

**20 ANNUAL
15 REPORT**

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20 ANNUAL 15 REPORT

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

Dear Members,

The political transition of 2015 marks a significant shift for Transparency International Sri Lanka (TISL). Having previously endured a period of political intimidation and curtailed civil society freedom, the presidential election of January 2015, followed by the general election of August 2015 marked a thawing within the governance space.

Mr Asoka Obeyesekere joined as the Executive Director of TISL and in making this appointment; the Board has invested in dynamic leadership, which will help forge TISL as a leader in new thematic areas such as open governance, which forms a key part of our strategic vision for 2020. Similarly, the board envisages a reorientation towards a new anti-corruption culture in TISL's future engagements.

In this new environment TISL and civil society have been given the opportunity to freely associate and convene, and with the passing of the 19th amendment, the independence of the key commissions gives new hope for the people. These changes in the overall socio-political environment have allowed for increased opportunities for engagement between state bodies and TISL.

This change in external environment does however pose challenges. In re-engaging with government, TISL must pre-emptively think about the continuous need to maintain objectivity. This is a responsibility and challenge for the board, management and our members. In this new environment TISL must remain mindful of the aspirations of citizens who place trust in our organisation to advocate for a stronger anti-corruption space. The board will continue to lend all its support and guidance to

the organisation through this period of transition and we are confident of our ED's ability to lead the organisation with his team.

I must finally extend my gratitude to the donor community who have steadfastly remained committed to the goals of TISL. I must also thank my fellow members of the TISL board who have devoted a lot of time and energy in ensuring that TISL remains the leading voice in building a nation of integrity.

Yours sincerely,

Lakshan Dias
Chairperson of the Board of Directors
Transparency International Sri Lanka



EXECUTIVE DIRECTOR'S MESSAGE

Dear Members,

Having assumed my role on 1st October 2015, I am humbled by the opportunity to lead TISL and am grateful for the support and encouragement received from the membership, the board and foremost from my staff.

2015 has witnessed TISL playing several key roles. We performed a vital role as the sole election observer focussed on the abuse of public resources at both the Presidential and General Elections. We also maintained our long-standing commitment to enhancing the capacity of investigative journalists in addition to conducting our 12th consecutive National Integrity Awards (NIA) ceremony.

Through our Shelter for Integrity, we have been able to continue our legal advisory assistance to citizens, particularly those who face an up hill battle in navigating through the state bureaucracy. A particular success has been our work in Paanama, which has resulted in villagers having an order in their favour to regain unlawfully acquisitioned land. Our work in Vavuniya has also seen an unprecedented number of youth volunteers come forward to assist in documenting evidence on land rights violations.

Our work with trade unions has allowed for steps to be taken to systematically document corruption issues within the state and increase publicity through the media-convening platform of TISL. Similarly, the longstanding commitment to promote the Right to Information has been served through TISL playing an important civil society convening role in the observation stage of the RTI Bill drafting process.

We also engaged in direct legislative advocacy, with the circulation of a legislative brief highlighting key improvements to the draft RTI Bill, along with the championing of a draft amendment Bill to the Declaration of Assets and Liabilities Act, which would enhance the right of the public to scrutinize asset declarations.

These varied impact areas illustrate the capacity and resilience of TISL in advocating for a nation that upholds integrity. It also reflects on the unstinting support of our donors who have partnered us over the years. In light of these successes, we can look forward to 2016 and the opportunities that will arise through our new strategic vision for 2020.

My team and I look forward to working with you closely on these endeavours.

Yours sincerely,

S.C. Asoka Obeyesekere
Executive Director
Transparency International Sri Lanka





ELECTIONS 2015

ELECTORAL INTEGRITY



The program for the Protection of Public Resources (PPPR), the election-monitoring arm of TISL, was a leading local observer group taking preventive and remedial action against the misuse of public resources during the landmark Presidential and Parliamentary elections held in January and August 2015 respectively. The campaign period leading up to the Presidential election in 2015 recorded the highest amount of complaints on public resource misuse that the PPPR has ever recorded with 373 verified complaints on the deployment of public officials, government vehicles and buildings, State funds and distribution of goods bought by State funds for electioneering purposes. Similarly the PPPR recorded 351 complaints on misuse of public resources during the Parliamentary election with the most complaints coming from the Colombo and Kurunegala Districts. Based on the complaints reported during the January 2015 Presidential Elections, the Election Commissioner was able to take preventive action in preparation for the August 2015 Parliamentary Elections. In addition, the recommendations made by TISL after the Presidential Elections aided in the

Election Commissioner strengthening media guidelines for the Parliamentary Elections.

Further to the election monitoring activities carried out by TISL, the organization also commenced its Electoral Integrity program in mid-2015 with a focus on strengthening electoral processes and systems in Sri Lanka. Supported by the European Union, this program gave TISL a unique opportunity to work in partnership with the People's Action for Free and Fair Election (PAFFREL) and Campaign for Free and Fair Election (CaFFe), two of the leading actors in the field of election observation. In addition to election monitoring, the program focuses on enhancing voter understanding of their rights and roles, increasing women's participation in politics, advocating for representative and equitable electoral systems, promoting stronger regulations to the Election Commission, training media on election reporting and supporting movements such as the March 12th Movement on clean politics.

Throughout last year, activities have been conducted to enhance the knowledge of local observers on delimitation, provide identification documents to people living in internally displaced camps (IDP) and resettled areas in the Northern Province, support the bill of amendments to the Declaration of Assets and Liabilities Act, create discourse about electoral issues such as the absence of a campaign expenditure ceiling and the need for an equitable quota system to increase women's participation in mainstream politics.



Prior to the 2015 Presidential Election the PPPR discovered army personnel at the Postal Department stamping a leaflet with the image of the incumbent President, Mahinda Rajapakse. The Army Commander was sending the leaflets to 210,000 families of army personnel at the postage cost of Rs.5.5 million, which was paid for by State Funds. PPPR intervened in this blatant manipulation of public resources for election purposes and stopped the distribution of the leaflets.

PPPR'S DIRECT INTERVENTION AGAINST THE MISUSE OF STATE RESOURCES.

