

ANNUAL REPORT 2014

TRANSPARENCY INTERNATIONAL SRI LANKA
a nation that upholds integrity

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Designed by Haritha Dahanayaka



ANNUAL REPORT 2014

MISSION

SUPPORT THE COLLECTIVE EFFORT TO ERADICATE CORRUPTION IN ORDER TO BUILD A FUTURE SRI LANKA WHICH IS PEACEFUL, EQUITABLE AND JUST

VISION

A NATION THAT UPHOLDS INTEGRITY

PURPOSE

CONTRIBUTE TO INCREASE UNDERSTANDING OF CORRUPTION, STRENGTHEN ANTI-CORRUPTION STRUCTURES AND PROCESSES

CHAIRMAN'S MESSAGE



For Transparency International Sri Lanka (TISL) 2014 was a year of significance in terms of the immense contribution toward anti-corruption discourse. Even amidst a challenging socio-political landscape with restrictive legislation and the prevalent attitude of political intimidation, TISL continued to forge ahead. In light of the current context, there is a great need to ensure transparency in state actions and the corporate sector, making more vital the role of an organization such as TISL.

TISL continues to work towards achieving its vision of a nation that upholds integrity. Functioning under the overarching operational areas of advocacy, civic engagement and research, TISL carried out many multi-level interventions, contributing towards five programmatic result areas which form the foundation of TISL's strategy.

Accountable and Responsive Elected Members
In response to the vision of accountable and elected members, the Program for Protection of Public Resources documenting misuse of public resources during the Presidential election campaigns, was launched.

TISL continued to engage with Local Government Authorities in the Galle District in order to enhance the quality of the services provided and the participation of citizens in decision making processes.

Active and Organized Civil Society
TISL engages with a wide array of civil society groups promoting standards of good governance and anti-corruption. The Shelter for Integrity continued to provide victims and witnesses of corruption with free legal advice through its centers in Colombo, Vavuniya, Matara and Batticaloa.

In persisting to work towards guaranteeing the right to information (RTI) in Sri Lanka TISL conducted an opinion poll and established the Citizen's Coalition for Right to Information which drafted a policy brief on the subject. The brief was submitted to all major political parties seeking the inclusion of a pledge towards RTI in Presidential Manifestos.

The Coalition against Corruption continued to expose instances of large-scale corruption.

Women and youth were targeted as special interest groups throughout the year. A study was conducted on Sri Lankan women's experience of corruption in the public sector. Furthermore, youth-oriented capacity building programs on the use of social media to combat corruption were conducted.

Credible Media and Public Interest Investigative Journalism
TISL believes that the promotion of public interest investigative journalism could pave the way for a more open transparent and accountable Sri Lanka. TISL enhanced the skills of journalists on investigative and public interest journalism with an emphasis on reporting on the status and implementation of the LLRC recommendations.

An Independent and Effective Public Service
Reforming the public service as an independent and accountable service was identified as a priority area in the National Integrity Systems Analysis launched by TISL in 2014. As a precursor to the lobby for an independent Public Service Commission, a study was conducted by TISL focusing on three main issues: Autonomy, Accountability and Effectiveness, resulting in the proposal for an alternative model which ensures greater accountability and independence.

A Business Community that practices Corporate Governance
With the role of private sector enterprises increasing in Sri Lanka, TISL will continue to work with these entities to advocate the adoption of Integrity Tools.

I would also like to acknowledge the contribution made by my fellow Directors on the governing body who offered guidance and support. On behalf of the Board, I thank the stakeholders, media, TISL members, and the TISL team for their continued backing. I further extend our gratitude to the Donors without whose endorsement we would have been unsuccessful in the implementation of our programs. It is the unwavering support of all involved that has given us the strength to work towards minimizing corruption and catapulting the anti-corruption discourse into the mainstream political agenda of the country.

Our stakeholders and membership are diverse. Our interventions are decisive. We are confident that, together with the networks and coalitions we have built and the support we receive from our stakeholders that the current momentum can be maintained and all challenges confronted.

We look forward to a future in keeping with our vision to build a nation of integrity.

J C Weliamuna
June 2015

STRATEGIC DIRECTION

Transparency International Sri Lanka (TISL) is an accredited national chapter of Transparency International (TI), the global movement committed to fight corruption and the promote good governance. Initiated in 1999, TISL functions as a self-financing, non-profit, apolitical association of likeminded Sri Lankan citizens working together to strengthen the country's national integrity system, promote transparent and ethical governance and to eradicate corruption.

Impunity, concentration of power, the collapsed governance structures, militarization, media censorship and gross corruption were some of the issues that were critical to democracy and development in Sri Lanka in 2014. This situation was exacerbated by the culture of exclusion practiced by the State. There is an all-pervasive apathy and unknowingness among citizens as to the far reaching implications and remedial interventions necessary to combat the prevalent corruption issues.

As the only civil society organization with an exclusive governance and anti-corruption focus, TISL's continued activism in Sri Lanka is vital to maintain the momentum of the anti-corruption journey. TISL has consistently fought to expand the diminishing space for those who are committed to our cause, by providing them with alternative means of reporting and exposing corruption. TISL is committed to provide expertise and leadership in critical engagement with civil society and government to mainstream the ongoing anti-corruption dialogue.

TISL was instrumental in lobbying the government to ratify the United Nations Convention against Corruption (UNCAC), under which the Government of Sri Lanka is required to work with the civil society in its campaign against corruption, further legitimizing the need for an organization such as TISL in Sri Lanka.

During the year, Transparency International Sri Lanka (TISL) continued to work on the vision articulated in the Strategic Plan 2011-2016 "Building a Nation that Upholds Integrity", concentrating on our key competence area of anti-corruption discourse. TISL conducted a review of the ongoing Strategic Plan in March 2014 in order to make it more relevant to the emerging needs of the current context. The evidence collated in the National Integrity Context and Systems Analysis 2014 contributed to the development of the Theory of Change Map on which the revised Logical Frame Analysis is based. It proposes a national level strategy to counter the corruption and misappropriation rampant in Sri Lanka.

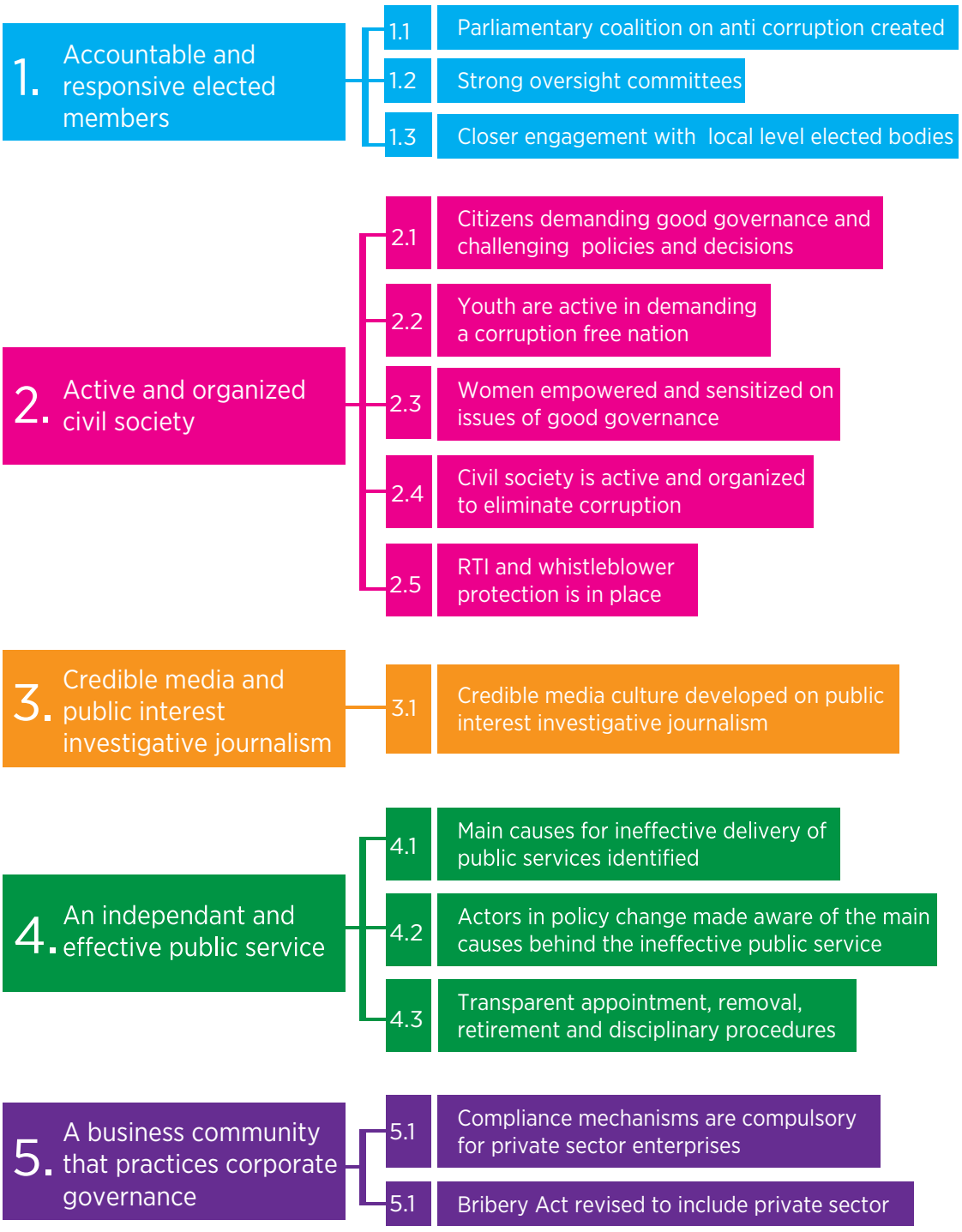
TISL result areas represent key sectors and actors. The initiatives are implemented through a comprehensive approach to Research, Advocacy, Civic Engagement and Institutional Development. The key results areas are:

- Accountable and Responsive Elected Members
- Active and Organized Civil Society
- Credible Media and Public Interest oriented Investigative Journalism
- An Independent and Effective Public Service
- A Business Community that practices Good Corporate Governance

The proposed programmatic result areas focus on holding elected representatives accountable, promoting good governance and motivating civil society actors and the general public to raise their voices against corruption, We hope to achieve this goal by equipping media personnel with journalistic tools to expose and report corruption in a credible manner, while advocating policy and legal reforms. These broad areas of engagement will be complimented by coalitions and pressure groups, nurtured by TISL that will create a demand for holistic and positive change. TISL will not only carry out specific interventions but will attempt to create an environment conducive for greater engagement in the fight against corruption independent of TISL.



