results	12
7. Interpretation of Results	15
8. Findings from Audit Report 2021-22	16
9. Recommendation for Performance Based Incentives	17
10. Recommendation	17
11. Conclusion	17
<b>Annexure</b>	
Annexure – 1: Financial Information	18
Annexure – 2: Non-Financial Information	21

## Executive Summary

Finance Division, Ministry of Finance is implementing the programme “Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)”. The Scheme of Strengthening of State-owned Enterprises’ Governance is one of the components of SPFMS program. The objective of the scheme is to strengthen the governance of State-owned Enterprises (SOEs) and Autonomous Bodies (ABs). For this purpose, an Independent Performance Evaluation Guideline (IPEG) of SOEs and ABs has been prepared and approved by the Finance Division to evaluate the performance of SOEs and ABs independently. Based on selection parameters of IPEG, Monitoring Cell of Finance Division has selected 10 SOEs and ABs to conduct Independent Performance Evaluation for the fiscal year 2021-22.

Chittagong Port Authority (CPA) is included in the list of 10 selected SOEs/ABs for Independent Performance Evaluation (IPE) for FY 2021-22. As per the result of IPE of Chittagong Port Authority for FY 2021-22 has obtained a weighted average score of 3.20 out of 4.00 and is graded ‘Very Good’.

### 1. Introduction

“East Pakistan Chittagong Port Trust” was formed in 1960. After the independence of Bangladesh, the government promulgated Chittagong Port Authority Ordinance No. 52 in 1976 and renamed the Chittagong Port Trust as Chittagong Port Authority (CPA). Recently CPA ordinance 1976 was replaced by Chittagong Port Authority Act, 2022. CPA is the main sea port in Bangladesh. The entity plays important role in the development of Bangladesh. It handles more than 92% of sea-born trade of Bangladesh. CPA is assigned to develop, maintain and modernize the Port. CPA is also responsible for all the works relating to Chittagong Port including supervision and control of the movements of ship in berth area. The Ministry of Shipping has the oversight responsibility for CPA. The key operational activities of CPA are shown in Table 1.

**Table 1. Key Operational Activities**  
(From FY 2019-20 to FY 2021-22)

SL	Particulars	Unit	FY 2019-20	FY 2020-21	FY 2021-22
1	Import Cargo Handled	MT	94,767,318	106,235,344	110,061,208
2	Export Cargo Handled	MT	6,797,954	7,494,029	8,112,952
3	Container Handled	TEUs	3,004,142	3,097,236	3,255,358
4	No of Vessels Handled	Nos.	3,764	4,062	4,231
5	Ships Turn Around Time	Days	3	3	2
6	Dwell Time of Container	Days	10	9	9
7	Berth Occupancy	%	89	89	92

Source: CPA Annual Report, 2020-21, 2021-22

During FY 2021-22, Chittagong Port handled 118.17 million tons cargo, 3.26 million TEUs Container and 4231 ships which were 16.35%, 8.36% and 12.41% higher respectively compared to FY 2019-20. Besides, in FY 2021-22 ships turn-around time reduced from 2.86 to 2.43 days and Dwell Time of Container from 9.99 to 9.16 days at the same period. In addition, Berth Occupancy increased in FY 2021-22 from 89.42% to 91.50% compared FY 2019-20. These indicators of last three consecutive years is showing that operational efficiency of CPA is improving gradually.

## **2. Role and Functions**

Chittagong Port Authority (CPA) mainly performs the following functions:

- I. Manage, maintain, improve and develop the port;
- II. Provide efficient port services and facilities to the stakeholders;
- III. Provide berthing facilities of international standard;
- IV. Ensure safety of the port and its adjacent areas;
- V. Handle the export and import cargo of sea-borne trade efficiently;
- VI. Trainup the efficient manpower for Port operation;
- VII. Supply fuel/water to vessels.

## **3. Core Business**

- I. Ensure the Port environment at international level;
- II. Handle the container/cargo efficiently and safely;
- III. Ensure the safety of all cargo/goods stored in the Port area;
- IV. Responsible for safe ship movement in the Karnaphuli river channel;
- V. Responsible for dredging the port regularly;
- VI. Regulate and control berthing and movement of vessels and navigation within the port area.