TISL was the first to expose a staggering Rs.600 million worth of Sil Redhi, material used for Buddhist religious attire, to be distributed island wide, as yet another instance of misuse of public resources during the Presidential Election. The cloth was distributed with propaganda material inserted into the Sil Reddhi package. This included a booklet in some cases and a note about the UPFA candidate in others. TISL's intervention derailed the distribution of Sil Redhi and legal action was taken against the responsible parties.

373

NO OF COMPLAINTS ON PUBLIC RESOURCE MISUSE RECORDED BY PPPR DURING PRESIDENTIAL ELECTION 2015

351

NO OF COMPLAINTS ON PUBLIC RESOURCE MISUSE RECORDED BY PPPR DURING PARLIAMENTARY ELECTION 2015





**HOLDING THE STATE
TO ACCOUNT**
**THE SHELTER
FOR INTEGRITY**



The Advocacy and Legal Advice Centre (ALAC) is a versatile model of legal aid used by Transparency International (TI) chapters throughout the world. TISL's ALAC, conducted under the name "Shelter for Integrity," empowers people to fight corruption and injustice by providing a grievance redress mechanism for those affected by corruption. The Shelter for Integrity also enables TISL to identify key corruption issues affecting the people, design sustainable solutions and advocate for change. In 2015 the Shelter for Integrity provided advice and support to 1552 clients.

In addition to receiving victims and witnesses of corruption and malpractices at the Shelter for Integrity offices in Colombo, Vavuniya, Batticaloa and Matara, the Shelter for Integrity organized a total of 35 workshops and awareness raising programmes. TISL reached marginalized communities and vulnerable groups that have limited mobility through 17 mobile legal clinics in Monaragala, Hambanthota, Paanama, Matara, Trincomalee, Wellawaya and Galle.

The Shelter for Integrity also serves as a focal point for anti-corruption outreach. In 2015 TISL formed a network of Community Based Organisations (CBOs) and individuals who participate in the Shelter for Integrity anti-corruption initiatives. Over 50 Public Institutions and Civil Society Organizations throughout the country collaborated with the Shelter for Integrity and the Volunteers Network for Anti-corruption counted over 600 members at the end of 2015 supporting TISL's anti-corruption activities.

The Shelter for Integrity is TISL's main mobilizing force against corruption. By proving that corruption and injustice can be challenged the Shelter for Integrity supports citizens in holding the state accountable and combating injustice.

The 2010 Uma Oya Multipurpose Project displaced people from their homes, caused landslides, damaged property and contaminated drinking water. ALAC offered free legal advice and submitted complaints to the Human Rights Commission (HRC) of Sri Lanka on behalf of the affected communities. ALAC also created media awareness about problems resulting from the project. On 30th September 2015 the Human Rights Commission of Sri Lanka expedited complaints made by victims of the Uma Oya Multipurpose Project and awarded 6 recommendations in favour of the complainants. ALAC's intervention on behalf of the victims contributed to this positive outcome.

CHALLENGING CORRUPTION: ALAC AND THE UMA OYA MULTIPURPOSE PROJECT

1552

NO OF CLIENTS WHO RECEIVED LEGAL ADVICE AND ASSISTANCE FROM SHELTER FOR INTEGRITY

694

NO OF MEMBERS IN THE 'VOLUNTEERS NETWORK FOR ANTICORRUPTION'

70%

PERCENTAGE OF CLIENTS SHELTER FOR INTEGRITY HELPED RESOLVE ISSUES

Paanama, a village located in the Eastern Province of Sri Lanka, was the site of illegal land grabbing in 2010. The military were responsible for unlawfully acquiring land in Paanama which was later used by the Sri Lankan Navy and Air Force to construct tourist hotels. ALAC's Shelter for Integrity assisted villagers with legal advice and in the provision of mobile legal clinics. They received 167 complaints and made official appeals to the District Secretary and Divisional Secretary on behalf of the villagers. In August 2015 the Presidential Secretariat issued a letter to the District Secretary advising them to commence proceedings to return the unlawfully acquisitioned village land to its rightful owners. Discussions on the redistribution of land in Panaama began in December 2015.

ILLEGAL LAND GRABBING IN PAANAMA: ALAC'S TIMELY INTERVENTION

50

NO OF PUBLIC INSTITUTIONS AND CIVIL SOCIETY ORGANIZATIONS THAT HAVE PARTNERED WITH SHELTER FOR INTEGRITY

2ND

ALAC SRI LANKA IS RATED AS HAVING THE 2ND HIGHEST CLIENT BASE IN THE WORLD

ainst fra

NO Corruption

inst

Again





**ACCOUNTABILITY AND
GOOD GOVERNANCE
ENGAGING YOUTH**



In 2015 TISL increased its youth engagement through a wide range of activities with youth in the Northern and Southern Provinces. All activities aim to engage and mobilize youth to actively participate in implementing good governance within their communities. This work was supported by the National Endowment for Democracy (NED) and USAID through the Supporting Professional and Institutional Capacity Enhancement (SPICE) Project and implemented through the Shelter for Integrity regional centres.

TISL's engagement in the North tied into the implementation of the Lessons Learned and Reconciliation Commission (LLRC) recommendations. This included the compiling of 30 evidenced based reports on issues raised by the LLRC, which involved 120 young persons in data collection and evidence based reporting. The production of these reports facilitated free legal advice for victims and allowed for the issues to be taken up with the responsible authorities. Further to this, TISL also provided training to 48 students, activists and young professionals on the National Plan of Action (NPoA) and the LLRC.

Over the year, 10 Citizen Committees were formed with 8 in the Northern Province and 2 in the Southern Province. The formation of these Citizen Committees opened up a space for governance and human rights issues to be publicly discussed and resolved. For example, in the Jaffna District, two Sambashanas were held on the Right to Information Bill, with the participation of Citizen Committees. 154 youth attended these discussions. The establishment of the Citizens Committees has resulted in an increased demand for transparency and accountability from administrators and policy makers in those areas, especially with regard to development and reconciliation.

