

RETURN OUR  
STOLEN MONEY!



YEARS IN THE  
**FIGHT AGAINST  
CORRUPTION**



**ANNUAL  
REPORT  
2022**

## MISSION

TO 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

# ANNUAL REPORT 2022

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# Chairperson's Message

The year 2022 marked Transparency International Sri Lanka's (TISL) 20th year of operations in Sri Lanka. Throughout these past 20 years, TISL has been uniquely placed to be able to reach citizens in many ways. TISL has at times reflected public opinion, and at others, helped shape public opinion. Its advocacy on all things related to anti-corruption has been instrumental in influencing law and policy making, in preventing and detecting corruption, and in pushing authorities to act on issues small and big. Its position papers, press releases, and connected action have often been looked to as the go-to source on how certain events are interpreted.

The momentous citizen uprising against the economic and governance crisis in the country, saw the sitting Head of State resigning in response to the public outcry. In this backdrop, TISL's mandate and work became all the more relevant and critical, catapulting the issue of corruption to centre-stage in the reform agenda that is currently unfolding, in response to domestic demand, and in the context of the role of the International Monetary Fund's and other multilateral aid agencies' engagement in the country.

Corruption today, remains the same scourge it was 20 years ago, but is perhaps felt more acutely. Sri Lanka has now come to a place as a country, where corruption cannot be ignored. The distance between corruption taking place behind closed doors, and the impact that it has on the daily lives of people has been reduced considerably, forcing us to face the stark reality that corruption really does affect us all, and that we have to fight it, be it in our own homes or in very high places.

2022 was therefore a year where TISL responded to the need for knowledge leadership on subjects such as asset recovery, asset declarations as a means to public accountability, election campaign financing, and the proposed anti-corruption law. We strove not only to lead these conversations but also to carry all relevant stakeholders along with us, pushing for inclusivity in our advocacy efforts.

Sri Lanka is faced with an unprecedented opportunity for reform. Citizen sensitivity to governance-related issues remains active. At the same time, one can see countervailing efforts to capture the reform process, and to consolidate power using undemocratic means, contrary to the public interest. At this critical juncture, it remains as important as ever before, to be vigilant, active and responsive, in the fight against corruption.



**Pulasthi Hewamanna**  
**Chairperson – TISL**

# Executive Director's Message

The year 2022 will go down in the history of Sri Lanka as an unforgettable year in which corruption and weak governance ripped the nation and rendered it bankrupt. But on a positive note, 2022 will also be remembered as a year in which Sri Lankans demonstrated unprecedented resilience amidst extreme hardships and even more importantly, experienced the transformative impact of the power citizens, when they come together as one voice against those abusing entrusted power. For Transparency International Sri Lanka (TISL), 2022 was a special year as it marked the 20th year since starting active operations. As an independent nongovernmental organization pursuing the mission of 'contributing to the collective effort to eradicate corruption in Sri Lanka', the year 2022 was also an unprecedented year that generated widespread citizen interest and passion to join the fight against corruption, to an extent we have never seen in the past 20 years. The critical and often overlooked connection between corruption and economic development, human rights and democracy became self-evident to Sri Lankans last year, as they witnessed the falling of the nation due to a crisis that was created by those that governed the nation.

This unique moment of time in history created a valuable opportunity for TISL to aggressively pursue our mandate by gaining the support of all stakeholders to push for systemic reform and behavioral change that would prevent and combat corruption. However, we did also face a dilemma. Our staff members were not immune from the impact of the prevailing country situation, with sky rocketing inflation, restrictions on movement due to scarcity of fuel, lack of essential food and medicines and a deeply discouraging environment for young people as they saw a bleak future within the country. These pressures were exacerbated by the increasing attacks on and intimidation of activists and civil society that created a highly risky and complicated working context.

Yet, what prevailed within TISL was the remarkable passion and commitment towards the cause that was firmly rooted within the hearts and minds of every staff member. Therefore, our team of approximately 40 staff members persevered to the utmost of their ability, often working very hard and for long hours, with our eyes fixed on our mission. We were determined to ignite the flame of anti-corruption within all citizens and to capitalize on the unique opportunities created to advocate and facilitate anti-corruption reforms that were essential for real socio-economic recovery.