THEORY OF CHANGE MAP



NATIONWIDE POLICY INNOVATION

PRESIDENTIAL ELECTION 2015

Safeguarding the integrity of the electoral process



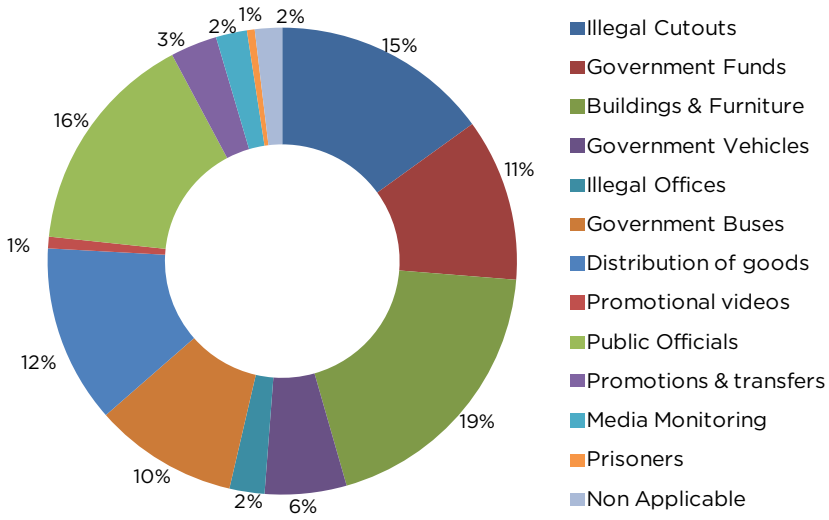
Keeping with TISL's mandate of minimizing corruption in Sri Lanka, the Program for Protection of Public Resources (PPPR) commenced its election observation with the declaration of the Presidential election on the 21st of November 2014. The PPPR is based on the premise that the use of "State resources (whether land, buildings, vehicles, equipment, funds, other facilities or human resources) directly or indirectly for the benefit of one political party or group, would constitute unequal treatment and political discrimination, because thereby an advantage is conferred on one political party or group which is denied to its rivals."

Obtaining the required approvals from the Department of Election, the PPPR team deployed a vast network of election observers covering all 25 districts to specifically monitor the misuse of public resources. The Program opened a dedicated hotline, email address and fax numbers to receive complaints from the general public. Each complaint was verified, tabulated and referred to the relevant authorities for their prompt action. By the end of the program the PPPR had recorded over 350 complaints from all across the country.

TISL believes that the election campaign of the 2015 Presidential election will be recorded in the annals of histroy as one of the, if not the, most corrupt campaings in Sri Lanka. The use of public resources for propoganda purposes and as election bribes were unprecedented breaking ethical and legal norms. TISL submitted a number of official complaints to the Commissioner of Elections related to the misuse of public resources throughtout the election period while intervening directy as an official election observer group in some cases. These inlcude the prevention of the distribution of dry rations to alleged flood victims in Kurunegala and other localities amounting

to LKR 1000 per packet; the exposé of the distribution of "Sil Reddhi" worth LKR 60 million to buddhist devotees containing propoganda material and paid for by at least two Ministries; the use of army personnel to post brochures to army families amounting to LKR 5.5 million and the cancellation of the live airing of the final rally of the UPFA Presidenial candidate by Sri Lanka Rupavahini Corporation.

One of the main concerns during an election is the question of whether voters have access to full and accurate information, thus enabling citizens to properly exercise their sovereignty. It is therefore essential that state- controlled media should be held to the highest standards of accuracy, fairness, objectivity and balance. In the interests of maintaining such standards TISL monitored the behavior of state-controlled media during the Presidential Election. TISL was the only organization to engage in such scrutiny. Analysis revealed excessive bias in favor of the UPFA Presidential candidate over the other 18 contestants- in fact, apart from the main rival to the UPFA candidate, no other candidate received any media coverage. Additionally, the state media attempted to vilify, dishonor and destroy the image of the main rival candidate. Hate speech over state radio endeavored to instill fear in the minds of voters and create a climate of prejudice. It is possible to conclude that state media in no way reported in an accurate, fair, objective or balanced manner.



Types of Complaints Recieved by percentage

The PPPR worked in close coordination with the People's Action for Free and Fair Election (PAFFREL), the Center for Monitoring Election Violence (CMEV), the Campaign for Free and Fair Election (CaFFE) and other election monitoring bodies in observing election violations and pursuing remedial action. The PPPR also joined hands with the Sri Lanka Bar Association (BASL) to identify opportunities to seek legal redress.

An important highlight of this election was the inclusion of independent observers in counting centers. TISL through the PPPR was identified as the lead organization in this process and was allowed to head the responsibility in observing the ballot couning process in 8 counting centers with 39 observers. It must be noted that the Commissioner of Election played an exemplary role in uphloding the integrity of the electoral process and addressing the issues raised by the local observers during the campaigning period.



SHELTER FOR INTEGRITY



In 2014, the Shelters for Integrity received a combined total of Nine Thousand One Hundred and Eighty One (9181) complaints (Colombo-517, Batticaloa-104, Matara-1184 and Vavuniya-7376), of which 80% were referred to the relevant authority.

The Shelters for Integrity located in Colombo, Matara, Batticaloa and Vavuniya were established to assist in facilitating “grass-root” level redress to victims and support to corruption fighters of all forms of corruption and quasi-corruption, thereby nurturing an integrated common-front against corruption.

They function as Advocacy and Legal Advice Centers (ALAC), serving as a bridge between citizens and Local, Provincial and National government institutions by advocating policy change and voicing citizens' concerns. Advisers guide citizens through the proper channels and liaise with national and local government institutions to rectify any issues relating to corruption within the public service. In addition to functioning as a free standing Shelter for Integrity, the Colombo office also operates as the central hub for all Shelters for Integrity in Sri Lanka, handling all national level cases, administrative, financial and logistical concerns.



Impoverished communities, having never been privy to any form of rights vindication often see their rights corruptly compromised by an array of government institutions and officials. Hence, the Shelters for Integrity conduct Mobile Clinics, specifically to increase rural access to justice. In 2014, 55 mobile clinics were conducted by the 4 centers, reaching 5183 clients in total.

In addition to conducting legal aid clinics, the Shelters for Integrity engage with the community by facilitating a number of programs within the region.

The Colombo office conducted four workshops on the topic "Increasing Accountability in Public Service Delivery", two Awareness Raising Programs for Civil Society Activists on Anti-Corruption Intervention, a workshop on Good Governance for Samurdhi Leaders, a workshop on the Relationship between Human Rights and Corruption for officers attached to the Human Rights Commission of Sri Lanka and a training session for senior government officials on accountable governance.

The Batticaloa office facilitated six Awareness Raising Programs relating to Anti-Corruption Intervention and Complaint Mechanism and two Awareness Training Programs on the RTI and Whistleblower Protection Laws in conjunction with the National Youth Services Council.

The Matara office promoted anti-corruption oriented Street Dramas in 4 public locations, conducted two workshops on Whistleblower Protection legislature, imparted information on development program monitoring on two separate instances to members of community based organizations, facilitated a workshop educating young journalists and conducted an Anti-Corruption Intervention Program for all Police Officers in the Matara police area.



The Vavuniya office undertook a large number of outreach programs within the year. As the Vavuniya office commenced operations in 2014, a Training of Trainers workshop designed for public service officials was conducted relating to Anti-Corruption Intervention in order to create a pool of resource personnel capable of conducting anti-corruption awareness raising programs. Those trained then commenced to conduct a series of workshops, including Anti-Corruption Intervention Awareness Training Programs for Government Agents from Vavuniya and other departments, in total conducting workshops for 770 government officers. Anti-Corruption and Anti-Bribery Training Workshops were also conducted by the Shelter for Integrity for Senior Police Officers in Vavuniya, totaling 184 Senior Police Officers from the Vanni Range (Mannar, Mullaitivu, Killinochchi and Vavuniya).

They also conducted ALAC (Shelter for Integrity) persists in providing free legal consultancy services to Oxfam Australia's island-wide PARL (Peoples Alliance for Right to Land) initiative and is also a member of the Human Rights Commission's Civil Society Coordinating Committee, participating in monthly meetings.

CITIZEN'S RIGHT TO INFORMATION

A law that guarantees the right to information (RTI) has been recognized as one of the key tools required to fight corruption and foster a culture of transparency and accountability across the Transparency International movement. With close to 100 countries in different stages of introducing, adopting and implementing RTI laws and as the only country in the South Asian region without such a law, TISL have continuously highlighted the need for such a law with policy makers as well as the general public. especially in light of political developments that took place in 2014, TISL renewed this effort by stressing the need for RTI not only to fight corruption but also to consolidate democratic process, establish principles of good governance and improve the quality of life and participation of the general public in the use of public funds and governance procedures as a whole.

TISL met with a number of interested parties in order to determine the necessary strategic development to further the advent of the Right to Information movement in Sri Lanka. At the gathering it was determined that there were two main focal points: to create a sustainable public demand for legislature that grants the RTI and to work towards the adoption of an effective law that guarantees the RTI. It was acknowledged that though there had been previous demands for a Right to Information Bill, those demands were unsuccessful due to the lack of public support.

In order to collate data on the topic, TISL conducted an opinion poll to ascertain the level of knowledge and interest on the RTI. The poll involved 450 citizens and 85 public officials. 95% of the respondents agreed that citizens do have the right to access and obtain information. However 49.6% was not aware of a law that guarantees this right and only 27% was aware of the efforts made in Sri Lanka to pursue this right.

In order to motivate and mobilize the community, TISL published a collective policy brief signed by the main stakeholders, entitled 'Why is an RTI Bill necessary?' which was widely circulated. Additionally, TISL conducted a number of sessions both within and outside Colombo on the same topic. These sessions received much public interest.

As a subsequent step, the 'Citizens for RTI' coalition was formed with the intention of campaigning for the legislation of RTI and the primary goal of impressing the need to introduce the RTI in political party manifestos. Members of the coalition met with political parties and successfully communicated the importance of the RTI, with many parties agreeing to include a commitment to passing an RTI Act in their election manifestoes. This emphasized focus on the Right to Information lead to Maithripala Sirisena (then Presidential Candidate and the current President) including the following statement in his election manifesto:



"I will also introduce a Right of Information Act so that people would be able to know all information relating to development activities... I will consolidate to the maximum mass ... the right of information."

WOMEN'S EXPERIENCE OF CORRUPTION

Corruption does not affect everyone equally- those in a weaker position are always more vulnerable to corruption since their ability to exercise their democratic rights is limited. Women and girls globally represent a higher proportion of the poor population and as such are more affected by corruption often resulting in denial of basic human entitlements. It is an established generalization that women are more susceptible to victimization as a result of corrupt practices in the public service due to the fact that women have a greater need for essential services such as health, education, land, water and sanitation as they are the primary caretakers of their families.



It has never before been determined whether this generalization is true in Sri Lanka, and if so to what extent women are affected by corruption in the provision of public services. TISL conducted a survey in June 2014 entitled "Women's Experience of Corruption in Public Service" in order to determine whether women were more affected than men by corruption in the provision of public services, to what extent women were affected, the areas of public service which exploited women the most and what types of corruption affected women the most.

The survey found that the aforementioned generalization is true in Sri Lanka as well- women are more susceptible to victimization as a result of corrupt practices in the public service.

A summary of the survey results are as follows:
52.3% of all households surveyed experienced some form of corruption in at least one public service sector. Women headed households were found to be more vulnerable to corruption than male headed households- among the total women headed households, 59.7%% were victimized while it was only 49.6% for male headed households. Additionally, Tamil women (64.3%) are more victimized than Sinhala women (41.2%). Those in rural areas (56.8%) were comparatively more victimized than those in urban areas (44.1%).