#### 4. Evaluation Parameters

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

**Table 2(a): Standards of Indices A**

FY 2021-22

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>							
	1a. Entity Strategic Plan	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Growth Trajectory</b>							
	2a. Net Income Growth	QN	5	10% or more	9% to 9.99%	8% to 8.99%	7% to 7.99%	Below 7%
	2b. Service Revenue Growth	QN	5	10% or more	9% to 9.99%	8% to 8.99%	7% to 7.99%	Below 7%
	2c. Other Growth	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
3	<b>Efficiency of Project Implementation/ Project Goal Achievement:</b>  • Percentage of estimated target achieved"	QN	5	91-100%	81-90%	71-80%	41-70%	Below 41%
4	<b>Social Contribution</b> • 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	<b>Entity Strategy</b>						
	1a. Entity Strategic Plan	QL	4	93.00%	Excellent	4	Note 1
2	<b>Growth Trajectory</b>						
	2a. Net Income Growth	QN	5	19.70%	Excellent	4	Audited Financial Statement (AFS) Note 2
	2b. Service Revenue Growth	QN	5	16.07%	Excellent	4	AFS Note 2
	2c. Other Growth	QL	3	76.00%	Good	2	Note 3
3	<b>Efficiency of Project Implementation/ Project Goal Achievement:</b> • Percentage of estimated target achieved"	QN	5	100%	Excellent	4	Note 4
4	<b>Social Contribution</b> • Environmental Contribution • CSR/WPPF • Training/Volunteering	QL	3	85.00%	Very Good	3	Note 5
Sub-Total			25				

**Note-1:** CPA has a Strategic Master Plan (2013-2043) with the aim to improve the capacity of the port that will support to maintain sustainable economic growth of Bangladesh. The entity is implementing a number of projects such as Bay Container Terminal, Matarbari Port Development, Patenga Container Terminal, Procurement of necessary equipment, Capital Dredging, Bank protection activities, Procurement of Two High Power Tug Boat as per the master plan. The entity's strategic plan is aligned with National Strategic plans, Government Policy Directives of FYPs, SDGs, Perspective plan 2041 and Bangladesh Delta Plan 2100.

**Note-2:** During FY 2021-22, Net Income and Service Revenue Growth were increased by 19.70% and 16.07% respectively due to increase in handling of cargo, container and ships compared to previous fiscal year. In last two consecutive years operational activities of CPA were affected by COVID 19 pandemic.

**Note-3:** The entity introduced online shipping agent and vessel billing system, electronic delivery order as well as vehicle control management system with aim to save time and reduce cost of stakeholders and also ensure the safety of vehicles movement in port area.

**Note-4:** Based on entity's 100% project implementation rate against financial targets during FY 2021-22.

**Note-5:** CPA has undertaken following activities during FY 2021-22 that will have positive impact on environment and society:

- a) CPA uses two Bay Cleaners to keep the Karnaphuli river channel free from environmental pollution.
- b) CPA operates 5 Primary School, 2 High School, 1 Madrasah, 2 College, 15 Mosque, a Temple and a Buddha Bihar. In addition, the entity is maintaining its own Hospital, Stadium and Sports Complex.

### Indices: B. Operational Efficiency

**Table 3(a): Standards of Indices B**

FY 2021-22

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>							
	1a. Service Benefit & Accessibility	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Labor Productivity</b>							
	2a. Added Value per Employee (million Tk.)	QN	3	Tk. 4.00 million or more	Tk. 3.5 to 3.99 million	Tk. 3.0 to 3.49 million	Tk. 2.50 to 2.99 million	Below Tk. 2.50 million
	2b. Employees cost on value addition (%)	QN	2	20.00% or more	16.00 to 19.99%	12.00 to 15.99%	8.00 to 11.99%	Below 8.00%
3	<b>Capital Productivity</b>							
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 0.10 or more	Tk. 0.08 to 0.999	Tk. 0.06 to 0.799	Tk. 0.04 to 0.599	Below Tk. 0.04
	3b. Added Value Per Tk. Value of PPE	QN	2	Tk. 0.36 or more	Tk. 0.32 to 0.359	Tk. 0.28 to 0.0319	Tk. 0.24 to 0.279	Below Tk. 0.24
4.	<b>Production</b>							
	4a. Asset Turnover (Times)	QN	5	0.13 or more	0.12 to 0.129	0.11 to 0.119	0.10 to 0.109	Below 0.10
	4b. Capacity Utilization (%)	QN	5	91-100%	81-90%	71-80%	41-70%	Below 41%
Sub-total			25					