The Shelter for Integrity plays a key role in TISL's youth outreach. In 2015 the Shelter for Integrity engaged youth to create greater awareness about its work among grassroots communities. The youth carried out 10 poster campaigns in both the North and the South of Sri Lanka in order to advertise the services of the Shelter for Integrity's free mobile legal clinics. It is estimated that they reached 30,000 people through this promotion. The involvement of young people in the Shelter for Integrity's poster campaign resulted in a deeper understanding and appreciation of community related problems.

In addition, TISL organized art and culture programs that mobilized youth from the North and the South to develop and promote activities against corruption. A total of 187 youth participated in photographic exhibitions and street dramas held in the Galle District which highlighted injustice and corruption on the island .



TISL's involvement with young people and youth volunteers has had an island-wide impact on diverse communities. Engaging young persons in anti-corruption work remains a progressive and influential method by which to impact the next generation of activists.



In 2015 a number of young people joined the Kayts Citizens Committee, increasing its membership from 10 to 30 persons. TISL helped bring about reconciliation between three factions in Kayts who had been in conflict for 3 years; that is the Kayts Grama Sevaka, its religious leaders and youth groups. Reconciliation between these three groups led to greater cooperation in resolving local community issues with the youth facilitating a successful free mobile legal clinic for individuals facing problems with their legal documents. Eventually the Kayts Grama Sevaka Division was able to establish its own database for legal documents through the support of youth members.

TISL AND THE NEXT GENERATION

OVER 2000

NO OF VICTIMS WHO ARE NOW AWARE OF FORMAL AND INFORMAL PROCESSES OF GRIEVANCE REDRESSAL MECHANISMS

403

NO OF VICTIMS WHO RECEIVED FREE LEGAL ADVICE

47

NO OF VICTIMS ASSISTED BY YOUTH ACTIVISTS TO TAKE ACTION BASED ON THE LEGAL ADVICE THEY RECEIVED



0%

Tolerance

for

CORRUPTION

TRANSPARENCY
INTERNATIONAL
SRI LANKA





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නොමැතිවූයේ ඉරිදි

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STRENGTH IN UNITY
BUILDING COALITIONS

COFFE
British High Commission Colombo
DIP
TRANSPARENCY INTERNATIONAL



NATIONAL INTEGRITY AWARD

Every year, through the National Integrity Award (NIA), TISL recognises the efforts of Sri Lanka's anti-corruption champions, for their dedicated work towards actively fighting corruption and promoting principles of good governance. Held for the 12th consecutive year in 2015 TISL recognised two individuals who have worked to create a nation that upholds integrity.

The NIA is TISL's signature event organized to commemorate the United Nations International Anti-

Corruption Day. Held annually on the 9th of December, this day is dedicated to increasing public awareness and commitment to fighting corruption.

The NIA ceremony, held at Independence Square, was attended by the President of Sri Lanka, Maithripala

Sirisena and other high-level dignitaries including the Chairman of the Commission to Investigate Allegations of Bribery or Corruption (CIABOC), Justice T.B Weerasuriya and the Director-General of CIABOC, Dilrukshi Dias Wickramasinghe. The UN Resident Coordinator and UNDP Resident Representative Subinay Nandy was the Special Guest Speaker.

TISL presented its National Integrity Award for 2015 to Victor Ivan, the founder and former editor of the Weekend Newspaper Ravaya, for playing a critical and selfless role in establishing and empowering independent commissions in Sri Lanka. TISL posthumously awarded Ven. Maduluwawe Sobitha Thero, the NIA Award of Excellence for his lifelong work and commitment towards establishing good governance and integrity in Sri Lanka.

The NIA receives extensive media coverage and the NIA Awards ceremony in 2015 was no exception. Through the NIA, a unique platform has been created by which to recognise the incredible work carried out by Sri Lankan citizens in their communities to expose and combat corruption and misappropriation in all its forms.



OVER 2500

NO OF PERSONS WHO JOINED THE WALK
AGAINST CORRUPTION

VICTOR IVAN

WINNER OF THE NATIONAL INTEGRITY
AWARD 2015

VEN. MADULUWAVE SOBITHA THERO

POSTHUMOUSLY AWARDED THE NATIONAL
AWARD OF EXCELLENCE 2015

As the only organisation in Sri Lanka that works exclusively to combat corruption in the country, TISL has played a key role in commemorating the United Nations International Anti-Corruption Day.

In 2015 TISL joined hands with the Commission to Investigate Allegations of Bribery or Corruption (CIABOC), the primary state anti-corruption body, to commemorate the day. TISL took the lead in organizing activities under the common slogan '0% Tolerance for Corruption', reflecting the UN theme "Break the Corruption Chain". Over 2500 persons from diverse backgrounds participated in the day's events, signalling the growing interest in the fight against corruption.

Starting at the Viharamahadevi Park in Colombo, 'The Walk against Corruption' initiated the day's activities. Politicians, government officials, trade union leaders, civil society leaders and professionals participated in the walk, which ended at Independence Square. As a special part of the activities organized for Anti-Corruption Day, Asoka Obeyesekere, Executive Director of TISL, presented an Amendment to the Declaration of Assets and Liabilities Act to the President of Sri Lanka, the Speaker of Parliament, the Commissioners of CIABOC and other dignitaries. This Bill of Amendment aims to empower the media and the general public with the ability to scrutinize and discuss the asset declarations of public servants, which is restricted in the original Act

UN ANTI-CORRUPTION DAY
9TH DECEMBER 2015



MAKING THE NEWS TISL'S ENGAGEMENT WITH THE MEDIA

For over ten years TISL has worked closely with the community of journalists in Sri Lanka, recognizing the vital role that this sector plays in promoting good governance in the country. TISL has consistently supported programs which enhance and empower the capacity of national and regional journalists who engage in investigative journalism. 2015 saw a furtherance of TISL's engagement and relationship with the media in Sri Lanka.

The international media agency Internews supported TISL in hosting a number of training workshops for journalists on Election Reporting and Public Interested Investigative Journalism (PIIJ), and as part of their collaborative efforts to enhance professionalism a training manual was developed for local journalists. Workshops on election reporting were conducted in 6 districts for a total of 119 journalists, which resulted in over 100 stories, 60 of which were recognized for their high standard and quality. One story in particular raised awareness and contributed to

displaced citizens winning back their land in Sampur, Trincomalee.