The full results of the survey were published in a book entitled 'Women's Experience of Corruption'. Based on the findings of the survey, TISL intends to publish a manual for women addressing the issues related to corruption in public service provision.

In addition to the survey, TISL conducted a number of smaller workshops for women in collaboration with the Shelter for Integrity, Vavuniya. Primarily, over 350 women received awareness training on how to settle their current issues through the implementation of the LLRC recommendations. Additionally, a leadership program was conducted for 90 youth and female community leaders. Due to the fact that it is imperative to create a strong anti-corruption network, TISL organized an integration program familiarizing female community leaders with existing anti-corruption networks.

YOUTH INTEGRITY

TISL under the Youth Integrity Promotion (YIP) program built on the existing partnership with Sri Lanka Federation of Youth Clubs and organized a youth gathering under the theme "I love Integrity- Next Generation of Fighting Corruption" to commemorate the UN International Anti-Corruption Day on the 9th of December 2014 at BMICH, Colombo. 375 youth including 205 women participated from the Badulla, Galle, Matara, Jaffna, Mannar, Vavuniya, Killinochchi, Mullaithivu, Batticaloa, Negombo and Colombo (Kelaniya University). Those who participated were given the opportunity to understand the importance of public participation in governance. All participants signed a petition entitled "Youth against Corruption", demanding a corruption free nation. This petition was forwarded to 225 Parliamentarians. On the same day, two videos were launched which were compiled as a result of winning a small grant award from TISL. Ms. Charles produced a short film documenting the prevalence of sexual bribery in public service provision and Mr. Thambirajah developed a music video on anti-corruption in Tamil, Sinhala and English.

Additionally, a number of youth-centric anti-corruption activities were undertaken in Vavuniya which included the establishment of 54 Youth Anti-Corruption Circles (ACC), comprising 987 Youth, at District and Village level, the establishment of a Library including books on Human Rights, Good Governance and Government Statistics and the formation of a study group, the 'Corruption Combaters Club' which will research the prevalent issues in the Northern Province and conduct social mobilization programs. Additionally, they will conduct media



monitoring on the topics of human rights and corruption and assist the Shelter for Integrity in the conduct of the Shelter's Mandate. TISL supported 25-30 Youth ACCs to develop and undertake advocacy campaigns by youth and women to instill awareness of accountability and transparency in governance. TISL also conducted a three day training workshop on 'Youth Training for Trainers: Promoting Good Governance', discussing issues such as the cause of corruption and its social impact in Sri Lanka as well as the current political situation and the implementation of the LLRC recommendations in the Northern Province.



Moreover, hundreds of youth, who wore black T-shirts printed with the slogan "Kill corruption or let it kill you", took to the streets with the Shelter for Integrity, Vavuniya, the legal aid arm of TISL, urging people to unite against corruption and demand the government to eradicate corruption. The crowd gathered and visited government institutions, seeking the support of government officials and the public to eradicate corruption. The event attracted more than 10,000 onlookers around the town area. In order to increase publicity a sticker and leaflet campaign was launched to promote the Shelter's services among the youth in collaboration with the National Youth Council in Batticaloa. Approximately 1000 stickers and 3000 leaflets were distributed during the campaign.



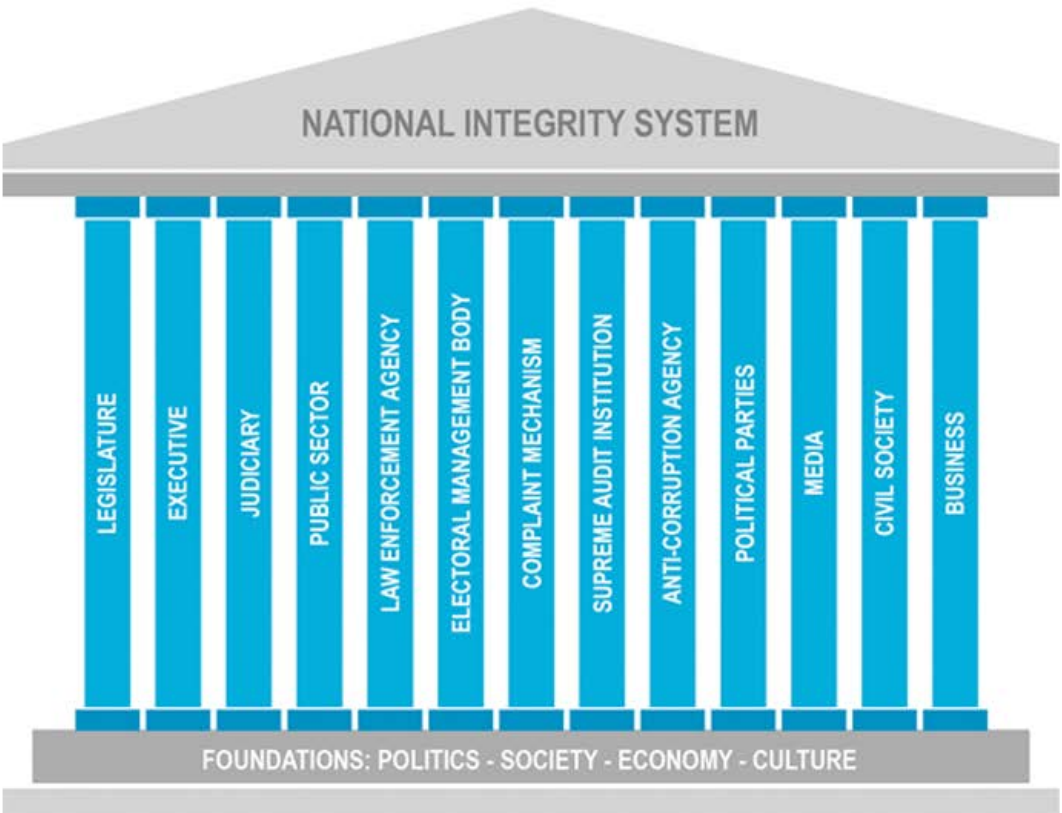
Furthermore, TISL in collaboration with the National Youth Service Council developed a Training Module on "Youth and Good Governance". The purpose of the training module was to provide youth with leadership and communication skills required to promote good governance and fight corruption. After the development of the manual, a validation workshop was held with 20 members of NYSC. Subsequently, a Training of Trainers (ToT) workshop was also held and five delivery sessions were conducted in Colombo, Kegalle, Matara, Puttalam and Kurunegala.

INDEPENDENCE OF THE PUBLIC SERVICE

The concept of a National Integrity Context Systems Analysis (NICSA) originated within the Transparency International movement two decades ago as the movements' primary conceptual tool to strategize anti-corruption work. The NICSA identifies and analyses the actors and institutions primarily responsible for fighting corruption within any given governance framework.

The NICSA conducted in Sri Lanka consists of an examination of 13 pillars:

The Analysis exposed most of the pillars to be weak (signifying that there are only minimal provisions to combat corruption), while some are depicted as moderate (indicating that there are anti-corruption provisions however, key gaps exist). A comparison with the results of the 2010 assessment, shows that the governance situation has not improved since 2010 and in some cases it has deteriorated.



The published report detailing all findings per the NICSA is entitled "National Integrity Systems Assessment 2014".

	Pillars	2010			2014		
		CAPACITY	GOVERNANCE	ROLE	CAPACITY	GOVERNANCE	ROLE
Politico Administrative Structure	Legislature Executive Judiciary Public Sector	**Moderate** (some provisions but key gaps exist)	**Weak** (minimal provisions / processes)	**Weak** (Minimal provisions / Processes)	**Moderate** (some provisions but key gaps exist)	**Weak** (minimal provisions / processes)	**Weak** (Minimal provisions / Processes)
Prosecution & Enforcement	Law Enforcement Agencies Complaint Mechanisms Anti-Corruption Commission	**Weak** (Minimal provisions / Processes)	**Medium Low** (some provisions but key gaps exist)	**Weak** (Minimal provisions / Processes)	**Weak** (Minimal provisions / Processes)	**Weak** (Minimal provisions / Processes)	**Weak** (Minimal provisions / Processes)
Oversight Institutions	Election Commission Auditor General	**Medium Low** (some provisions but key gaps exist)	**Moderate** (some provisions but key gaps exist)	**Very Weak** (Minimal provisions / processes)	**Moderate** (some provisions but key gaps exist)	**Moderate** (some provisions but key gaps exist)	**Weak** (Minimal provisions / Processes)
Non State Actors*	Political Parties Media Civil Society Business	-	-	-	**Weak** (Minimal provisions / Processes)	**Weak** (Minimal provisions / Processes)	**Weak** (Minimal provisions / Processes)

Consequent to the results obtained based on NICSA, TISL sought to eliminate corruption in the provision of public services. Critical to the performance of the bureaucracy is a well-functioning Public Service Commission (PSC), for it is this institution that promotes and safeguards the merit principle in the recruitment, promotion, and career management of public servants. Thus, it may be argued that the PSC is the ultimate source of accountability for the public bureaucracy and de facto a core institution of accountability. However, in recent years, the PSC's image has been seriously tarnished due to the perception of excessive politicization and corruption. The public levelled accusations of favoritism, politicization, discrimination, inefficiency and corruption in the public service. The veracity of these allegations had not been investigated or analyzed. Thus, TISL conducted a study to diagnose the limitations, irregularities and weaknesses in the PSC, with the ultimate goal of presenting a number of policy recommendations.

Among the policy recommendations made by TISL were:
i. Reconstitution of the PSC in line with objective criteria
ii. Heads of Departments should be appointed with recommendations and input from the PSC
iii. Provincial Public Service Commission appointment should be depoliticized.
iv. Entrench constitutionally the vesting of the powers of appointment, transfer, promotion and disciplinary control of public officers in the PSC.
v. A Service Charter should spell out the services offered by the Public Service Commission with a clear identification of the divisions to be approached or where specific services can be obtained.
vi. A Special Parliamentary Committee should be formed to review the annual performance of the PSC.
vii. The absolute necessity of providing officers with the requisite training.

SECURITY THREATS



The opportunity for civil society activism has been progressively hindered in Sri Lanka with the threat of stricter laws and periodic intimidation of civil society activists. This reached its zenith in 2014 with the unrelenting harassment directed at Transparency International Sri Lanka and a few other national level organizations in the country.

Staff and associates of TISL were subject to death threats, intimidation and the disruption of program activities at an unprecedented level between May and October 2014. Excluding two incidents (involving the TISL Annual General Meeting, Board meeting and Members Day and public discussion on Right to Information), all the other incidents were related to a series of workshops and follow up activities TISL had initiated as part of a training of journalists on investigative journalism. The disruptions targeted trainings organized for Tamil speaking journalists from the North and the Eastern Provinces. Among those who were threatened was a Senior Manager of TISL, a number of staff members, trainers and the journalist's who participated.





On three occasions TISL program officers and media participants were asked to vacate the hotel premises, which were reserved for the relevant trainings, due to public disturbances. What can only be described as an organized group of thugs who surrounded the hotel premises in Negombo, displaying defamatory banners and placards, preventing the continuation of the training program. Due to the inaction of the law enforcement authorities and to ensure the safety of the participants TISL was forced to shift the location of the training to a leading hotel in Colombo 3. However TISL was asked to vacate this second location by the hotel management, late in the night, by the order of those in very powerful positions. These events were further accentuated by threatening calls and text messages which were sent to TISL staff members, trainers and participants. Legal action has been taken against two of the hotels.