**Table 3(b): Achievement of Indices B**

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	<b>Service Delivery</b>						
	1a. Service Benefit & Accessibility	QL	5	83.00%	Very Good	3	Note 6
2	<b>Labor Productivity</b>						
	2a. Added Value per Employee (million Tk.)	QN	3	Tk. 4.79 million	Excellent	4	AFS
	2b. Employees cost on value addition (%)	QN	2	10.55%	Fair	1	AFS
3	<b>Capital Productivity</b>						
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 0.10	Excellent	4	AFS
	3b. Added Value Per Tk. Value of PPE	QN	2	Tk. 0.39	Excellent	4	AFS
4	<b>Production</b>						
	4a. Asset Turnover (Times)	QN	5	0.14	Excellent	4	AFS
	4b. Capacity Utilization (%)	QN	5	100%	Excellent	4	SL 42 of Annexure-1
Sub-total			25				

**Note-6:** The entity has created the following facilities for the port users:

- I. Automated Terminal Operating Systems (TOS) for submission of delivery order.
- II. Introduced One Stop Service Center to accomplish the import and export documentations.
- III. Automated gate pass for vehicles.
- IV. Billing information checking facility on CPA website.



## Indices: C. Financial

**Table 4(a): Standards of Indices C**

FY 2021-22

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</b>								
1	Operating profit	QN	2	Tk. 10000 million or more	Tk. 9000 to Tk. 9999 million	Tk. 8000 to Tk. 8999 million	Tk. 7000 to Tk. 7999 million	Below Tk. 7000 million
2	Profit before Tax	QN	2	Tk. 13,000 million or more	Tk. 12,000 to Tk. 12,999 million	Tk. 11000 to Tk. 11,999 million	Tk. 10,000 to Tk. 10,999 million	Below Tk. 10,000 million
3	Return on Assets (%)	QN	2	5% or more	4% to 4.99%	3% to 3.99%	2% to 2.99%	Below 2%
4	Return on Service Revenue (%)	QN	2	30% or more	28% to 29.99%	26% to 27.99%	24% to 25.99%	Below 24%
5	Return on Equity (%)	QN	3	10% or more	9% to 9.99%	8% to 8.99%	7% to 7.99%	Below 7%
6	Net Worth Growth (%)	QN	2	12.00 % or more	11% to 11.99%	10% to 10.99%	9% to 9.99%	Below 9%
7	Capital Budget Utilization (%)	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
<b>ii. Financial Risk</b>								
1	Debt Equity Ratio (Times)	QN	3	1.50 or less	1.51 to 1.75	1.76 to 2.00	2.01 to 2.25	More than 2.25
2	Debt to Assets (Times)	QN	3	0.60 or less	0.61 to 1.00	1.1 to 1.4	1.41 to 1.8	More than 1.8
3	Debt Coverage Ratio (Times)	QN	2	2.00 or more	1.75 to 1.99	1.50 to 1.74	1.25 to 1.49	Below 1.25
4	Current Ratio (Times)	QN	2	2.00 or more	1.75 to 1.99	1.50 to 1.74	1.25 to 1.49	Below 1.25
5	Accounts Receivable Period (Days)	QN	1	60 days or less	61 days to 80 days	81 days to 100 days	101 days to 120 days	More than 120 days
6	Accounts Payable Period (Days)	QN	1	60 days or less	61 days to 80 days	81 days to 100 days	101 days to 120 days	More than 120 days
<b>iii. Transactions with Govt.</b>								
1	Dividend Paid	QN	1	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Taxes Paid	QN	1	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Debt Service Liabilities Paid	QN	1	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-	Actual Performance	Achievement		Basis of Performance measuring
					Grade	Score	
<b>i. Financial</b>							
1	Operating profit	QN	2	Tk. 14,924.98 million	Excellent	4	AFS
2	Profit before Tax	QN	2	Tk. 21,059.48 million	Excellent	4	AFS
3	Return on Assets (%)	QN	2	6.17%	Excellent	4	AFS
4	Return on Service Revenue (%)	QN	2	44.95%	Excellent	4	AFS
5	Return on Equity (%)	QN	3	10.75%	Excellent	4	AFS
6	Net Worth Growth (%)	QN	2	10.34%	Good	2	AFS
7	Capital Budget Utilization (%)	QN	2	15.65%	Under Performing	0	Annexure 1 SL 27 & 28
<b>ii. Financial Risk</b>							
1	Debt Equity Ratio (Times)	QN	3	0.74	Excellent	4	AFS
2	Debt to Assets (Times)	QN	3	0.43	Excellent	4	AFS
3	Debt Coverage Ratio (Times)		2	181.80	Excellent	4	AFS
4	Current Ratio (Times)	QN	2	0.49	Under Performing	0	AFS Note 7
5	Accounts Receivable Period (Days)	QN	1	163.89	Under Performing	0	AFS Note 8
6	Accounts Payable Period (Days)	QN	1	255.50	Under Performing	0	AFS
<b>iii. Transactions with Govt.</b>							
1	Dividend Paid	QN	1	100%	Excellent	4	Annexure 1 SL 29 & 30
2	Taxes Paid	QN	1	100%	Excellent	4	Annexure 1 SL 31 & 32
3	Debt Service Liabilities Paid	QN	1	100%	Excellent	4	Annexure 1 SL 33 & 34
Sub-total			30				