An important achievement resulting from these workshops was the establishment of a network of over 75 trained journalists in Investigative Journalism (IJ), who affiliated themselves with TISL as part of their initiative to improve their journalism skills. The 2nd of October 2015 marked the launch of this network with a meeting held at the Sri Lanka Press Institute. TISL convened this meeting and awarded certificates to trainees who had successfully completed their training program.

TISL is consistent in its efforts to strengthen investigative journalism in Sri Lanka by raising the standard, quality and skills of journalists, which inevitably contributes to an increase in standards of governance and is vital in the fight against corruption.



105

NO OF PRINT AND ELECTRONIC MEDIA
STORIES RESULTING FROM PIJ WORKSHOPS

60

NO OF STORIES RECOGNISED FOR THEIR
HIGH STANDARD AND QUALITY

32

NO OF NATIONAL INTEREST STORIES
RESULTING FROM PIJ WORKSHOPS





COALITION AGAINST CORRUPTION

The Coalition against Corruption (CAC) is a network initiated by TISL in 2012, consisting of representatives of civil society organizations, media organizations and trade unions, who have pledged their support to work together to effectively combat corruption. TISL ensures regular engagement with the CAC to promote lasting systematic change in the fight against corruption in the state sector. The Coalition against Corruption is the only one of its kind in Sri Lanka.

In addition to regular interactive meetings, two separate two-day capacity building workshops were held in September and October 2015 to train trade union activists to identify different types of corruption, raise awareness about existing preventive mechanisms and clarify the role of union leaders in preventing corruption. The workshop offered a briefing on 'How to become a Whistle Blower' and initiated dialogue on developing a whistle-blower policy in Sri Lanka. Finally the workshop also gave trade union activists room to discuss and list the corruption taking place within their respective sectors. As a consequence, the workshops resulted in the identification, prioritization and presentation of 25 major corruption related incidents and stories. Revealed at a number of press conferences, this led to significant media publicity regarding the malpractices and corruption taking place in the state sector.

Rampant corruption in the educational sector in Sri Lanka has become the norm. Problems surrounding school admissions and the collection of money in violation of government policies and circulars are common occurrences. On the 13th of January 2015 CAC held a press conference highlighting corruption in the educational sector and the public were urged to keep CAC informed of problems they faced in this area. The print and electronic media extended their support to CAC's efforts and as a result the press conference received a large amount of publicity. Consequently the Ceylon Teachers Union received 60 phone calls from the public and within a short time the Principals of Royal College and Southlands were transferred, and the Auditor General initiated an inquiry into the system of admissions at Ananda College. The Lanka Teachers' Union credited CAC's press conference as being the key reason for a surge in the fight against corruption in education.

ROOTING OUT CORRUPTION IN THE EDUCATION SECTOR



THE PUBLIC SERVICE COMMISSION

As a result of a TISL directed intervention to initiate dialogue between Trade Unions and the Public Service Commission (PSC), the PSC agreed to meet with Trade Union leaders in early 2015 to discuss required improvements to the functioning of the PSC.

In 2014 TISL conducted a survey to determine the efficiency of the Public Service Commission, which is dedicated to promoting and establishing an efficient and disciplined Public Service. Based on TISL's survey, over 35 Trade Unions (all members of the Coalition against Corruption), worked together to develop 14 recommendations aimed at improving the efficiency and independence of the PSC. At the meeting held between the Trade Unions and the Public Service Commission, the Chairman of the Commission, D. Dissanayake, promised to take swift action to overcome years of accumulated cases that had not been attended to. The PSC accepted the 14 recommendations developed by the Trade Unions, and through this constructive engagement extended an invitation to TISL and Trade Union leaders to cooperate in developing and implementing a new Public Service Bill.

The discussion between Trade Union leaders and the PSC resulted in a number of key results. A constructive relationship was established between the Trade Unions and the PSC, as the PSC recognized the Trade Unions' contribution to improving the public service. TISL's intervention was furthermore commended by the Trade Union leaders as productive and a harbinger of a new era for the Public Service.

14

NO OF RECOMMENDATIONS SUBMITTED BY TRADE UNION LEADERS TO THE PSC

35

NO OF TRADE UNIONS WHICH PARTICIPATED IN THE DISCUSSION WITH THE PSC





**STRONGER
ANTI-CORRUPTION
LEGISLATION**



THE RIGHT TO INFORMATION ACT

Following President Sirisena's election, the Government of Sri Lanka pledged to introduce the Right to Information (RTI) Act in their 100-day program. The ability to access information held by the state is an immensely powerful tool for ensuring state and government accountability and fighting against corruption.

Throughout 2015 TISL played an instrumental role in advocating for the Right to Information. In late January TISL and the Free Media Movement met the Minister of Media and Mass Communications, Gayantha Karunathilaka, and encouraged him to expedite new legislation on the RTI. Requests were also made to involve civil society in drafting the bill, which were partially met.

An opinion survey carried out by TISL in 2014 revealed that 95% of the general public believe they have the right to obtain information but 49.6% of the respondents were not aware of a 'Right to Information Act' and its significance to them. TISL's approach therefore prioritized awareness-raising among the general public as part of its strategy.

TISL hosted several press conferences on RTI, and in late February conducted its first Sambashana discussions to educate the public on RTI principles. These programs were held in Colombo, Badulla and Anuradhapura.

Once the RTI Bill was finalized, TISL developed a legislative brief which endorsed aspects of the final bill while highlighting six key areas - ranging from mandatory web publication to strengthening whistle blower protection - for further improvement. The TISL-prepared legislative brief was circulated among all Members of Parliament in order to ensure informed discussions and constructive debates on the RTI Bill.

TISL's active and persistent role in advocating for RTI, was complemented by four TISL members, J.C Weliamuna, K.W Janaranjana, Gamini Viyangoda and Jayantha Fernando, sitting on the drafting committee of the RTI Bill. The RTI Bill was formally approved by Cabinet on 2 December 2015.