Therefore, in 2022 we were able to expand our engagement across a wide range of stakeholders, from international partners such as the IMF and bilateral donors to top decision makers in Government, members of parliament, local government authorities, public officials, businesses, journalists, university students and civil society actors to communities, youth and opinion leaders at the grassroots level. While it was challenging to manage the high expectations laid on TISL as the leading civil society anti-corruption fighter in Sri Lanka, by continuously learning, adapting and improving our knowledge base, program and advocacy strategies, communications and organizational operations, we continued to strive towards our goals.

We stood by the youth led citizen movement that engaged in the peaceful "Aragalaya", by sharing knowledge and by amplifying their demands through our advocacy. TISL shared the knowledge they sought on anti-corruption slogans such as the recovery of stolen assets and the elements of a 'systems change' that could uproot corruption and usher in economic recovery. Our knowledge leadership took a leap as we took a calculated risk and publicly defined the state of corruption in the country as being a 'kleptocracy' which is in 'state capture', thereby bringing these terms to the public discourse. Going beyond knowledge sharing, we acted as the leading advocate on anti-corruption reform, as a watchdog on grand corruption, a convenor on anti-corruption initiatives, as a mobilizer of people against corruption and as a facilitator between citizens and the State. In fulfilling these roles, TISL engaged in a wide range of activities; from engaging in public interest litigation seeking accountability for the economic crisis, defining essential anti-corruption



reform and advocating on the same in high level forums and on mainstream and social media, to engaging in community level awareness raising initiatives, working with partner organizations in all districts to promote the right to information and to reach out to highly vulnerable communities, to training journalists and university students on investigative journalism, supporting the adoption of participatory budgeting and proactive disclosure within local government authorities, training of public officials, to partnering with top private sector entities on the first ever 'Business Against Corruption' initiative in Sri Lanka, to the provision of free advice and support to victims of corruption through our Advocacy and Legal Advice Centres.

The significant challenges faced by civil society encouraged the civil society organizations and activists to come together to engage in collective action that could push back the Government's attempts to curtail civic space and democratic freedoms. TISL played a leading role in creating, strengthening, sustaining and working through these collectives, thereby enhancing relationships with and gaining the trust of diverse civil society actors and securing their support towards the fight against corruption as well.

Towards accomplishing all this critical work amidst a challenging time in our country, it was paramount that we protect and nurture our most important resource – the staff members. Therefore, in 2022, we enhanced our measures aimed at ensuring staff care, promoting staff wellbeing, facilitating staff development and strengthening the organizational culture to provide an enabling environment for staff that is founded on our core values of integrity, transparency & accountability, human dignity & respect, equality & humility and professionalism. Deliberate steps were taken to train and coach staff, to care for staff, to support the psychological wellbeing of staff, to strengthen staff bonding and team spirit and to inculcate core values and a strong sense of ownership and belonging within the organizational culture.

We also continued to prioritize the strengthening of our financial and internal controls and the improvement of efficiency, effectiveness and integrity of our operational

systems. As an organization committed to learning and adapting, we promoted a culture that is enabling and responsive to open feedback and critique from staff and stakeholders and introspection on our impact, thereby identifying our lessons learned with a focus on continuous improvement.

In withstanding the storms brought forth in 2022 and pursuing our mandate in an impactful manner, we were greatly supported by our partners and other civil society actors who joined the fight against corruption. I thank them and look forward to continuing working with them. None of our work would have been possible without the generous support given by our donors, who continued to trust us and stand by us amidst the storms, being extremely empathetic about the challenges faced in project implementation last year. Hence, I am deeply grateful towards our donors and I hope they will continue to support the work of TISL at this crucial juncture in our country. I also appreciate the support rendered by the Secretariat of Transparency International, by securing project funding for TISL and on being a great supporter of our work, sharing knowledge and building our capacity, supporting our advocacy efforts and being a strength for us. I am also grateful to our Board of Directors for their oversight and support throughout the year that helped us to be focused on continuously improving our standards. Most of all, I wish to thank my amazing team for being an exceptionally committed, self-driven, wonderful team that has made TISL what it is today.



**Nadishani Perera**  
**Executive Director – TISL**

# Advocacy & Research









# “Full Stop to Corruption!”

2022 marked 20 years of existence of TISL in Sri Lanka, and it was a year of great awakening among Sri Lankan citizens from all walks of life. It was also a very tumultuous year with numerous changes in the governance sphere of the country. Sri Lanka's citizens seemed to awaken to the nexus between governance and corruption in the face of deprivation of basic requirements such as fuel, electricity and domestic LP Gas.