**Note-7:** In CPA's Audited Financial Statement 2021-22, Investment as Fixed Deposit of Tk 90,971.91 million was shown under non-current assets instead of current assets. For that reason, total amount of Current Asset has reduced. Hence, the current assets ratio shows as under-performing grade in the evaluation year (FY 2021-22).

**Note-8:** In Audit Report 2021-22 Accounts Receivable (Trade) shows Tk. 2,523.10 million. Out of this total amount, Tk. 921.17 million or 36.51% belongs to different Government Organizations and rest 63.49% due from various non-government shipping parties and others.

## Indices: D. Corporate Governance Practices

**Table 5(a): Standards of Indices D**

FY 2021-22

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                             <ul style="list-style-type: none"> <li>• Internal audit procedure and reporting authority</li> </ul> </li> <li>• Entity's computer-based management information system (database)                             <ul style="list-style-type: none"> <li>• Any authority of the board to mitigate the entity's emergency situation</li> </ul> </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 5(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	75%	Good	2	Note 10
3	Transparency and Disclosure	QL	4	76%	Good	2	Note 11
4	Control Environment and Process.	QL	4	93%	Excellent	4	Note 12
5	Performance against the key Indicators of APA	QN	4	73.89%	Fair	1	Score of APA for FY 2021-22
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 (Section 5, page 11).

**Note-9:** The entity has its own act. It follows code of conduct, rules and regulations, employees service rules, citizen charter as corporate governance. CPA has a corporate secretary.

**Note-10:** The entity's board of directors consist of Chairman and four regular members nominated by the government, follows TOR of Board as defined in CPA Act-2022. During FY 2021-22, twenty seven (27) board meetings were held and two hundred thirty one (231) board decisions have been implemented.

**Note-11:** The entity discloses own Acts, Rules, Audited Financial Statement, name and biographies of Board Directors, Senior Managers, Citizen Charter and APA on its website.

**Note-12:** CPA has internal Audit and Inspection Department for efficient internal control. It maintains Personal Management Information System (PMIS) and Data based system. To ensure Port safety and security, the entity is complying with the International Security of Port Service (ISPS) code. Different safety measures have been undertaken and updated regularly. It also maintains its own fire services for port safety.