The Annual General Meeting is a statutory requirement of the Companies Act under which TISL is registered. The Annual General Meeting which was scheduled to be held in a leading hotel in Colombo 4 was once again halted with a threatening call to the hotel management a day prior to the event. Even though TISL had paid the full amount due to the hotel for the event prior to the event or the threatening call, the hotel management refused to go ahead with the function.

Hostility was not merely directed at the Colombo office-individuals who participated in programs and activities conducted by the Vavuniya office were subjected to interrogation by those claiming to be military officials. The Regional Coordinator for Vavuniya's activities were scrutinized and he was subjected to surveillance, in some instances to the detriment of the organization which was attempting to build trust and a sense of inclusion among the residents of a former war zone.

The threatening environment for civil society activism during this time was not limited to TISL. At least two other leading civil society organizations had to undergo similar disruptions due to protests by organized groups. To this end, the Civil Society Collective was formed, with more than 110 organisations supporting the movement. Furthermore the Ministry of Defence, under which non-governmental organizations are registered under the voluntary Services Act, issued a circular barring NGOs from issuing press releases and conducting training programs for journalists stating that it is not in their mandate. This was viewed as a clear violation of the fundamental right to association and freedom of expression. This continued pressure on civil society activism drove civil society organizations to come together and collectively voice their concern and protest. 2 press briefings were held and 4 press releases issued on the ongoing issues. Additionally, the International Federation of Journalists issued a statement condemning the threats on journalists and the Transparency International Secretariat published a press release requesting the authorities to take necessary action to safeguard the staff. Formal complaints were also submitted to the Colombo Crime Division as a result of which a special investigation into the incidents was launched.

Additionally, inactivity in relation to the visa status of participants resulted in the Asia Pacific Advocacy and Legal Advice Centre Workshop, which was scheduled to take place in Sri Lanka in June being cancelled.

NATIONAL INTEGRITY AWARDS



For the 11th successful year TISL organized the National Integrity Award (NIA) to commemorate the United Nations Anti-Corruption Day, which falls on 9th of December, with the intention of 'raising awareness of corruption and of the role of the Convention in combating and preventing it'. TISL presents the NIA to an outstanding individual or an organization for demonstrating exceptional integrity in public engagement with the intention of promoting the efforts made by those who have fought corruption. The occasion provides a source of recognition and inspiration for corruption fighters.

The NIA 2014 was awarded posthumously to the late Mr. Nihal Perera, former superintendent of the Noori Estate in Ratnapura. He sacrificed his life in the fight against corruption when he was murdered by the gangsters whose criminal edicts he refused to adhere to and against whom he actively voiced disapproval. The gang was presumed to be operating with the guardianship and the backing of a powerful local politician. He refused to discharge several defective orders given by his superior officers which caused bias in favor of suspected parties in the course of a customs offence inquiry. Instead, he was able to convince the Head of Department to reverse the flawed orders and appropriately sanction the accused. Mr. Perera received the award for his commitment to the public good in the face of extremely grave personal danger.



Susila Herath, a teacher from the Puttlam District received a Special Mention for her bravery in fighting against the powerful and distasteful political culture in the district. She was subjected to threats and extreme public humiliation leading to mental distress. It is understood that the prevalent political climate in the area is rife with political brutality and abuse of power. Thus, it would have been understandable if she let the incident pass without protest. Instead, she acted in the face of public humiliation and threats made against her life: with the assistance of the Teachers' Union. She lodged a police complaint and the case was heard before the Puttalam Magistrate. The government was forced to reject the politician's bid for re-nomination to his post. Her attempts to seek legal recourse in the face of extreme opposition proved fruitful. The damages awarded as a result of the case were donated by Ms. Herath towards establishing a scholarship fund for students. She continues to get death threats. Recently, a witness to the incident was found dead under mysterious circumstances. Ms. Herath was recognized for her unceasing fight for justice.



The NIA panel of judges comprised Dr. Farzana Hannifa of the University of Colombo, Mr. M.D.A.Harrold, former Deputy Auditor General, Mr. Piyatissa Ranasinghe, former secretary to the Ministry of Post & Telecommunication, Mr. Gamini Viyangoda, author and Ms. Yasodara Kathiragamathampi, a lecturer at the Open University of Sri Lanka.

INVESTIGATIVE JOURNALISM

TISL in collaboration with Internews, engages with investigative journalists to bridge the information gap pertaining to corruption related stories by enhancing their capacity and skills through training in order to increase the aptitude of journalists and media outlets to effectively investigate and report in a restrictive environment.

All programs conducted by TISL in relation to Investigative Journalism were subject to extreme political scrutiny and both participants and trainers experienced a degree of harassment as detailed in the section on Security.

TISL has developed and launched two high quality knowledge products, a Resource Book and a Handbook for practitioners of investigative journalism, the first of its kind to be developed in Sri Lanka aimed at enhancing professionalism among journalists.

In the first quarter of 2014 TISL pioneered the development of a training manual on Investigative Journalism specifically addressing the reconciliation process.

Workshops were conducted with the intention of encouraging journalists to write investigative reports on the recommendations made by the Lessons Learnt and Reconciliation Committee (LLRC) to ensure good governance. It was the first time in Sri Lanka that a curriculum on the reconciliation process was utilized to encourage journalists.



Four three day training workshops on 'Investigative Reporting' on the enforcement of the recommendations made by the Lessons Learnt and Reconciliation Commission (LLRC)' was organized for mid-career and provincial journalists, with one workshop exclusively meant for Tamil journalists, who have faced serious challenges going forward with their chosen profession. Although the program was disrupted, TISL trained sixty one (61) journalists from all over the country. More than 90% of the journalists trained represent National media outlets.

After the completion of the training of journalists in Investigative Journalism (IJ) the fourth quarter of the project concentrated on mentoring and encouraging them to write in-depth news stories based on the reconciliation process and the LLRC. Mentoring was an effective way of helping the trainees to build up their stories and producing stories after investing.

A partnership was built between two people (mentor and mentee) to share similar experiences and have a helpful relationship based upon mutual trust and respect. The mentoring process was meant to encourage journalists to explore new ideas and to look more closely at story ideas, issues, opportunities and utilization of sources available. A number of participants produced 32 stories in relation to the LLRC recommendations, with most of the articles being successfully published in local newspapers. TISL reproduced some of the best written articles as a booklet.





PARTICIPATORY BUDGETING

Improving transparency and accountability within local government institutions can be achieved through greater public participation. TISL initiated a project to implement and improve the exercise of 'Good Governance' principles practiced within Local Government Institutions and to promote citizens' participation in local governance thereby mitigating corruption. The objective of TISL's intervention was to increase the capacity of the local government and ensure that citizen's views and priorities were included in their work plan. This phased project focused on strengthening good governance practices by enhancing citizens' participation for citizens to become stakeholders in governance.

Urban Councils and Pradeshiya Sabhas are units of local government, which, according to law must consult the local populace when constructing their annual budget (participatory budgeting). However, this consultation process was rarely implemented by these institutions. As a result, TISL strove to instigate the process of public consultation in budgetary allocation (participatory budgeting) in four separate institutions: the Ambalangoda



Urban Council, the Ambalangoda Pradeshiya Sabha, Yakkalamulla Pradeshiya Sabha and Bope Poddala Pradeshiya Sabha. In order to motivate the local authorities and urge public participation, TISL published a leaflet on participatory budgeting in three languages (English, Sinhala and Tamil) and urged the formation of citizens' committees with a mandate of overseeing the local authorities' financial allocations. While efforts were made as a result of TISL demands in previous years, in 2014, all four authorities enthusiastically pursued public input in budget allocations. The culmination of the project was an experience-sharing workshop for all local governance entities (Pradeshiya Sabhas and Urban Councils) in the Galle District, chaired by the Chief Minister of the Southern Province, Shan Wijayala de Silva. The Chief Minister made a request that the program be extended to cover all local government institutions in the Southern Province.

In order to further promote public participation in local governance, TISL published an information booklet entitled "පුංචි ආණ්ඩුවෙන් වැඩ ගැනීම" (Working with Local Government Institutions). The booklet informs readers about local government and the importance of public engagement in local governance in order to achieve the precepts of good governance.

A complementary booklet entitled "අයවැය හා පුරවැසියා" (Participatory Budgeting) describes the intricacies of the budget, budget allocations and public participation in budgeting.







PROMOTING GOVERNANCE AMONG THE MASSES



COALITION AGAINST CORRUPTION

The TISL led Coalition against Corruption (CAC) was established in 2013 to unearth corrupt practices within the government, public service and any state-owned bodies. The CAC developed an action plan to expand the Coalition on a regional level, forming regional bodies in each province. Apart from revealing corruption and fraudulent matters, the CAC resolved to make complaints to the relevant authorities, and followed through by lodging several complaints with the Commission to Investigate Allegations of Bribery or Corruption (CIABOC). Fraudulent activities amounting to more than LKR 2,700 million at the state owned institution, Laksala was one of the major complaints the CAC made to the CIABOC.

Additionally, the Coalition against Corruption met with Opposition MPs led by United National Party Leadership Council Chairman Karu Jayasuriya in September and requested the formation of a 'Parliamentarians' Coalition against Corruption' to play a crucial role in minimizing corruption.

The Parliamentarians who attended the meeting were requested to form an alliance with other Parliamentarians in order to challenge corruption as one unit, working closely with CAC. Members accepted the invitation and formed a coalition informally. Details of cases and incidents of corruption in government departments, corporations and other state institutions were handed over to the MPs at this meeting.

However, this coalition could not go ahead as planned due to the announcement of the Presidential election.

PUBLIC PLATFORMS

The first post-war Public Platform was hosted by the Shelter for Integrity, Vavuniya providing the public with the opportunity to communicate directly with government officials regarding their issues. The platform created an opportunity for government officials to identify social issues and impart solutions to common problems. There were over 450 participants including residents and Community Based Organisations (CBO) leaders from Vavuniya, Mannar, Kilinochchi, and Jaffna Districts.

Another Public Platform was held in Ambalangoda, giving the citizens of Dehigahabedda in the Ambalangoda Pradeshiya Sahba Division the opportunity to meet with Pradeshiya Sabha Officials, including the Chairman, in order to discuss topical issues. Citizens were consulted regarding the development needs of the area and their level of satisfaction with public service delivery by the Ambalangoda Pradeshiya Sabha. This meeting provided an opportunity for citizens to learn how to actively engage in governance processes and demand their rights.



EXHIBITIONS

The "Hand-In-Hand for a Better Governance and Society" Photography Exhibition emphasized the achievements of the Shelter for Integrity, Vavuniya in the past months and the current difficulties faced by the residents of Katpagapuram. It attracted a large number of visitors. The exhibition conveyed the message of the importance of anti-corruption work and cooperation between the public sector and citizens.

SAMBHASHANA

In order to stimulate public dialogue on governance issues of national significance, TISL conducted a number of Sambhashana discussion programs during 2014. The format of the discussion forum includes brief presentations by expert panelists followed by an open discussion between the panelists, moderator and the participants to highlight issues, make queries and seek solutions. The discussions often create the basis for TISL's policy briefs and Position Papers.