The economic crisis was no longer interpreted through a narrow lense, but was linked to inefficiency, lack of transparency and accountability in decision-making at the governance level and widespread systemic corruption in Sri Lanka. The citizens' uprising was a result of people being empowered to resist such corruption.





2022 was a critical juncture in TISL's history where after 20 years of being in the fight against corruption in the country, it saw a great public awakening and demand for anti-corruption and accountability. In this moment, TISL condemned the abuse of power by the Executive in suppressing the power of the citizens to peacefully protest and show dissent on how the country is governed.

Demands and slogans of the protest movement dubbed the 'Aragalaya', such as "Give us our stolen money back", "Full stop to Corruption", "End Nepotism" and "Show your assets – Audit 225 MPs" that echoed throughout the country created a space for TISL to re-evaluate and re-validate some of TISL's continued advocacy, campaigns and interventions. They seemed to draw from and reflect TISL's interventions on recovery of stolen assets, advocacy for the introduction of a Proceeds of Crime Act and Asset Declaration transparency and there was high level of demand from the public and media to demystify certain myths and to carry out awareness campaigns around those topics.



In response to those demands, TISL conducted social media campaigns simplifying the asset declaration law, asset recovery and certain other forms of corruption for the citizens. Recognizing TISL as a knowledge leader in the anti-corruption domain, a wide spectrum of stakeholders including private sector representatives such as the Sri Lanka Institute of Directors, public authorities and communities such as the protestors who organized teach-out sessions at the protest sites reached out to TISL in their quest for knowledge. TISL identified and initiated advocacy on 15 essential anti-corruption reforms for the revival of Sri Lanka, and started pursuing collective action with civil society organizations, professional organizations and like-minded individuals to advocate for improved constitutional reforms.

This context paved the way for TISL to spotlight the existence of “Kleptocracy” and “State Capture” in Sri Lanka during the Anti-Corruption Symposium which was organized by TISL in December 2022, advancing the discourse on kleptocracy in the corruption landscape in Sri Lanka in the context of the economic crisis, the civil uprising and the lack of accountability in governance.









# **A Fundamental Rights Petition calling for action against persons responsible for the current economic crisis in Sri Lanka.**





In 2022, Sri Lanka faced its worst economic downfall in its post-independence history with the Government officially declaring bankruptcy and defaulting on its debt for the first time. While the Government declined calls to approach the International Monetary Fund (IMF) for a bailout and debt re-structuring programme for a considerable period, the remainder of foreign reserves were utilised to source essential imports and energy. The continuous economic decline exacerbated by the political inertia of decision-makers, led to shortages of essentials including food, medicine, fuel and LP Gas, victimising the entire nation in an unprecedented manner.

In light of this, in June 2022, TISL along with three other petitioners, filed a Fundamental Rights petition in the Supreme Court naming thirteen respondents including the Attorney-General (representing former President Gotabaya Rajapaksa), former Prime Minister Mahinda Rajapaksa, former Finance Minister Basil Rajapaksa, former Central Bank Governor Ajith Nivard Cabraal, former Secretary to the Treasury S.R. Attygala and former Prime Minister and incumbent President Ranil Wickremesinghe. This Petition, filed in the public interest, sought to hold the decision-makers accountable for their acts and omissions that brought Sri Lanka to its knees.

The petition highlighted that the reduction in Government revenue caused by the tax breaks for corporates, the failure to reverse the tax breaks, the decision to continue servicing sovereign debt without any restructuring, and the refusal to seek the assistance of the IMF in time, were among the main factors that caused this economic crisis.

In October 2022, the Supreme Court granted leave to proceed in this matter. It issued travel bans on key Respondents including the former Prime Minister Mahinda Rajapaksa and former Finance Minister Basil Rajapaksa, in the immediate context of the protests. The Court also granted a few interim orders requiring the Auditor General, Governor of the Central Bank and the Monetary Board to conduct and submit an audit report, produce copies of all communications and recommendations given to several respondents and reports given to former Ministers Mahinda Rajapaksa and Basil Rajapaksa respectively.







# Political Sector

The Political Pillar of Transparency International Sri Lanka (TISL) works closely with politicians at the national and local level. The sector works on a plethora of thematic areas, such as advocating for transparency of asset declarations, proactive disclosure of information, participatory budgeting and participatory governance, providing training for journalists on reporting issues of corruption, and building websites for Local Government Authorities to encourage and ensure transparency and accountability.