## 5. IPE Process

- I. Performances of non-financial indicators of Chittagong Port Authority (CPA) has been evaluated on the basis of information and documents of the inception report provided by CPA.
- II. Actual performance of non-financial indicators is determined by the collective decision of ERT members.
- III. According to IPEG, actual financial performances of CPA are to be evaluated on the basis of national best practices/standard. However due to non-availability of such standard and similar entities in the country, CPA's financial performance was compared with its last five years' performance 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 based on IPEG.
- VI. Grade and score are given as per IPEG.

## 6. Performance Evaluation Results

### Chittagong Port Authority (CPA) Fiscal Year: 2021-22

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
<b>A</b>	<b>Business Strategy and Social Responsibility:</b>	<b>25</b>			
1	Entity Strategy: • Entity Strategic Plan		4	4	0.16
2	Growth Trajectory: 2a. Net Income Growth		5	4	0.20
	2b. Service Revenue Growth		5	4	0.20
	2c. Other Growth		3	2	0.06
3	Efficiency of Project Implementation/ Project Goal Achievement:  • Percentage of estimated target achieved"		5	4	0.20
4	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		3	3	0.09
	<b>Sub Total</b>		<b>25</b>		<b>0.91</b>
<b>B</b>	<b>Operational Efficiency:</b>	<b>25</b>			
1	Service Delivery: • Service benefits and Accessibility		5	3	0.15
2	Labor Productivity: 2a. Added Value Per Employee		3	4	0.12
	2b. Employees cost on value addition (%)		2	1	0.02
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		3	4	0.12
	3b. Added Value Per TK Value of PPE		2	4	0.08
4	Production:				
	a. Asset Turnover		5	4	0.20
	b. Capacity Utilization (%)		5	4	0.20
	<b>Sub Total</b>		<b>25</b>		<b>0.89</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	Operating profit		2	4	0.08
2	Profit before tax		2	4	0.08
3	Return on assets		2	4	0.08
4	Return on Service Revenue		2	4	0.08
5	Return on equity		3	4	0.12
6	Net worth growth		2	2	0.04
7	Capital budget utilization		2	0	0.00
	<b>ii. Financial Risk:</b>				
1	Debt equity ratio		3	4	0.12
2	Debt to assets		3	4	0.12
3	Debt Coverage Ratio		2	4	0.08
4	Current ratio		2	0	0.00
5	Accounts Receivable Period		1	0	0.00
6	Accounts Payable Period		1	0	0.00
	<b>iii. Transactions with Government:</b>				
1	Dividend paid		1	4	0.04
2	Taxes paid		1	4	0.04
3	Debt Service Liabilities Paid		1	4	0.04
	<b>Sub Total</b>		<b>30</b>		<b>0.92</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	2	0.08
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	2	0.08
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	4	0.16
5	Performance against the key Indicators of APA: <ul style="list-style-type: none"> <li>• Total Performance score achieved on APA</li> </ul>		4	1	0.04
	<b>Sub Total</b>		<b>20</b>		<b>0.48</b>
	<b>Grand Total (A+B+C+D)</b>	<b>100</b>	<b>100</b>		<b>3.20</b>



## **7. Interpretation of Results**

As per Independent Performance Evaluation (IPE) Chittagong Port Authority Scored 3.20 out of 4.00 in the year 2021-22.

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

- Entity Strategic Plan
- Return on Service Revenue
- Debt Equity Ratio
- Efficiency of Project Implementation
- Debt to Assets
- Capacity Utilization
- Service Revenue Growth
- Labour Productivity
- Return on Assets
- Return on Equity
- Control Environment and Process
- Debt Coverage Ratio
- Net Income Growth
- Capital Productivity
- Assets Turnover.

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

- Social Contribution
- Service Delivery
- Corporate Governance.

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

- Transparency and Disclosure
- Other Growth
- Net worth Growth
- Board Practices

The performance of CPA is graded “Fair” in Annual Performance Agreement (APA).