95%

PERCENTAGE OF GENERAL PUBLIC WHO BELIEVE THEY SHOULD HAVE THE RIGHT TO OBTAIN INFORMATION

49.6%

PERCENTAGE OF GENERAL PUBLIC WHO DO NOT KNOW ABOUT RTI

54%

PERCENTAGE OF OFFICERS WHO REVEALED THAT THEY RECEIVED COMPLAINTS FROM THE PUBLIC ON DIFFICULTIES ENCOUNTERED IN OBTAINING INFORMATION



ASSET DECLARATIONS

The Declaration of Assets and Liabilities Act allows any person to obtain the asset declaration of elected representatives or senior public servants on payment of LKR 750. The Act however restricts individuals from publicizing this information, with fines of LKR 2000 and/or a potential 2-year prison term. This prompted TISL to commission the drafting of an Amendment Bill with the objective of removing the secrecy provisions of the Declaration of Assets and Liabilities Act.

The Commission to Investigate Allegations of Bribery or Corruption (CIABOC) faces a number of practical difficulties under the current Asset Declarations Act. Therefore, TISL focused on incorporating provisions in the draft bill, which would both strengthen CIABOC and enhance the Act's disclosure provisions.

The proposed amendment bill was presented as a special part of the National Integrity Awards activities organized for Anti-Corruption Day, on 9th December. Asoka Obeyesekere, Executive Director of TISL, presented the proposed Bill to the Declaration of Assets and Liabilities Act to the President of Sri Lanka, the Speaker of Parliament and the Commissioners of CIABOC.

TISL's efforts to strengthen public service accountability through this Amendment Bill has resulted in increased debate around the issue and increased public awareness of asset declarations and the right of any person to obtain a copy of an asset declaration on payment of LKR 750.

LKR 750/-

THE COST OF AN ASSET DECLARATION REQUEST

A scenic landscape featuring a paved road with a white dashed line curving through a field. A tall, thin tree stands on the left side of the road. In the background, a body of water is visible under a bright, hazy sky, suggesting a sunset or sunrise. The overall color palette is dominated by warm yellows and oranges, with a blue tint in the foreground.

TISL **MOVING** **FORWARD**

ENHANCE CIVIC MOBILIZATION

TISL intends to strengthen its position as a civil society convener and public mobilizer in the fields of anti-corruption and good governance, with increased focus on public outreach, collaboration and partnerships with fellow CSOs.

SUPPORT OPEN GOVERNMENT

TISL is the civil society focal point in the development of the Open Government Partnership (OGP) National Action Plan, and as such, through continued collaboration with fellow CSOs, will work to ensure that CSO voices are heard, and that the Government of Sri Lanka's commitment to open government is realised. The RTI Act, if passed, will form an important and powerful anti-corruption tool. Through RTI citizens can hold their government, elected officials and state institutions accountable. In addition to engaging with the government in the rolling out of the RTI Act, TISL will work to enable citizens to use the provisions of the Act through the Shelter for Integrity, and support access to information through the filing of public interest RTI requests.

A SUSTAINABLE FUTURE FOR TISL

Moving forward, TISL will also launch initiatives to secure funding from a wider donor base. While bilateral donors will remain the most important in sustaining TISL's work in the near future, a fundraising strategy will outline how TISL will seek funding from foundations, individuals, and corporates, to secure a more sustainable future for TISL's anti-corruption agenda.

STRENGTHEN ACCOUNTABLE GOVERNANCE

TISL will continue its work to strengthen anti-corruption mechanisms in the country, formulating recommendations, and advocating for positive change. This will contribute to the third priority area, accountable governance. In the coming year, TISL's focus will be on anti-corruption legislation and the National Audit Bill. Looking at accountability mechanisms, TISL will continue its work within electoral integrity and engage with parliamentary oversight committees. TISL will also prioritize engagement with the private sector, focusing on the incorporation of the United Nations Convention against Corruption (UNCAC) into domestic legislation and the introduction of an anti-bribery management system standard.

ENSURE INCLUSIVE GOVERNANCE

A new area of focus for TISL will be inclusive governance, addressing corruption as it affects women, minorities and the differently-abled, as well as ensuring that good governance programs are designed with inclusivity in mind. This will not only encompass TISL's work on women's participation in politics, but also result in dedicated projects that focus on addressing the disproportionate effects of corruption on women and disadvantaged groups.

BOARD OF DIRECTORS

G.S. Lakhshan J.S. Dias (Chairman)

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.

J. C. Weliamuna

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.

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 Jayawardanepura, 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 LL.M 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.

Tony Senewiratne

The National Director of Habitat for Humanity Sri Lanka since 2001, Mr. Senewiratne has served as a voluntary board member of the National Child Protection Authority (NCPA) from 1998 and was Deputy Chairman (2000-01).

He was Executive Director of LEADS (Lanka Evangelical Alliance Development Service) 1991- 2000. Mr Senewiratne was instrumental in setting up ESCAPE – an organization for the Protection and Rehabilitation of Sexually Abused Children.

He also set up Y-Gro – a Youth Rehabilitation program – Vocational training center & Campsite and was its director from inception. He has been Director of the English Language Ministry and presently serves as the Treasurer of Y-Gro.

VOTE OF THANKS

**TISL WOULD LIKE TO EXPRESS
ITS DEEP SENSE OF APPRECIATION
TO OUR PARTNERS,
WELL-WISHERS AND DONORS.**

**WITHOUT YOUR SUPPORT,
OUR WORK WOULD NOT BE POSSIBLE.**

A SPECIAL THANKS TO

**MINISTRY OF FOREIGN AFFAIRS NORWAY
FREDSKORPSET NORWAY
NED WASHINGTON DC USA
EUROPEAN UNION
TI SECRETARIAT
TAIWAN FOUNDATION
DIAKONIA
INTERNEWS
SOLIDARITY CENTRE
UNITED NATIONS DEVELOPMENT PROGRAMME
SWISS FEDERAL DEPARTMENT OF FOREIGN AFFAIRS
BRITISH HIGH COMMISSION
GERMAN FEDERAL DEPARTMENT OF FOREIGN AFFAIRS
HELVETAS SRI LANKA**

FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT TRANSPARENCY INTERNATIONAL SRI LANKA (GUARANTEE) LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of Transparency International Sri Lanka (Guarantee) Limited ("the company"), which comprise the Statement of Financial Position as at 31 December 2015, 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 Directors ("the 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 misstatements, 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 misstatements.