It has been carrying out these programmes with the objective of advocating for accountability systems that minimize the abuse of political power. With the Political Sector's work, TISL strives to tackle grand corruption, enhance the quality of public representatives and enhance inclusivity in the governance space.





# Training on Participatory Budgeting

Participatory budgeting is an approach that involves citizens in the decision-making process regarding the allocation of public funds to government institutions. It allows individuals to directly participate and have a say in determining how public resources should be spent on various projects, programmes, or services that impact their communities. This democratic process aims to promote transparency, accountability, and citizen engagement in governance.

A total of 468 participants (224 males and 244 females) successfully underwent TISL's participatory budgeting trainings last year. The trainings encompassed a diverse group, including TISL's staff from various sectors and levels, civil society organisations working with TISL in its countrywide hubs, government officials attached to Local Government Authorities, as well as elected male and female members of Local Government Authorities. Additionally, community leaders attended the programme representing a wide range of community-based CSOs.

Staff members received comprehensive training on participatory budgeting and participatory governance. Through this training, they were able to integrate the participatory approach into their work. For example, two TISL staff members spoke about the importance of participatory budgeting, going beyond the programme's scope, during two national-level live television discussion programmes on the Right to Information.



The same training was given to members of selected Local Government Authorities. They were made aware that the participatory approach to the local government budget and governance is a legal requirement based on the Pradeshiya Sabhas Act, Urban Councils Ordinance, and the Municipal Councils Ordinance. Many participants were not aware of these principles and were thankful to TISL for the knowledge received.

TISL conducted awareness sessions in collaboration with the relevant Local Government Authorities (LGA) and other civil society organizations in the same area. For example, Red Cross, Women Rural Development Society (WRDS) and Sarvodaya, etc. attended the Vavuniya district session. These sessions aimed at increasing awareness among civil society members about local governance and budgetary processes. The LGAs generously provided their venue and amenities free of charge for these sessions.

Most of the LGAs presented their 2023 Budgets to the participating civil society organizations during these awareness sessions. This was a significant milestone as it was the first time that the LGAs shared their budgetary information with civil society organizations. The participants welcomed this gesture of transparency and engagement by the LGAs.

The presentation of the Budgets to civil society organizations played a crucial role in building a bridge between the authorities and the community. It fostered greater understanding and collaboration between the LGAs and civil society organizations, promoting transparency, accountability, and citizen participation in local governance. By providing a platform for dialogue and information sharing, these awareness sessions facilitated a stronger relationship between the authorities and the community, empowering citizens to actively participate in decision-making processes and hold their local governments accountable.

## Utilizing Digital Tools

TISL facilitated the digitization and automation of certain functions in Local Government Authorities (LGAs) in 2019, and provided digital tools to selected LGAs under various projects. As part of the Strengthening Accountability Networks Among Civil Society (SANCUS) Project, specific LGA websites were identified to be revamped according to global standards in line with current technological advancements and the evolving needs of citizens. With TISL's support, two LGAs, namely Maskeliya Pradeshiya Sabha and Kuliyaipitiya Pradeshiya Sabha, have now successfully complied with the requirements of the Right to Information (RTI) Act by publishing the necessary information, including council meeting minutes, online. Additionally, as part of the SANCUS initiative, TISL is scheduled to support two more LGAs in developing new websites.

TISL supported LGAs to enhance budgetary oversight and proactive disclosure of information. When implementing this programme, TISL adopted a strategic approach and focused on selected geographical areas in one province (Southern Province), so that the impact achieved would be greater, and monitoring easier. To achieve this target, the activity was coordinated through the provincial Commissioner of Local Government's office, which oversees all LGAs within the province. This approach aimed to establish internal controls and create a sustainable mechanism for maintaining the websites. As a result, there was increased interest from several LGAs to support four additional LGAs, namely Akuressa, Dickwella, Beliatta, and Bentota, to develop their websites, and TISL led the initiative, while providing additional resources. In addition to the SANCUS-supported LGAs, TISL also facilitated support for three more LGAs: Tissamaharama, Neluwa, and Karadeniya Pradeshiya Sabhas. These LGAs were brought together as a network with a shared objective, and multiple meetings were held to emphasize the importance of proactive disclosure. During these discussions, the LGAs requested to add more details to their websites, and these requests are currently being responded to, by TISL.