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

- Capital Budget Utilization
- Current Ratio
- Accounts Receivable Period
- Accounts Payable Period

**7 (B) Other important aspects of Performance during FY 2021-22:**

- I. CPA has earned operating profit of Tk 14,924.98 million.
- II. The entity earned net profit (after tax) of Tk 15,549.48 million.
- III. CPA Current Ratio (Time) 0.49 which indicates entity is not in a well position to meet its current liabilities in due period.
- IV. CPA Paid Taxes Tk 5,714.74 million, Dividend Tk 800.00 million, DSL Tk 82.87 million to GoB.

**8. Findings from the Audit Report 2021-22**

8.1 In CPA audit report 2021-22 auditors provided qualified opinion on following FDR investments:

CPA has a fixed deposit of Tk. 1,847 million with Padma Bank Ltd. This bank has defaulted on paying back of outstanding principal and interest amounts on that FDR in the past. Auditors also pointed out that, at present Padma Bank's financial position and strength is very poor. Due to inadequate funds the bank is not in a position to pay back the CPA's deposits in the foreseeable future out of its own sources in normal course of business. Therefore, auditors expressed uncertainty as to when and to what extent the amount of Tk. 1,847 million FDR will be recovered or not. It is pertinent to mention that no provision has been maintained against the FDR of Tk. 1,847 million by CPA. So, the additional provision for bad debt on FDR will reduce the profit of CPA significantly. (Auditors' Report-2021-22, page-1, 18 & 19, Note-13).

8.2 The auditor expressed their opinion that, on CPA Audit Report 2021-22 they did not obtain the sufficient appropriate audit evidence against the following accounts:

- I. Capital work in progress Tk. 71,988.69 million;
- II. Provisions against various Accounts Tk. 65,656.41 million;
- III. Sundry Creditors and Accruals Tk. 3,2950 million.

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

Chittagong Port Authority has obtained a weighted score of 3.20 out of a scale 4.0 and is graded “Very Good”. Therefore, IPEC recommended non-financial incentive for the employees of CPA. Also, a certificate from Finance Division may be awarded to CPA for being graded “Very Good” in IPE for the FY 2021-22.

## **10. Recommendation**

To improve the performance of CPA the following recommendations are made based on the finding of IPE:

- a) Container handling Process should be automated fully to improve the handling productivity and efficiency.
- b) CPA should implement the existing terminals upgraded plan for multipurpose uses.
- c) Terminal Operating System (TOS) should be implemented to ensure safety, security and operations of all kinds of cargos and vehicles.
- d) CPA should take strategic plan to reduce the ships turnaround period to less than one day.
- e) CPA should form Board Committees such as Audit Committee, Remuneration and Nomination Committee for internal control and compliance.
- f) CPA is advised to maintain specific provision against the FDR with Padma Bank Ltd as per applicable IAS/IFRS. (IPE Report, Section 8, page 16)
- g) Financial Statements of the CPA appear to have been prepared without due attention to IFRS. Financial Statements need to be prepared in accordance with applicable IAS and IFRS to improve financial discipline, disclosure and reporting.
- h) CPA should provide appropriate evidence as required by the auditors.

## **11. Conclusion**

Based on Audited Financial Statements, data and documents of Chittagong Port Authority (CPA), Independent Performance Evaluation (IPE) report has been prepared for FY 2021-22. In the report it is found that CPA’s financial and non-financial performances have improved compared to previous fiscal year. The entity should complete all undertaken projects within the timeline to increase its operational activities as well as take appropriate steps to resolve the financial anomalies mentioned in CPA Audit Report 2021-22.