Since its launch in 2011 TISL have conducted over 30 Sambashana discussion forums both in and outside of Colombo. The subject areas of the 2014 discussions were corruption in the sporting sector (Un-Sporty Sports), the breakdown of the Rule of Law, the overwhelming number of elections conducted in the country at the expense of the taxpayers (Elections on Taxpayers money) and the cost of corruption in Sri Lanka's rapid development drive (infrastructure development and corruption).



POSITION PAPERS

On occasion, topical issues relating to the governance infrastructure of the nation arise. In such instances, TISL facilitates a critical analysis of the underlying issues, resulting in an opinion being published in the form of a position paper. In 2014, TISL facilitated the release of two position papers. One paper examined the workings of the Committee on Public Enterprise (COPE), the government body which undertakes the financial oversight of the public purse, while the other emphasized the imperative need for a single food regulatory agency- a discussion which arose following the national controversy surrounding imported milk powder.

PUBLICATIONS

'WOMEN'S EXPERIENCE OF CORRUPTION IN PUBLIC SERVICE'-

TISL conducted a survey in order to determine whether women were more affected than men by corruption in the provision of public services, to what extent women were affected, the areas of public service which exploited women most and what types of corruption affected women most. The results of the survey are published herewith.

POSITION PAPER

A SINGLE FOOD SAFETY REGULATORY AGENCY-AN IMPERATIVE FOR SRI LANKA

POSITION PAPER

PROCESS OF 'COPE'- FINDING THE GAPS AND IMPLEMENTATION OF RECOMMENDATION

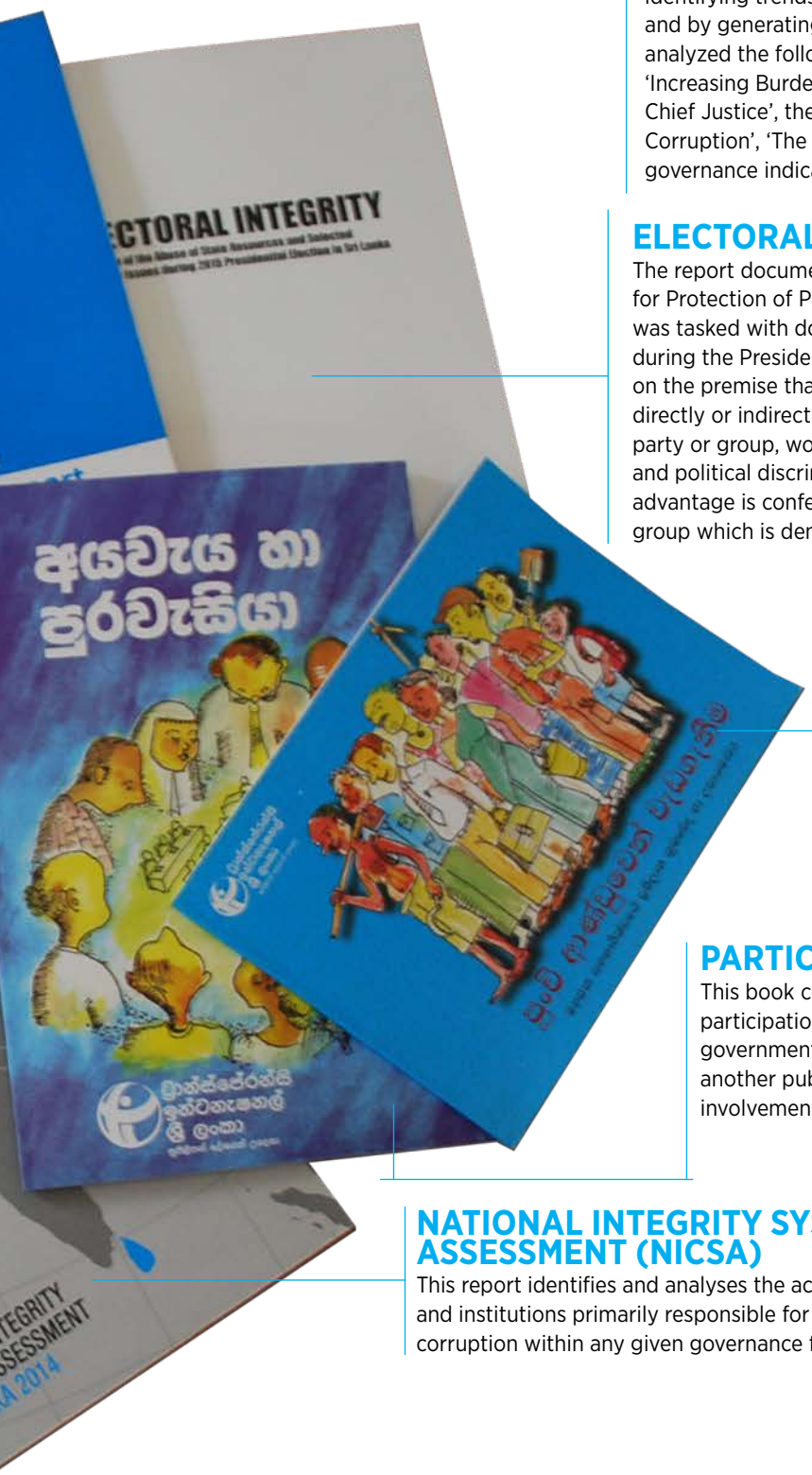
NEWS-LETTER

DETAILS TISL ACTIVITIES



GOVERNANCE REPORT 2012/13

The Report analyses prominent sectors and how each affects the country's economic, social and political systems. The objective is to enrich the debate on good governance by identifying trends in governance, areas for governance reform, and by generating new insights and perspectives. The report analyzed the following- 'An Overview of Governance', the 'Increasing Burden of Public Debt', the 'Impeachment of the Chief Justice', the 'Illegal Disposition of Lands', 'Sports and Corruption', 'The Dilemma of the Sri Lankan Media' and various governance indicators.



ELECTORAL INTEGRITY

The report documents the findings of the Program for Protection of Public Resources (PPPR), which was tasked with documenting instances of abuse during the Presidential Election. The PPPR is based on the premise that the use of "State resources directly or indirectly for the benefit of one political party or group, would constitute unequal treatment and political discrimination, because thereby an advantage is conferred on one political party or group which is denied to its rivals."

'WORKING WITH LOCAL GOVERNMENT INSTITUTIONS'

This information booklet was published with the intention of familiarizing citizens with local government institutions and increase citizens' participation and involvement with local government.

PARTICIPATORY BUDGETING

This book contains information regarding citizen's participation in the allocation of the local government institution's available resources. This is another publication which aims to increase citizens' involvement with local government.

NATIONAL INTEGRITY SYSTEMS ASSESSMENT (NICSA)

This report identifies and analyses the actors and institutions primarily responsible for fighting corruption within any given governance framework.

BOARD OF DIRECTORS

J. C. Weliamuna (Chairman)

Mr. J C Weliamuna is one of Sri Lanka's leading public interest and Constitutional lawyers, with 24 years active practice. He holds a Master of Laws from the University of Colombo, where he served as a visiting lecturer. He is also an Eisenhower and a Senior Ashoka Fellow.

After establishing his legal career in commercial law, Mr.Weliamuna moved into the fields of constitutional and human rights law, and became an active contributor to local and foreign media on governance and human rights challenges in Sri Lanka. He was TI Sri Lanka's first Executive Director, where he served from 2002 until 2010. Presently he serves as a director of TI's Board after being elected by Global membership of TI movement in 2010.

Anushika Amarasinghe

Ms Amarasinghe spent eight years of her professional career in a managerial capacity at TI Sri Lanka (TISL) since its inception. She effectively applied her multiple professional qualifications of law, management and accounting, in performing an integral role in the development of the institution.

As a free-lance consultant in the development sector, Ms Amarasinghe has worked on several assignments in organizational development, strategic planning and fundraising. She is a director at Sustainable Development Consultants Private Limited, a Project Consultancy and Property Development Company. A member of the Chartered Institute of Management Accountants and of the Bar Association of Sri Lanka, she is currently reading for her Masters in Law.

G.S. Lakhshan J.S. Dias

Attorney –at-Law, Mr. Dias is a prominent human rights lawyer who has provided legal representation in a number of high-profile cases involving deportation and immigration, the Prevention of Terrorism Act, and allegations of torture.

A vocal advocate of judicial independence, he has provided protection to human rights defenders and journalists at risk. Mr. Dias has held a number of high level positions in Young Men's Christian Association (YMCA) in Sri Lanka and currently he is serving as a Board member of Rights Now Collective. He is the Legal Director at the Kamkaru Sevana Ltd an organization looked after workers welfare for last 40 years.

Shyamala Gomez

Ms Gomez is the Country Director, FOKUS Women, a women's organization based in Colombo that partners with nine women's organizations working in the North and East. A Fulbright Scholar, she has an LLB (Honours) from the University of Colombo and a Masters in Law from Georgetown University, Washington DC.

Ms Gomez taught law at the Faculty of Law, University of Colombo for over eight years and was also Gender Advisor to the UN Office of the Resident Coordinator in Colombo for many years. She has written and published extensively in the areas of violence against women, masculinities, rights of migrant workers, land rights of women, women, peace and security, women and politics and more generally on women's rights.

K. W. Janaranjana

An Attorney-at-Law,Mr. Janaranjana is a senior journalist who is presently Editor of the weekly newspaper –'Ravaya'. He is one of the Director of Ravaya Publications Guarantee Limited. After completing the Attorney's finals examinations, he has enrolled as a member of the Bar Association of Sri Lanka.

He was the founder member and the CEO of Rights Now Collective for Democracy during 2007-2008 periods. He has served as the assistant secretary and secretary for Free Media Movement for several years.He is a lecture of Law and currently he is serving as a Senior Lecturer at the Centre for Professional Studies (CFPS) Colombo. He is a diploma holder of University of Sri Jayawardenepura, in communication.

Sheila Richards

Ms. Richards is the Deputy Chief of Party, of the Support for Professional and Institutional Capacity Enhancement (SPICE) Project of Management Systems International/ USAID. She has BA Hons degree in Psychology from the Peradeniya University and a Post-Graduate Diploma in Conflict Resolution and Security Studies from Bradford University, UK.

She was the Executive Director of the Neelan Tiruchelvam Trust – an indigenous grant making organization for a period of 4 years, prior to which she was the Programme Officer of the Swedish International Development Cooperation Agency (SIDA) for 5 years. Ms. Richards set up the psychosocial unit of ZOA Refugee Care in Sri Lanka which she managed.

Gehan Gunatilleke

Gehan Gunatilleke is an attorney-at-law and researcher specialising in the fields of constitutional law and human rights. He received his first degree in law at the University of Colombo and thereafter received an LL.M at Harvard Law School. He teaches human rights, democratisation and development in postgraduate degree programmes offered by the University of Sydney, University of Colombo, and the Open University of Sri Lanka. He is also a Research Director at Verité Research.