Parallel to developing the websites for LGAs, TISL conducted Information Technology (IT) trainings for their staff. In fact, the IT trainings were originally planned for 2023, but TISL conducted them in advance, responding to the requests from the beneficiaries. It showed the high interest and zeal among the LGAs on this project. While the websites were being developed, a total of 38 participants from Akuressa, Dickwella, Karandeniya, Beliatta, Bentota, Neluwa, Maskeliya, and Tissamaharama Pradeshiya Sabhas, and Kuliyaipitiya, and Vavuniya Urban Councils attended the training. The officials received education on Proactive Disclosure, IT security, and Website Maintenance. As a result of the training, participants expressed their eagerness to diligently follow proactive disclosure practices once the websites were ready.

Furthermore, these training sessions played a crucial role in ensuring the smooth continuation of project activities. At the project's inception, there were challenges as some officials were not tech-savvy. However, these training sessions helped overcome those challenges by equipping the officials with the necessary skills and knowledge. As a result, the project activities can now progress without hindrance.



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# Investigative Journalism Fellowship

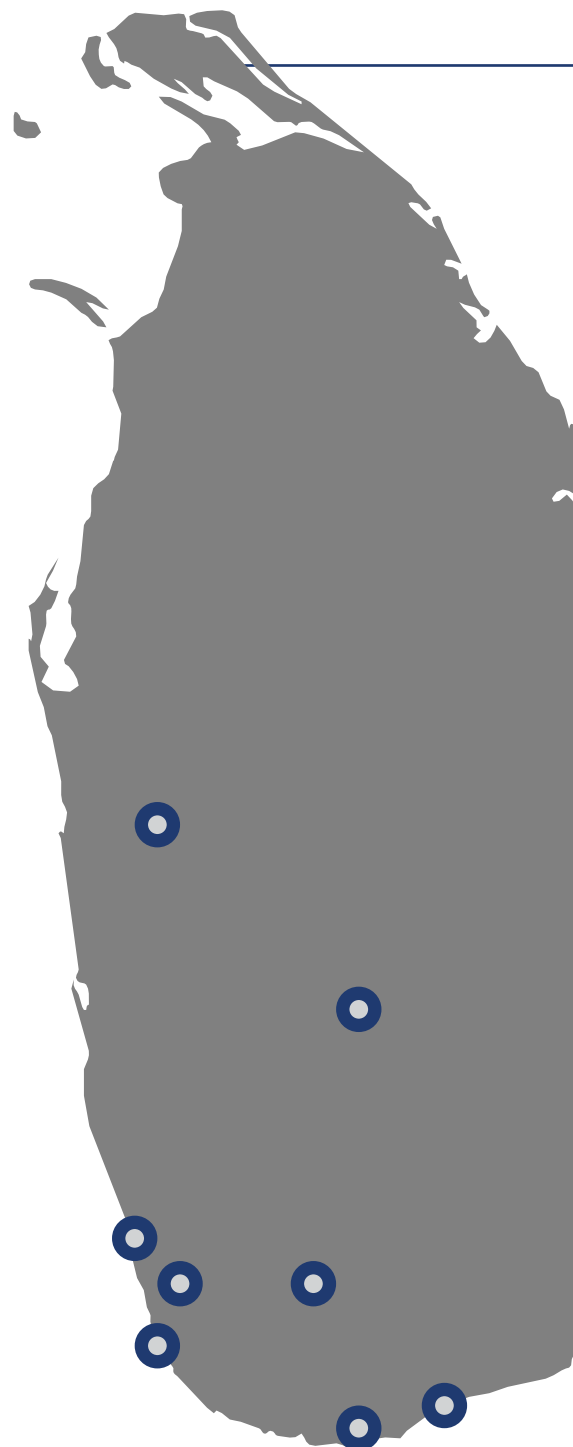
TISL has been conducting a journalism fellowship programme since 2019 with support from various donors. However, under the SANCUS project, TISL successfully implemented a similar programme focusing on the geographic areas covered by the SANCUS Project, namely Maskeliya, Kuliyaipitiya, Vavuniya, and Batticaloa. This initiative led to a close oversight of subnational governance. The six journalists who participated in the programme were able to highlight both the positive and negative practices within their respective geographic areas. The good practices were shared and reposted on the respective local government website. For example, the Maskeliya Pradeshiya Sabha reposted the journalist's coverage of their good practices, and a similar occurrence happened in the Kuliyaipitiya Pradeshiya Sabha.