## Annexure-1

**Chittagong Port Authority (CPA)**  
**Financial & Other Information**

Amount in BDT

Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year	Previous Fiscal Year
		2021-22	2020-21
1	Current Assets:		
	i. Inventories		
	• Accessories (including spare parts)	7,307,243	7,307,243
	ii. Receivable:		
	• Trade	2,523,098,756	2,558,964,011
	• Others	275,210,241	270,980,879
	iii. Cash and Cash Equivalent	506,080,713	369,076,651
	iv. Others Current Assets	16,735,113,782	13,920,680,058
2	Total Current Assets (i+ii+iii+iv)	20,046,810,735	17,127,008,842
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	67,738,041,178	62,369,455,707
	• Capital Work in Progress	71,988,694,532	65,306,964,691
	• Investments	90,997,660,751	87,228,797,199
	• Other non-current assets	1,206,702,983	528,382,251
4	Total Assets (2+3)	251,977,910,179	232,560,608,690
5	Current Liabilities:		
	i. Payables:		
	• Trade	32,953,699,409	34,399,104,534
	• Others	427,126,272	395,020,987
	ii. Other Current Liabilities	7,925,678,257	6,413,610,874
6	Total Current Liabilities (i+ii)	41,306,503,938	41,207,736,395
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	386,292,472	435,000,292
	ii. Deferred Liabilities	0	0
	iii. Other Non-Current Liabilities	65,656,412,239	59,847,415,278
8	Total Non-Current Liabilities (i+ii+iii)	66,042,704,711	60,282,415,570
9	Total Liabilities (6+8)	107,349,208,649	101,490,151,965
10	Equity:		
	i. Capital Fund	73,362,383,993	68,664,238,487
	ii. Reserve and Fund	61,562,949,841	53,569,008,894
	iii. Retained Earnings/(Loss)	9,703,367,696	8,837,209,344
11	Total Equity (i + ii + iii)	144,628,701,530	131,070,456,725
12	Total Equity and Liabilities (9+11)	251,977,910,179	232,560,608,690

**Annexure-1**

Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2021-22		2020-21	
		Amount	Percentage	Amount	Percentage
13	Net Service Revenue	34,591,017,612	100%	29,802,715,183	100%
14	Less: Cost of Services	15,020,589,575	43.42%	14,649,446,552	49.15%
15	Gross Profit/(Loss)/Surplus/(Deficit) (13-14)	19,570,428,037	56.58%	15,153,268,631	50.85%
16	Less: Operating Expenses:				
	i. Administrative Expenses	4,645,443,998	13.43%	4,278,005,317	14.35%
	ii. Marketing Expenses	0		0	
17	Total Operating Expenses (i+ii)	4,645,443,998	13.43%	4,278,005,317	14.35%
18	Operating Profit/(Loss)/Surplus/(Deficit) (15-17)	14,924,984,039	43.15%	10,875,263,314	36.50%
19	Add: Non-Operating Income	6,134,492,928		6,515,619,508	
20	Less: Financial Expenses	0			
21	Less: Other Non-Operating Expenses	0		0	
22	Net Profit/(Loss)/Surplus/(Deficit) before Tax (18+19 – 20 – 21)	21,059,476,967		17,390,882,822	
23	Less: Provision for Tax				
	i. Current tax	5,510,000,000		4,400,000,000	
	ii. Deferred tax	0		0	
24	Net Profit/(Loss)/Surplus/(Deficit) After Tax (22-23)	15,549,476,967		12,990,882,822	

**Annexure-1**

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2021-22	2020-21
25	Credit Sales	5,617,543,643	5,278,347,371
26	Credit Purchases	47,080,378,152	84,910,352,711
27	Capital Budget Allocation	49,469,350,000	32,452,813,000
28	Actual Capital Expenditure	7,744,127,000	9,225,417,000
29	Dividend Payable	800,000,000	800,000,000
30	Dividend Paid	800,000,000	800,000,000
31	Taxes Payable	5,510,000,000	4,795,804,798
32	Taxes Paid	5,714,739,962	4,795,804,798
33	Debt Service Liabilities (DSL) Payable	82,874,060	85,148,822
34	Debt Service Liabilities (DSL) Paid	82,874,060	85,148,822
35	Fees, Fine and Charges Payable	0	0
36	Fees, Fine and Charges Paid	0	0
37	New Government Investment:		
	• Equity	0	0
	• Debts/Loan	0	0
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants	0	0
	• Subsidies	0	0
	• Other Transfer (Specify)	0	0
39	Operating Cash Surplus/(Deficit)	15,066,095,710	14,518,473,210
40	Added Value	26,049,325,922	21,343,950,657
41	Employees cost includes wages, salaries, bonus, provident fund contribution and other allowances	2,747,976,305	2,723,252,188
42	Capacity Utilization (%)	100%	100%
43	Input use Efficiency (%)	0.00%	0.00%
44	Number of Employees (Nos)	5248	5,679
45	Performance score achieved on APA	73.89%	83.72%