He has authored and co-authored several publications including 'Right to Information: A Guide for Advocates', 'The Judicial Mind in Sri Lanka: Responding to the Protection of Minority Rights', 'Reporting on Human Trafficking and Forced Labour: A Practical Guide for Journalists in Sri Lanka'and 'Media Policy and Law in Sri Lanka.

S.C.C. Elankovan

Jayantha Fernando

Jayantha Fernando is an Attorney by Profession and pioneered ICT Law in Sri Lanka. He was one of the first in Sri Lanka to specialize in ICT Law, with a LLM in IT & Telecommunications Law from the University of London. Jayanth is an International Expert on E-Commerce Legal issues and also a global expert on Cybercrime with Council of Europe, advocating the adoption of the Budapest Cyber crime Convention internationally.

He was the first Sri Lankan to be elected as Vice Chair of the ICANN's Government Advisory Committee (GAC) – (2007-2011), and also served in the ICANN Nominating Committee. Jayantha is both a British Chevening Scholar of the UK Govt (2002) and an Eisenhower fellow (2012). In his spare time he is a Visiting lecturer at the Law Faculty, University of Colombo, Sri Lanka Law College and Moratuwa University on IT & Telecom Law.

T. Someswaran

A Chartered Accountant, in practice for more than 35 years and retired from the post of Senior Partner of SJMS Associates, a Firm of Accountants which is associated with Deloitte's in Sri Lanka. He is also a Fellow member of Certified Management Accountants (CMA) and a member of the Governing Council of the Institute of Certified Professional Managers. (CPM)

He holds numerous memberships and honorary positions to help strengthen the capacity of charitable and non-profit organizations as well as philanthropic projects and activities. Mr. Someswaran has substantial experience in auditing, organizational development, leadership & partnership building and is passionate about networking & linking organizations to facilitate positive social change and development, with specific focus on governance, accounting ethics and resource mobilization.

INTEGRITY WITHIN - INSTITUTIONAL CAPACITY



The year 2014 proved to be one of the most challenging and demanding years for civil society activism and governance related work in Sri Lanka. As described in detail in the Annual Report, the program and operational activities were disrupted by organized forces on a number of occasions forcing TISL to reassess its security status and adopt migratory measures to guarantee the safety of staff and their families and ensure the smooth implementation of activities. To this end a comprehensive risk assessment was conducted with the participation of staff members and the support of Transparency International Secretariat to identify the main risks and threats and how to negate them. Security training was also provided to staff members with special focus on data and internet security. A dedicated Security Committee was formed to look into the threats faced by staff members and report formats were developed to process and document ongoing threats.

Amidst all the challenges the staff of Transparency International Sri Lanka continued to work towards the realization of its vision – a nation that upholds integrity. To this end the Strategic Direction of the organization was reviewed and readjusted to suit the governance needs of the country with the identification of five pragmatic result areas. Institutional Development remained a key component even though it did not undergo major changes in terms of administration and financial procedures. The Monitoring and Evaluation mechanism of TISL was further strengthened during the year through a comprehensive training program conducted by the Transparency International Secretariat. The training solidified the result based monitoring approach of the organization, transferring the focus from activity completion to the achievement of results and milestones. Staff was made aware of how to track change and progress through formal documentation throughout the course of project implementation.

Fundraising continued to be a challenge to TISL, as it is to the larger civil society sector due to Sri Lanka becoming a middle income country. The Strategy Committee consisting of selected Board and staff members met regularly to identify funding opportunities, draft grant proposals and brainstorm on potential interventions. A visit was made to India to meet donors including the Ford Foundation. The Executive Director and Fundraising Manager also attended a fundraising workshop organized by the Resource Alliance where alternative fundraising approaches were studies at length. TISL is looking into the possibility of pursuing individual funding, corporate funding and crowd sourcing in the years to come.

FINANCIAL STATEMENT

Building a better working world

BW/JPC/MJA

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TRANSPARENCY INTERNATIONAL SRI LANKA (GUARANTEE) LIMITED

We have audited the accompanying financial statements of Transparency International Sri Lanka (Guaranteed) Limited, ("the Company"), which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements
The Board of Governance ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Governmental Organization) (SL SoRP-NPO's [including NGO's]) issued by the Chartered Accountants of Sri Lanka, and for such internal controls as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

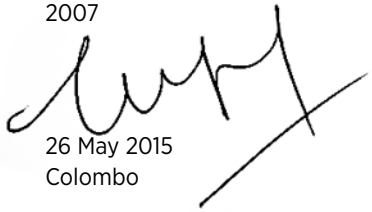
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2014, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Governmental Organization) (SL SoRP-NPO's [including NGO's]) issued by the Chartered Accountants of Sri Lanka.

Report on Other Legal and Regulatory Requirements

As required by Section 163 (2) of the Companies Act No. 7 of 2007, we state the following:

a) The basis of opinion and Scope and Limitations of the audit are as stated above.
b) In our opinion :
- We have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company, and
- The financial statements of the Company, comply with the requirements of Section 151 of the Companies Act No. 07 of 2007



26 May 2015
Colombo

STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2014

ASSETS	Note	2014	2013
		Rs.	Rs.
Non-Current Assets			
Property, Plant & Equipment	5	110,935	265,330
		110,935	265,330
Current Assets			
Receivables	7	4,225,243	4,218,584
Short Term Deposits	6	3,432,193	3,227,007
Cash & Bank Balances	17	32,911,126	37,800,668
		40,568,562	45,246,259
Total Assets		40,679,497	45,511,589
FUNDING & LIABILITIES			
Accumulated Funds			
Restricted Funds	8	23,301,071	31,604,559
Unrestricted Funds	9	12,396,052	10,410,653
Capital Grants	10	348,596	348,596
		36,045,719	42,363,808
Non-Current Liabilities			
Retirement Benefit Liability	11	1,237,488	1,020,350
		1,237,488	1,020,350
Current Liabilities			
Creditors	12	3,171,989	1,717,965
Income Tax Payable		224,301	409,466
		3,396,290	2,127,431
Total Funding and Liabilities		40,679,497	45,511,589

I certify that the financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

Finance Officer

The Board of Directors are responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by;

Director

Director

The accounting policies and notes on pages 39 through 52 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Note	2014	2013
		Rs.	Rs.
Incoming Resources	4	77,508,933	58,300,878
OPERATING EXPENDITURE			
Project Expenditure	13	(66,688,387)	(41,885,315)
Administrative Expenses	16	(10,841,645)	(16,415,563)
Total Operating Expenditure		(77,530,032)	(58,300,878)
Net Deficit on Operating Activities		(21,099)	0
Revenue Earned from Other Activities	15	2,860,280	2,751,062
Net Surplus Before Tax		2,839,181	2,751,062
Income Tax Expenses	14	(454,420)	(665,113)
Net Surplus After Tax		2,384,761	2,085,949
Total Comprehensive Income for the Year		2,384,761	2,085,949

The accounting policies and notes on pages 39 through 52 form an integral part of the financial statements.

STATEMENT OF CHANGES IN RESERVES

Year ended 31 December 2014

	Restricted Funds	Unrestricted Funds	Capital Grants	Results for the year	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 January 2013	23,954,143	8,942,246	348,596	-	33,244,985
Net Surplus for the Year	-	-	-	2,085,949	2,085,949
Balance Before Transfer to Reserves	23,954,143	8,942,246	348,596	2,085,949	35,330,934
Total Comprehensive Income for the Year	-	2,085,949		(2,085,949)	-
Funds Received During the Year	65,928,728	-	-	-	65,928,728
Funds Transferred to Statement of Financial Activities	(58,300,878)	-	-	-	(58,300,878)
Transfer From / (To) Reserves	617,542	(617,542)	-	-	-
Accrued Interest	1,121,334	-	-	-	1,121,334
Returned to Donor	(1,716,312)	-	-	-	(1,716,312)
Balance as at 31 December 2013	31,604,559	10,410,653	348,596	-	42,363,808
Net Surplus for the Year	-	-	-	2,384,761	2,384,761
Balance Before Transfer to Reserves	31,604,559	10,410,653	348,596	2,384,761	44,748,570
Total Comprehensive Income for the Year	-	2,384,761	-	(2,384,761)	-
Funds Received During the Year	68,367,255	-	-	-	68,367,255
Transfer From / (To) Reserves	399,362	(399,362)	-	-	-
Interest Income During the Year	438,828	-	-	-	438,828
Funds Transferred to Statement of Comprehensive Income	(77,508,933)	-	-	-	(77,508,933)
Balance as at 31 December 2014	23,301,071	12,396,052	348,596	-	36,045,719

The accounting policies and notes on pages 39 through 52 form an integral part of the financial statements.

CASH FLOW STATEMENT

Year ended 31 December 2014

	Note	2014	2013
Cash Flows from Operating Activities		Rs.	Rs.
Net Surplus before Taxation		2,839,181	2,751,062
Adjustments for			
Depreciation	5.2	232,865	1,047,058
Provision for Gratuity	11	313,388	369,571
Loss on Sale of Property, Plant & Equipment		-	(254,000)
Interest Income	15	(1,621,930)	(1,254,071)
Net cash flow before Working Capital Changes		1,763,505	2,659,620
Increase in Receivables	7	(6,659)	(1,477,956)
Increase in Creditors	12	1,454,024	1,038,953
Cash Generated from Operations		3,210,869	2,220,617
Payment of Taxes		(639,585)	(410,274)
Gratuity Paid		(96,250)	(961,221)
Net Cash from Project Activities		2,475,034	1,810,343
Cash Flows from/(Used in) Investing Activities			
Purchase of Property, Plant & Equipment	5	(78,470)	(42,840)
Proceeds from Sale of Property, Plant & Equipment		-	254,000
Investment on Short Term Deposits		(205,186)	(314,982)
Interest Income	15	1,621,930	1,254,071
Net Cash from/(used in) Investing Activities		1,338,274	1,150,249
Cash Flows from/(Used in) Financing Activities			
Funds received from Donors unutilized		(8,702,850)	7,650,417
Transfer From		-	(617,542)
Net Cash from/(used in) Financing Activities		(8,702,850)	7,032,875
Net Increase/(Decrease) in Cash and Cash Equivalents		(4,889,542)	9,032,246
Cash and Cash Equivalents at the Beginning of the Year	17	37,800,668	28,768,423
Cash and Cash Equivalents at the End of the Year	17	32,911,126	37,800,668

The accounting policies and notes on pages 39 through 52 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1. CORPORATE INFORMATION

1.1 General

Transparency International Sri Lanka (Guarantee) Limited was incorporated on 23 March 2004 under the Companies Act No. 17 of 1982 as a limited company. It was re-registered on 07 May 2009 under the Companies Act No. 7 of 2007 as a company limited by guarantee.

Transparency International Sri Lanka is domiciled in the Democratic Republic of Sri Lanka. The registered office and the principal place of the Company is located at No. 183/5, High-level Road, Colombo 06.

1.2 Principle activities of the Company

Transparency International Sri Lanka (Guarantee) Limited (TISL) is a National chapter of Transparency International (TI), the leading global movement against corruption. TI raises awareness of the damaging effects of corruption and works with partners in government, business and civil society to develop and implement effective measures to tackle it. TI has an international secretariat in Berlin, Germany, and more than 90 Chapters worldwide.