An audit involves performing procedures to obtain evidence and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements 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.

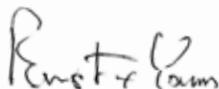
Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company as at 31 December 2015, 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.



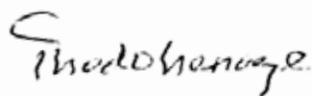
01 June 2016
Colombo

STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2015

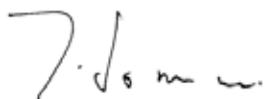
ASSETS	Note	2015	2014
		Rs.	Rs.
Non-Current Assets			
Property, Plant & Equipment	5	94,211	110,935
		94,211	110,935
Current Assets			
Advances, Deposits and Other Receivables	7.1	6,841,456	4,225,243
Advances Given to PAFFEREL	7.2	4,319,250	
Short Term Deposits	6	3,596,140	3,432,193
Cash & Bank Balances	17	98,904,010	32,911,126
		113,660,856	40,568,562
Total Assets		113,755,068	40,679,497
FUNDING & LIABILITIES			
Accumulated Funds			
Restricted Funds	8	95,780,272	23,301,071
Unrestricted Funds	9	11,729,401	12,396,052
Capital Grants	10	348,596	348,596
		107,858,269	36,045,719
Non-Current Liabilities			
Retirement Benefit Liability	11	1,845,496	1,237,488
		1,845,496	1,237,488
Current Liabilities			
Creditors	12	3,557,572	3,171,989
Income Tax Payable		493,731	224,301
		4,051,303	3,396,290
Total Funding and Liabilities		113,755,068	40,679,497

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



Finance Manager

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 2015

	Note	2015	2014
		Rs.	Rs.
Incoming Resources	4	132,515,911	77,508,933
OPERATING EXPENDITURE			
Project Expenditure	13	(118,016,340)	(66,688,387)
Administrative Expenses	16	(15,483,674)	(10,841,645)
Total Operating Expenditure		(133,500,014)	(77,530,032)
Net Deficit on Operating Activities		(984,103)	(21,099)
Revenue Earned from Other Activities	15	3,131,600	2,860,280
Net Surplus Before Tax		2,147,497	2,839,181
Income Tax Expenses	14	(849,070)	(454,420)
Net Surplus After Tax		1,298,427	2,384,761
Total Comprehensive Income for the Year		1,298,427	2,384,761

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 2015

	Restricted Funds	Unrestricted Funds	Capital Grants	Results for the year	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 January 2014	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)	-	-	-
Accrued Interest	438,828	-	-	-	438,828
Returned to Donor	(77,508,933)	-	-	-	(77,508,933)
Balance as at 31 December 2014	23,301,071	12,396,052	348,596	-	36,045,719
Net Surplus for the Year	-	-	-	1,298,427	1,298,427
Balance Before Transfer to Reserves	23,301,071	12,396,052	348,596	1,298,427	37,344,146
Total Comprehensive Income for the Year	-	1,298,427	-	(1,298,427)	-
Funds Received During the Year	204,821,464	-	-	-	204,821,465
Transfer From / (To) Reserves	173,648	(173,648)	-	-	-
Interest Income During the Year	-	(1,791,430)	-	-	(1,791,430)
Funds Transferred to Statement of Comprehensive Income	(132,515,911)	-	-	-	(132,515,911)
Balance as at 31 December 2015	95,780,272	11,729,401	348,596	-	107,858,269

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 2015

	Note	2015	2014
Cash Flows from Operating Activities		Rs.	Rs.
Net Surplus before Taxation		2,147,497	2,839,181
Adjustments for			
Depreciation	5.2	29,423	232,865
Provision for Gratuity	11	608,008	313,388
Interest Income	15	(3,030,513)	(1,821,930)
Net cash flow before Working Capital Changes		(245,585)	1,763,504
Increase in Receivables	7	(6,935,463)	(6,659)
Increase in Creditors	12	385,583	1,454,024
Cash Generated from Operations		(6,795,464)	3,210,869
Payment of Taxes		(579,640)	(639,585)
Gratuity Paid		-	(96,250)
Net Cash from Project Activities		(7,375,104)	2,475,034
Cash Flows from/(Used in) Investing Activities			
Purchase of Property, Plant & Equipment	5	(12,700)	(78,470)
Investment on Short Term Deposits		(163,947)	(205,186)
Interest Income	15	3,030,513	1,621,930
Net Cash from/(used in) Investing Activities		2,853,866	1,338,274
Cash Flows from/(Used in) Financing Activities			
Funds received from Donors unutilized		70,514,123	(8,702,850)
Net Cash from/(used in) Financing Activities		70,514,123	(8,702,850)
Net Increase/(Decrease) in Cash and Cash Equivalents		65,992,884	(4,889,542)
Cash and Cash Equivalents at the Beginning of the Year	17	32,911,126	37,800,668
Cash and Cash Equivalents at the End of the Year	17	98,904,010	32,911,126

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 2015

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 2015

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 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Company (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 that 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 2015

4. INCOMING RESOURCES	2015	2014
	Rs.	Rs.
Restricted Funding	132,515,911	77,508,933
	132,515,911	77,508,933

5. PROPERTY, PLANT & EQUIPMENT	Balance As at	Additions	Disposals	Balance As at
5.1 Gross Carrying Amounts	01.01.2015			31.12.2015
At Cost	Rs.	Rs.	Rs.	Rs.
Furniture & Fittings	1,640,221	12,700	-	1,652,921
Office Equipments	4,299,176	-	-	4,299,176
Computers	2,237,005	-	-	2,237,005
Motor Vehicle	78,000	-	-	78,000
	8,254,402	12,700	-	8,267,102
Total Gross Carrying Amount	8,254,402	12,700	-	8,267,102