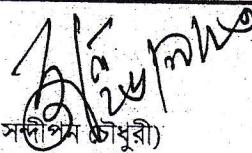
## Schedule - 2

## Non-Financial Information format

Serial No.	Particulars	
A	Enterprise Information and Legal Framework	
2	Sector	Transport & Communication
3	Name of Entity	Chittagong Port Authority
4	Number of Subsidiaries	N/A
5	Number of Branches	N/A
6	Website	cpa.gov.bd
7	Email Address	Info@cpa.gov.bd
8	Year of Incorporation	1976
9	Governing Law	Chittagong Port Authority Act: 2022
10	Other relevant Governing Laws & Regulations	Chittagong Port Authority Employee Service Regulation-1994
11	Incorporation Structure	Autonomous body
12	Listed on the Stock Exchange	No
B	Ownership and Shareholder Protection	
14	Administrative Ministry	Ministry Of Shipping
15	Structure of Organization	Autonomous Body
C	Strategy and Governance Information	
17	Board of Directors (Number disaggregated by gender and profile)	N/A
18	Qualification of Board Members	Appointed by Govt.
19	Number of Independent Director	N/A
20	Chairman to be Independent of CEO	Yes
21	Board Committees	Chairman & 4 Members
22	Number of Board Meetings held	27
23	Board Sitting Fees	N/A
24	Executive Management	CPA Board
25	Selection process of Board Members	Appointed by Govt.
26	Strategic Plan/Public Policy Goal (copy required)	Attached.
27	Innovative work (Description)	1. Gate & Vehicle (Truck, Covered Van, Tractor) Management 2. e-Do (Electronic Delivery Order) System 3. চব্বক সার্ভিস সেন্টারের স্বচ্ছতা নিশ্চিত করণ কল্পে ব্যাংক সিপি নম্বরের Auto Generation & Verification
28	Project Completion Rate: Actual Achievement /Target	Attached.
D	Ownership Structure	
30	Govt. Shareholding	N/A
31	Private Shareholding	N/A
32	Others	Autonomous Body



Serial No	Particulars	
A	Enterprise Information and Legal Framework	
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	Audit Report 2021-22
37	Audited by	Rahman Mostafa Alam & Co. and A Matin & Co. & Consortium
38	Risk Assessment Report	N/A
39	Internal Control	Internal Audit and Inspection Department of CPA
40	Timely public disclosure of financial statements	Audit Report and Annual Report are published in CPA website regularly.
41	Measures for safe working Environment/Process (Description)	চট্টগ্রাম বন্দর কর্তৃপক্ষ একটি ISPS Compliance ভুক্ত প্রতিষ্ঠান। এখানে প্রবেশ ও বহির্গমন অধিক নিরাপত্তার সাথে নিয়ন্ত্রণ করা হয়। এছাড়াও নিয়মিত ফায়ার ও নিরাপত্তা সংক্রান্ত সরঞ্জামাদি হালনাগাদ রাখা হয়।
G	Human Resources	
43	Number of employees	5248
44	Number of New Job Creation (Regular, Internship, etc.)	
H	Employee and Social Welfare	
46	CSR, WPPF, etc.	চট্টগ্রাম বন্দর কর্তৃপক্ষ কর্তৃক ০৫ টি প্রাথমিক বিদ্যালয়, ০২ টি হাই স্কুল, ০১ টি মাদ্রাসা, ০২ টি কলেজ, ১৫ টি মসজিদ, ০১ টি মন্দির ও ০১ টি বৌদ্ধ বিহার পরিচালনা করা হচ্ছে। এছাড়াও বন্দর কর্তৃপক্ষ এর হাসপাতাল ও স্টেডিয়াম সহ ক্রীড়া কমপ্লেক্স রয়েছে।

  
 (সদীপন জামান)

প্রধান অর্থ ও হিসাবরক্ষণ কর্মকর্তা  
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ফোকাল পয়েন্ট কর্মকর্তা IPEG