Transparency International Sri Lanka (Guarantee) Limited (TISL) commenced active operations at the end of 2002 and has since built a strong institution arduously fighting corruption in Sri Lanka. It functions as a self-financing autonomous Chapter of TI with its own strategic directions and priorities.

1.3 Date of Authorization for Issue

The Financial Statements of Company for the year ended 31 December 2014 was authorized for issue in accordance with a resolution of the board of directors on 26 May 2015.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2. BASIS OF PREPARATION

2.1 Basis of Preparation

The Financial Statements of Transparency International Sri Lanka have been prepared in accordance with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Governmental Organization) (SL SoRP-NPO's [including NGO's]) issued by the Chartered Accountants of Sri Lanka.

The Financial Statements are presented in Sri Lanka Rupees and have been prepared on a historical cost basis.

2.3 Comparative Information

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The previous year's figures and policies have been re arranged wherever necessary to confirm the current year's presentation.

2.4 Changes in Accounting Policies and Disclosures

The Accounting policies have been consistently applied, unless otherwise stated, and are consistent with those used in previous years, except for the changes in accounting policies specified by the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Governmental Organization) (SL SoRP-NPO's [including NGO's]) issued by the Chartered Accountants of Sri Lanka.

2.5 Going Concern

The Financial Statements of the Company have been prepared on the assumption that the Company would be able to continue its operations in the foreseeable future.

2.6 Use of Estimates and Judgements

The presentation of Financial Statements in conformity with Sri Lanka Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of Accounting Policies and the reporting amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates and judgemental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are reviewed affects only that period or in the period of the revision and future periods if the revision affects both current and future period.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICITES

3.1 Translation of Foreign Currency

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the Statement of Financial Position date and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any resulting exchange gains and losses are accounted for in the Statement of Comprehensive Income except for gains or losses relating to items adjusted through the Accumulated Fund which are reflected therein.

3.2 Taxation

Current Taxes

Board of Directors of the Company is of the view that it does not come under the definition of a Non-Governmental Companys (NGOs) as being a limited by Guarantee Company. Accordingly the grants and donations received by TISL are not liable for income tax. Interest Income is taxed at 28%.

3.3 Accounting for the Receipts & Utilization of Funds

3.3.1 Funds

a) Unrestricted Funds

Unrestricted funds are those that are available for use by the Company at the discretion of the board, in furtherance of the general objectives of the Company and which are not designated for any specific purpose.

Surplus funds are transferred to unrestricted funds in terms of the relevant donor agreements or with the subsequent approval of the Donor.

Surplus funds are transferred for restricted funds to unrestricted funds in terms of the relevant donor agreements or with subsequent approval of the donor.

b) Restricted Funds

Where grants are received for use in an identified project or activity, such funds are held in a Restricted Fund account and transferred to the Statement of Comprehensive Income to match with expenses incurred in respect of that identified project. Unutilized funds are held in their respective fund accounts and included under Accumulated Fund in the Statement of Financial Position until such time as they are required.

Funds collected through a fund raising activity for any specific or defined purpose are also included under this category.

Where approved grant expenditure exceeds the income received and there is a certainty that the balance will be received such amounts recognized through debtors in the Statement of Financial Position.

The activities for which these Restricted Funds may and are being used are identified in the notes to the Financial Statements.

c) Investment income and other gains realized from funds available under each of the categories are allocated to the appropriate funds, unless the relevant agreement or minute provides otherwise.

3.3.2 Grants and Subsidies

Grants and subsidies related to assets are deferred in the Statement of financial position and recognized as income over the life of depreciable asset by way of a reduced depreciation charge in the Statement of Comprehensive Income over the useful life of the asset.

3.4 Receivables

Receivables are stated at the amounts they are estimated to realize net of allowances for bad and doubtful receivables.

3.5 Cash & Cash Equivalents

Cash and cash equivalents are defined as cash in hand, short term investments readily convertible to identified amounts of cash and which are not subject to any significant risk of change in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash in hand and bank deposits, net of outstanding bank overdrafts.

3.6 Valuation of Assets and their Measurement bases

3.6.1 Property Plant & Equipment

a) Cost and Valuation

Property, Plant & Equipment is stated at cost excluding the cost of day to day servicing less accumulated depreciation and accumulated impairment in value.

Property, Plant and Equipment is purchased as a part of a project is capitalised at the completion of projects at cost less accumulated depreciation and accumulated impairment is in value.

b) Depreciation

Depreciation is provided for on all assets on the straight line basis and is calculated on the cost or revalued amount of all Property, Plant and Equipment less any terminal value in order to write off such amounts over the estimated useful lives of such assets. Depreciation is provided on assets commencing from the year assets are available for use. Where project assets are subsequently transferred to Property, Plant &Equipment a corresponding amount is credited to capital grant account. Depreciation charged on these assets is set off against the amortization of this capital grant.

d) Donated Asset

When Property, Plant and Equipment is purchased as a part of a project through restricted funds until the conclusion of the project or if on conclusion of the project, the assets is not handed over to the beneficiary or returned to the original donor the cost of the asset is included in a memorandum inventory of property, plant and equipment identified as such in the Financial Statements. Depreciation is not provided on such assets.

3.7 Investments

Fixed Deposits and other interest bearing securities held for resale in the near future to benefit from short term market movements are accounted for at cost plus the relevant proportion of the discounts or premium.

3.8 Liability and Provisions

3.8.1 Retirement Benefit obligations

(a) Defined Benefit Plan- Gratuity

Retirement Gratuity is a Defined Benefit Plan. The Company is liable to pay gratuity in terms of the relevant statute. In order to meet this liability, a provision is carried in the Statement of financial position hat is based on a half months salary as of the last month of the financial year for all employees for each completed year of service commencing from the first year of service. The difference between the provision that is brought forward at the beginning of the year and the provision that is required to be carried forward at the end of the year is adjusted through the Statement of Comprehensive Income.

This provision is not externally funded. However in accordance with the payment of Gratuity Act No 12 of 1983, this liability arises only on the completion of five years of continued service of any employee.

(b) Defined Contribution Plans

All employees are eligible to contribute to the Employees Provident Fund and the Employees Trust Fund in accordance with the relevant statutes and regulations. The Company contributes 12% and 3% of the gross emolument of the employees to the Employees Provident Fund and to the Employees Trust Fund respectively.

3.9 Statement of Comprehensive Income

3.9.1 Income Recognition

(a) Incoming Resources

Income realized from restricted funds is recognized in the Statement of Comprehensive Income only when there is a certainty that all conditions for receipt of funds have been complied with and the relevant expenditure that it is expected to compensate has been incurred and charged to the Statement of Comprehensive Income. Unutilized funds are carried forward as such in the Statement of Financial Position.

All other income is recognized when the Company is legally entitled to the use of such funds and the amount can be quantified.

(b) Revenue Earned from Other Activities

Interest earned is recognized on an accrual basis.

Revenue earned on services rendered is recognized in the accounting period in which the services are rendered.

Other income is recognized on an accrual basis.

3.9.2 Expenditure Recognition

(a) Expenses in carrying out the projects and other activities of the Company are recognised in the statement of Comprehensive Income during the year in which they are incurred. Other expenses incurred in administering and running the Company and in restoring and maintaining the property, plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the Comprehensive Income.

(b) For the purpose of presentation, of the statements of Comprehensive Income, the Management is of the opinion that the function of expenses method, presents fairly the elements of the Company's performance, and hence such a presentation method is adopted.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

4.	INCOMING RESOURCES	2014	2013
		Rs.	Rs.
	Restricted Funding	77,508,933	58,300,878
		77,508,933	58,300,878

5.	PROPERTY, PLANT & EQUIPMENT	Balance As at	Additions	Disposals	Balance As at
5.1	Gross Carrying Amounts	01.01.2014			31.12.2014
	At Cost	Rs.	Rs.	Rs.	Rs.
	Furniture & Fittings	1,595,311	44,910	-	1,640,221
	Office Equipments	4,293,196	5,980	-	4,299,176
	Computers	2,209,425	27,580	-	2,237,005
	Motor Vehicle	78,000	-	-	78,000
		8,175,932	78,470	-	8,254,402
	Total Gross Carrying Amount	8,175,932	78,470	-	8,254,402

5.2	Depreciation	As at 01.01.2014	Charge for the Year	Disposals	As at 31.12.2014
	At Cost	Rs.	Rs.	Rs.	Rs.
	Furniture & Fittings	1,577,515	17,601	-	1,595,116
	Office Equipments	4,148,869	112,107	-	4,260,976
	Computers	2,114,343	95,033	-	2,209,376
	Motor Vehicle	69,875	8,124	-	78,000
		7,910,602	232,865	-	8,143,467
	Total Depreciation	7,910,602	232,865	-	8,143,467

5.3	Net Book Values	As at 01.01.2014			As at 31.12.2014
		Rs.	Rs.	Rs.	Rs.
	Total Carrying Value of Property, Plant & Equipment	265,330			110,935

5.4	During the financial period, the Company has acquired Property, Plant & Equipment amounting Rs.78,470/- (2013 Rs.42,840/-).		
5.5	The useful lives of the assets are estimated as follows;	2014	2013
	Furniture & Fittings	Over 4 Years	Over 4 Years
	Office Equipments	Over 4 Years	Over 4 Years
	Computers	Over 4 Years	Over 4 Years
	Motor Vehicle	Over 4 Years	Over 4 Years

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

6.	**SHORT TERM DEPOSITS**	2014	2013
		Rs.	Rs.
	Fixed Deposits	3,432,193	3,227,007
		3,432,193	3,227,007

7.	**RECEIVABLES**	2014	2013
		Rs.	Rs.
	Deposits & Prepayments	1,345,247	2,235,944
	Advances	951,780	1,229,682
	Other Receivables	1,928,216	752,958
		4,225,243	4,218,584

8.	**RESTRICTED FUNDS**	2014	2013
		Rs.	Rs.
	Balance as at Beginning of the Year	31,604,559	23,954,143
		31,604,559	23,954,143
	Funds Received During the Year	68,367,255	65,928,728
	Interest Income During the Year	438,828	1,121,334
	Funds Transferred to Statement of Comprehensive Income	(77,508,933)	(58,300,878)
	Transfer from Unrestricted Fund	399,362	617,542
	Returned to Donor	-	(1,716,312)
	Balance as at 31 December 2013	23,301,071	31,604,559

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

8. RESTRICTED FUNDS (Contd...)

8.1 Movements in Restricted Funds - 1 January to 31 December 2014

Name of Donor Organisation	Project	Budget for the Year	Balance Brought forward	
		Rs.	Rs.	
Ministry of Foreign Affairs	From Co-donors	29,221,553	9,519,109	
FES	Investigative Journalism workshop		(399,362)	
FK-2013/14	Exchange Programme - TI South Asian Chapters	2,108,397	2,108,397	
NED Washington D C USA	Galle Capacity Building Project-2 DS Divisions	3,668,520	1,987,878	
NED Washington D C USA	YIP Project	5,400,000		
TI Secretariat	Advocacy of Legal Advice center	12,813,778	9,813,778	
Taiwan Foundation	Governance Report	-		
TI Secretariat	Youth Programme	1,119,223	1,119,223	
TMMF Korea	Advocacy of Legal Advice center	438,828	438,828	
TI Secretariat	National Integrity Context and System Analysis	4,420,593	4,420,593	
TIS -Sustainability Grant	Sustainability Grant	-		
SIDA	PPPR	-		
DIAKONIA	Promoting Principals of Democracy	-		
Inter News	Inter News	4,932,158	1,263,064	
British High Commission	Protection of Public Property (election Monitoring)			
Rectification of Reserves			617,542	
German Embassy	Protection of Public Property (election Monitoring)	2,425,000		
Swiss Embassy	Protection of Public Property (election Monitoring)	6,320,462	715,508	
Spice		5,136,830		
TIS - YIP 2	Building Young Change - YIP	2,520,000		
TIS - NIS	Public sector integrity	3,360,000		
Helvetas	Helping citizens to Strength Governance	1,500,000		
Total for ongoing Project		85,385,343	31,604,559	