5.2 Depreciation	As at 01.01.2015	Charge for the Year	Disposals	As at 31.12.2015
At Cost	Rs.	Rs.	Rs.	Rs.
Furniture & Fittings	1,595,116	11,820	-	1,606,936
Office Equipments	4,260,976	12,203	-	4,273,179
Computers	2,209,376	5,400	-	2,214,775
Motor Vehicle	78,000	-	-	78,000
	8,143,467	29,423	-	8,172,890
Total Depreciation	8,143,467	29,423	-	8,172,890

5.3 Net Book Values	As at 01.01.2015			As at 31.12.2015
	Rs.	Rs.	Rs.	Rs.
Total Carrying Value of Property, Plant & Equipment	110,935			94,212

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 2015

6.	SHORT TERM DEPOSITS	2015	2014
		Rs.	Rs.
	Fixed Deposits	3,596,140	3,432,193
		3,596,140	3,432,193

7.	ADVANCES, DEPOSITS AND OTHER RECEIVABLES	2015	2014
7.1	Advances, Deposits and Other Receivables	Rs.	Rs.
	Deposits & Prepayments	4,642,973	1,345,247
	Advances	1,276,500	951,780
	Other Receivables	921,983	1,928,216
		6,841,456	4,225,243

7.2	Advances Given to PAFFEREL	2015	2014
	Advances Given to PAFFEREL	4,319,250	-
		4,319,250	

TISL has contributed Rs. 42,500,000 to PAFFEREEL on 29/07/2015 to conduct a project of "Ensuring Electoral Integrity in the Electoral Process Through Independent Election Observation and Remedial Action". The total expenses of Rs. 38,180,750 as of 31st December 2015 was reported as expenses Statement of Comprehensive Income and the balance of Rs. 4,319,250 was reported as receivables in the Statement of Financial Position. The project agreement was effective from 01 July 2015 with the project completion date on 31 December 2016.

8.	RESTRICTED FUNDS	2015	2014
		Rs.	Rs.
	Balance as at Beginning of the Year	23,301,071	31,604,559
		23,301,071	31,604,559
	Funds Received During the Year	204,821,464	68,367,255
	Interest Income During the Year	-	438,828
	Funds Transferred to Statement of Comprehensive Income	(132,515,911)	(77,508,933)
	Transfer from Unrestricted Fund	173,648	399,362
		-	-
	Balance at the End of the Year	95,780,272	23,301,071

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

8. RESTRICTED FUNDS (Contd...)

8.1 Movements in Restricted Funds - 1 January to 31 December 2015

Name of Donor Organisation	Project	Budget for the Year	[A] Balance Brought forward	
		Rs.	Rs.	
Ministry of Foreign Affairs	From Co-donors	29,221,553	8,215,418	
FK-2013/14	Exchange Programme - TI South Asian Chapters	4,924,579	4,924,579	
European Union	Election Mornitoring	175,200,000	-	
NED Washington D C USA	YIP Project	5,400,000	(785,114)	
TI Secretariat	Advocasy of Legal Advice centre	13,187,100	10,187,100	
Thaiwan Foundation	Governance Report	330,315	(330,315)	
DIAKONIA	Promoting Principales of Democracy	2,639,644	(425,171)	
Inter News	Inter News	4,932,158	(1,798,703)	
TI Secretariat	Sustainability Grant	-	(114,147)	
Solidarity Centre	Coalition against corruption	3,395,200	-	
German Embassy	Protection of Public Property (election Mornitoring)	2,425,000	1,595,911	
Swiss Embassy	Protection of Public Property (election Mornitoring)	6,320,462	(796,239)	
British High Commission	Protection of Public Property (election Mornitoring)	-	(891,278)	
Spice	Sheltor for integrity	5,136,830	942,124	
TIS - YIP 2	Building Young Change - YIP	2,520,000	(927,910)	
TIS - NIS	Public sector integrity	3,360,000	3,930,302	
Helvetas	Helping citizens to Strength Governance	1,500,000	(1,481,856)	
UNDEF	National Intergrity Awrd	387,473		
TMMF 18 Korea		-	438,828	
Rectification Reserve		-	617,542	
Total for ongoing Project		260,880,314	23,301,071	

[B] Received/ during the year	C=(A)+(B) Total Available in Current Year	(D) Transferred to Statement of Comprehensive Income for Project Cost	(E)=(D) Total Transferred to Statement of Comprehensive Income	(F) Transfers from Unrestricted Funds	(G)=(C)-(E)+(F) Balance Carried Forward
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
12,836,040	21,051,458	20,762,435	20,762,435	5,304,935	5,593,959
81,119	5,005,698	1,960,137	1,960,137	-	3,045,560
158,327,750	158,327,750	73,516,779	73,516,779		84,810,971
7,502,354	6,717,240	3,304,946	3,304,946	-	3,412,294
4,258,250	14,445,350	7,284,967	7,284,967	(5,000,000)	2,160,383
129,605	(200,710)	-	-	200,710	-
3,181,002	2,755,831	3,620,815	3,620,815	864,984	-
7,507,967	5,709,264	8,805,782	8,805,782	-	(3,096,518)
-	(114,147)	-	-	114,147	-
387,473	387,473	1,151,391	1,151,391	-	(763,918)
-	1,595,911	913,693	913,693	(682,218)	-
1,734,716	938,477	1,189,661	1,189,661	251,184	-
2,064,371	1,173,093	1,667,566	1,667,566	494,472	-
3,296,830	4,238,954	3,908,229	3,908,229	(330,725)	-
2,569,925	1,642,015	1,466,361	1,466,361	(175,654)	-
-	3,930,302	2,963,149	2,963,149	(967,153)	-
405,062	(1,076,794)	-	-	1,076,794	-
539,000	539,000	-	-	(539,000)	-
-	438,828	-	-	(438,828)	-
-	617,542	-	-	-	617,542
204,821,464	228,122,535	132,515,911	132,515,911	173,648	95,780,272