Received/ during the year	Total available in current Year	Transferred to statement of Comprehensive Income for Project Cost	Transferred to statement of financial activities for Administrative	Total Transferred to statement of Comprehensive Income	Reclassification of Reserves	Balance carried forward
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
14,751,884	24,270,993	17,457,583	1,402,008	16,055,575		8,215,418
	(399,362)			-	399,362	-
7,647,762	9,756,160	4,831,581		4,831,581		4,924,579
3,862,553	5,850,431	3,752,407		3,752,407		2,098,024
1,918,938	1,918,938	4,802,076		4,802,076		(2,883,138)
8,167,466	17,981,244	8,232,972	438,828	7,794,144		10,187,100
384,300	384,300	714,615		714,615		(330,315)
1,256,819	2,376,042	3,239,652	(863,611)	4,103,263		(1,727,222)
	438,828			-		438,828
1,392,271	5,812,864	3,349,674		3,349,674		2,463,190
4,174,342	4,174,342	4,288,489		4,288,489		(114,147)
	-			-		-
8,990,406	8,990,406	9,415,577		9,415,577		(425,171)
2,821,641	4,084,705	5,883,408		5,883,408		(1,798,703)
	-	891,278		891,278		(891,278)
	617,542			-	-	617,542
2,425,000	2,425,000	829,089		829,089		1,595,911
4,926,011	5,641,519	6,437,758		6,437,758		(796,239)
1,840,000	1,840,000	897,876		897,876		942,124
1,215,750	1,215,750	416,438		416,438		799,312
1,592,112	1,592,112	125,000		125,000		1,467,112
1,000,000	1,000,000	1,943,459	(538,397)	2,481,856		(1,481,856)
68,367,255	99,971,812	77,508,933	438,828	77,070,105	399,362	23,301,071

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

9.	UNRESTRICTED FUNDS	2014	2013
		Rs.	Rs.
	Balance as at Beginning of the Year	10,410,653	8,942,246
	Transfer to Reserves	(399,362)	(617,542)
	Total Comprehensive Income for the Year	2,384,761	2,085,949
	Balance as at End of the Year	12,396,052	10,410,653

10.	CAPITAL GRANTS	2014	2013
		Rs.	Rs.
	Balance as at Beginning of the Year	348,596	348,596
	Transfer to Statement of Income & Expenditure- Amortization	-	-
	Capitalize During the Year	-	-
	Balance as at End of the Year	348,596	348,596

11.	RETIREMENT BENEFIT LIABILITY	2014	2013
	Retirement Benefits Obligation-Gratuity	Rs.	Rs.
	Balance as at Beginning of the Year	1,020,350	1,612,000
	Charge for the Year	313,388	369,571
	Payments Made During the Year	(96,250)	(784,324)
	Adjustments Made During the Year	-	(176,897)
	Balance as at End of the Year	1,237,488	1,020,350

12.	CREDITORS	2014	2013
		Rs.	Rs.
	Accrued Expenses	1,307,095	691,832
	Other Payables	1,864,894	1,026,133
		3,171,989	1,717,965

13.	PROJECT EXPENSES	2014	2013
		Rs.	Rs.
	Staff (13.1)	13,943,421	10,535,236
	Direct Cost (13.1)	49,271,145	28,463,448
	Indirect Cost (13.1)	3,473,821	2,886,631
		66,688,387	41,885,315

14.	INCOME TAX EXPENSES	2014	2013
	Current Income Tax	Rs.	Rs.
	Current Tax Expense on Ordinary Activities for the Year	454,420	665,113
		454,420	665,113

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

13. PROJECT EXPENDITURE (Contd..)

(..Project Activity Summary For the year ended 31st December 2013 (Contd

Activity/Project	Donor Organization	Project Budget Year 2014	Transferred From Restricted Fund	Total Amount Expended			Total Expenses
				Staff Cost	Direct Project COST	Indirect Project COST	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
National & Local Governance							
Women And Corruption	MFA	900,000	756,337	20,419	585,068	150,850	
Galle District Programe NED	NED	3,752,407	3,775,720	795,261	2,845,054	152,500	
Youth Program	NED 2	5,715,000	4,770,910	644,501	4,120,453	24,955	
Sambashana	MFA	1,068,000	482,521	-	215,270	267,252	
News Letter	MFA	500,000	484,043	37,000	465,293	31,987	
Engaging Young People YIP	TIS	9,165,836	1,969,900	696,277	1,235,260	35,628	
Governance Report	MFA	1,020,000	1,048,365	33,000	783,915	231,450	
Develop Resource Material ALAC	TIS	18,500,000	10,264,009	3,040,204	7,027,794	196,670	
NICSA	TIS	2,084,000	4,216,774	930,004	2,936,770	-	
Internews	Internews	-	5,880,451	812,915	5,119,236	-	
Develop Resource Material	DIAKONIA	-	8,343,032	2,359,826	5,268,214	809,753	
Fund raising Project	TIS	-	4,392,619	1,633,032	2,759,587	-	
Mapping, Identifying (Coalition)	MFA	250,000	265,707	15,000	131,479	119,228	
Study on Private Sector	MFA	200,000	181,508	-	181,508	-	
NIA	MFA	2,300,000	2,257,289	3,560	2,221,338	117,691	
RTI and Whistle blow	MFA	350,000	450,517	368,530	-	31,987	
Engaging with the Public Sector	MFA	150,000	120,469	-	3,901	116,588	
Building Young Change - YIP	TIS	2,520,000	1,873,343	576,400	1,296,423	520	
Protection of Public Property (election Monitoring)	SWISS/BHC/ GER	15,926,318	9,349,078	-	9,556,424	-	
Shelter for Integrity and Participant	SPICE	5,136,816	932,332	337,172	551,705	-	
Exchange Programme - TI South Asian Chapters	FK	3,492,500	4,853,656	1,640,321	1,966,453	1,186,762	
TOTAL PROGRAM COST		73,030,877	66,668,583	13,943,421	49,271,145	3,473,821	66,688,387
Administration Expenses		16,855,847	10,841,645	5,649,982	5,191,663	-	10,841,645
Total Expenses		16,855,847	77,510,228	19,593,403	54,462,808	-	77,530,032

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

15.	REVENUE EARNED FROM OTHER ACTIVITIES	2014	2013
		Rs.	Rs.
	Sundry Income	1,000	69,010
	Interest Income	1,621,930	1,254,071
	Profit on Sale of Asset	-	254,000
	Amounts Write Off	-	989,584
	Recourse Personnel Income	-	7,500
	Administration Income - FK	1,237,350	-
	Gratuity Adjustment made During the Year	-	176,897
		2,860,280	2,751,062

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

16.	ADMINISTRATIVE EXPENSES	2014	2013
		Rs.	Rs.
	Salaries	5,649,982	7,965,887
	Consultancy Fees	-	78,368
	Audit Fee	152,160	182,491
	Staff Welfare	133,435	163,579
	Gratuity	313,388	369,571
	Travelling	79,842	58,323
	Insurance -Business Guard	574,548	760,297
	Printing and Stationery	151,785	99,208
	Postage, Stamps and Courier Charges	17,565	2,309
	Telephone / Internet Charges	245,320	305,983
	Water Rates	16,300	68,019
	Electricity	287,239	689,864
	Office Rent	827,700	1,644,560
	Equipment Maintenance	63,085	267,937
	Office Maintenance	30,296	188,648
	Security	490,941	701,185
	IT Maintenance	34,107	42,958
	Vehicle Maintenance	16,984	16,003
	Fuel	15,480	28,185
	Depreciation	232,900	929,396
	Bank Charges	15,132	66,558
	PAYE, EPF Surcharge	-	695
	Secretarial Fees	92,765	33,116
	Miscellaneous Expenses	-	5,201
	Office Reallocation	3,155	1,214,330
	Janitorial Charges	143,264	202,245
	Board Meeting Expenses	19,635	54,220
	AGM Expenses	397,750	276,427
	Amount written off	532,225	-
	Planning Meetings	175,427	-
	Accounting Package Maintenance	17,136	-
	Accidental Expenses	75,693	-
	Legal Expenses	3,840	-
	News Paper	4,370	-
	Web Maintenance	21,261	-
	Recruitment Cost	6,935	-
		10,841,645	16,415,563

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

17.	CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	2014	2013
	Components of Cash and Cash Equivalents	Rs.	Rs.
	Favorable Cash & Cash Equivalents Balance		
	Balance at Bank	32,857,026	37,774,038
	Cash in Hand	54,100	26,630
		32,911,126	37,800,668

18.	CAPITAL COMMITMENTS
	There are no capital commitments as at 31 December 2014

19.	CONTINGENT LIABILITIES
	The Company does not have significant contingent liabilities as at the 31 December 2014.

20.	EVENTS OCCURRING AFTER THE BALANCE SHEET DATE
	There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the Financial Statements.

21.	RELATED PARTY DISCLOSURES

21.1	Transactions with Key Management Personnel of the Organization		
	The key management personnel are the members of the senior management committee being responsible for project management, General management and implementation of policy decisions. None of these key personnel are members of the board of directors of TISL. No member of the board of directors receives any salary or other compensation.		
		2014	2013
a)	Key Management Personnel Compensation	Rs.	Rs.
	Short - Term Employee Benefit	5,685,720	4,329,903

DONORS

Ministry of Foreign Affairs Norway
FK-2013/14
NED Washington D C USA
TI Secretariat
Taiwan Foundation
TMMF Korea
SIDA
DIAKONIA
Inter News
British High Commission
German Embassy
Swiss Embassy
Spice
Helvetas

CORPORATE INFORMATION

NAME
Transparency International Sri Lanka
Company Registration No - GA 279

LEGAL STATUS
Company Limited by Guarantee incorporated in Sri Lanka

DATE OF INCORPORATION
23 March 2004 under the Companies Act No.7 of 1982
Re-registered under the Companies Act No.7 of 2007

REGISTERED OFFICE
No 183/5, High Level Road, Colombo 6, Sri Lanka

Telephone : 011 4369781
Fax : 011 2514588
E-mail : tisl@tisrilanka.org
Web : www.tisrilanka.org

COMPANY SECRETARY
Charuni Gunawardana LLB (Hons) LLM

AUDITORS
Ernst & Young
Chartered Accountants

BANKERS
Commercial Bank of Ceylon PLC

www.tisrilanka.org

Transparency International Sri Lanka
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