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

9. UNRESTRICTED FUNDS	2015	2014
	Rs.	Rs.
Balance at the Beginning of the Year	12,396,052	10,410,653
Transfer to Restricted Funds	(173,648)	(399,362)
Adjustments Made During the Year	(1,791,430)	-
Total Comprehensive Income for the Year	1,298,427	2,384,761
Balance at the End of the Year	11,729,401	12,396,052

10. CAPITAL GRANTS	2015	2014
	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	2015	2014
Retirement Benefits Obligation-Gratuity	Rs.	Rs.
Balance as at Beginning of the Year	1,237,488	1,020,350
Charge for the Year	608,008	313,388
Payments Made During the Year	-	(96,250)
Balance as at End of the Year	1,845,496	1,237,488

12. CREDITORS	2015	2014
	Rs.	Rs.
Accrued Expenses	1,791,709	1,307,095
Other Payables	37,957	1,864,894
Project Liability	502,906	-
Liability on Litigation	1,225,000	-
	3,557,572	3,171,989

13. PROJECT EXPENSES	2015	2014
	Rs.	Rs.
Staff (13.1)	12,288,145	13,943,421
Direct Cost (13.1)	103,979,922	49,271,145
Indirect Cost (13.1)	1,748,273	3,473,821
	118,016,340	66,688,387

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

13. PROJECT EXPENDITURE (Contd..)

(..Project Activity Summary For the year ended 31st December 2015 (Contd

Activity/Project	Total Amount Expended			Total Expenses
	Staff Cost	Direct Project COST	Indirect Project COST	
	Rs.	Rs.	Rs.	Rs.
Advocacy and Civic Engagement	401,787	31,417	11,200	444,404
ALAC Activity	2,635,080	3,098,623	1,334,706	7,068,408
Core Grant	429,012	-	-	429,012
Legal Advice	-	758,610	-	758,610
Advocacy and Capacity Building	1,381,075	1,534,215	-	2,915,290
Election Monitoring	3,307,542	69,282,824	-	72,590,365
Exchange Programme - TI South Asian Chapters	354,200	1,667,502	-	2,021,702
Inter News	1,043,512	7,549,746	-	8,593,258
Independent & Effective	-	193,184	8,278	201,462
Accountable & Responsive	-	857,847	-	857,847
Active and Organized Civil	504,968	3,073,308	142,169	3,720,445
Business Community Practice	-	761,388	-	761,388
Raise awareness about and Mobilize citizens NED	1,339,920	1,774,327	114,070	3,228,317
Public sector integrity	804,225	2,097,375	67,140	2,968,739
Presidential Election	-	4,053,596	-	4,053,596
Institutional Development	18,500	3,400	-	21,900
National & Local Governance	88,500	1,900,343	9,660	1,998,503
Research and Civic Engagement	15,120	-	-	15,120
Coalition against corruption (CAC)	-	1,151,391	-	1,151,391
Shelter for integrity - SPICE	733,700	3,196,366	-	3,930,066
Right to Information	-	140,379	-	140,379
Building Young Change - YIP	-	85,088	61,050	146,138
TOTAL PROGRAM COST	13,057,139	103,210,928	1,748,273	118,016,340
Administration Expenses	7,684,641	7,799,034	-	15,483,674
Total Expenses	20,741,780	111,009,962	-	133,500,014

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

14.	INCOME TAX EXPENSES	2015	2014
	Current Income Tax	Rs.	Rs.
	Current Tax Expense on Ordinary Activities for the Year	849,070	454,420
		849,070	454,420

15.	REVENUE EARNED FROM OTHER ACTIVITIES	2015	2014
		Rs.	Rs.
	Sundry Income	46,910	1,000
	Interest Income	3,030,513	1,621,930
	Amounts Write Off	54,177	-
	Administration Income - FK	-	1,237,350
		3,131,600	2,860,280

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

16.	ADMINISTRATIVE EXPENSES	2015	2014
		Rs.	Rs.
	Salaries	7,684,641	5,649,982
	Consultancy Fees	164,931	-
	Audit Fee	205,456	152,160
	Staff Welfare	263,452	133,435
	Gratuity	294,628	313,388
	Travelling	138,900	79,842
	Insurance	464,217	574,548
	Printing and Stationery	118,400	151,785
	Postage, Stamps and Courier Charges	60,485	17,565
	Telephone / Internet Charges	381,651	245,320
	Water Rates	22,157	16,300
	Electricity	241,181	287,239
	Office Rent	831,802	827,700
	Equipment Maintenance	21,450	63,085
	Office Maintenance	18,565	30,296
	Security	634,193	490,941
	IT Maintenance	311,955	34,107
	Vehicle Maintenance	5,780	16,984
	Fuel	3,150	15,480
	Depreciation	29,423	232,900
	Bank Charges	36,854	15,132
	Secretarial Fees	48,038	92,765
	Office Reallocation	1,461,139	3,155
	Janitorial Charges	246,300	143,264
	Board Meeting Expenses	90,587	19,635
	AGM Expenses	292,466	397,750
	Amount written off	-	532,225
	Planning Meetings	52,910	175,427
	Accounting Package Maintenance	-	17,136
	Accidental Expenses	-	75,693
	Legal Expenses	40,500	3,840
	News Paper	27,960	4,370
	Web Maintenance	21,568	21,261
	Recruitment Cost	5,935	6,935
	Professional Charges	38,000	-
	Litigation	1,225,000	-
		15,483,674	10,841,645

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

17.	CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	2015	2014
	Components of Cash and Cash Equivalents	Rs.	Rs.
	Favorable Cash & Cash Equivalents Balance		
	Balance at Bank	98,824,490	32,857,026
	Cash in Hand	79,520	54,100
		98,904,010	32,911,126
18.	CAPITAL COMMITMENTS		
	There are no capital commitments as at 31 December 2015		
19.	CONTINGENT LIABILITIES		
	The Company does not have significant contingent liabilities as at the 31 December 2015.		
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.		
		2015	2014
a)	Key Management Personnel Compensation	Rs.	Rs.
	Short - Term Employee Benefits	4,342,742	5,685,720
	Other Payments	1,225,000	-
		5,567,742	5,685,720

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 5/1, Elibank Road, Colombo 5, Sri Lanka

Telephone : 011 4369781

Fax : 011 2501707

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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