Furthermore, some localities personally responded to critiques of their malpractices, and action was taken in response to cases presented by our journalists. For instance, one journalist uncovered that the Vavuniya Municipal Council had failed to collect revenue for fifteen years, and after the report was published, the authorities took appropriate measures to collect the outstanding amounts.

## Open Government Partnership

The Open Government Partnership (OGP) is a multilateral initiative that encourages governments to make commitments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governments, learning from each other's experiences and in partnership with civil society within the country. Sri Lanka joined OGP in 2015.

The OGP initiative reached a standstill in 2019, despite numerous attempts to engage with the Government. Unfortunately, there was no commitment from the Government regarding the continuity of the initiative. Nevertheless, civil society organizations have persisted in supporting and implementing commitments under various thematic areas for the past three years. Throughout 2022, discussions were held on restarting the initiative and the possibility of developing a new National Action Plan. Despite being conducted online, the participation in these discussions was satisfactory, indicating continued interest and engagement in the OGP.



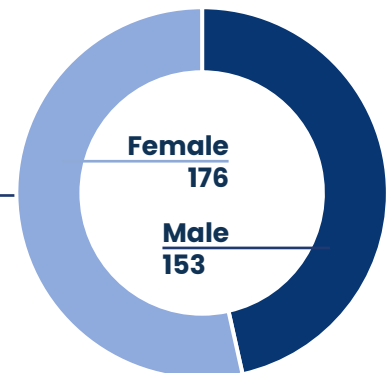


**9**

**# of Trainings on  
Participatory Budgeting &  
Governance**

**329**

**# of Participants**

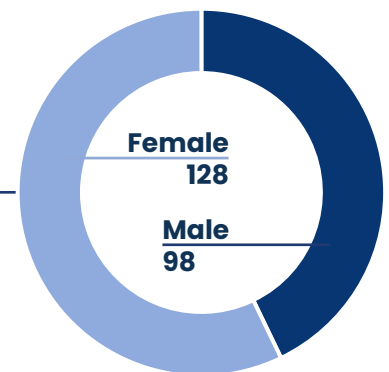


**5**

**# of Trainings related to  
Local Government  
Authorities**

**224**

**# of Participants**

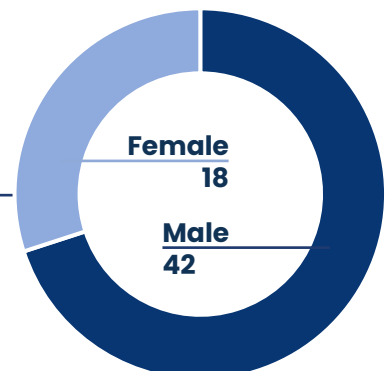


**3**

**# of Investigative  
Journalism Fellowship  
Programs**

**60**

**# of Participants**

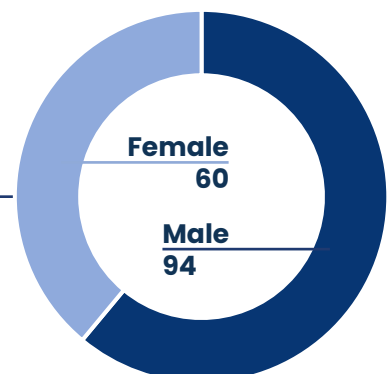


**5**

**# of other Trainings :  
Website/ IT revamping &  
Anti - Corruption**

**154**

**# of Participants**









# Public Sector

The Public Sector team works closely with public institutions and public officials to increase transparency and accountability within the public service sector using modern technology and innovative tools.

The Public Sector has been celebrating public officials who have gone above and beyond the call of duty to promote the value of integrity. As another key intervention, the Public Sector team has been organising training programmes, workshops and other events to develop the capacity of public officials on open governance and accountability mechanisms. The Public Sector, with its interventions, strives to improve efficiency and accessibility of public services to minimize opportunities for corruption.





# Knowledge-Sharing on the Misuse of Public Property

TISL has been actively involved in monitoring elections for many years through its programme for the protection of public resources. Hundreds of complaints have been recorded regarding the misuse of State vehicles, buildings, human resources, and projects, for election campaign purposes, among other things. These violations have resulted in significant financial losses to the Government and have had a detrimental impact on the integrity of elections. Unfortunately, these issues often receive little to no attention by the authorities in terms of addressing and rectifying them.

TISL organised a knowledge-sharing session on May 27, 2022, at Janaki Hotel in Colombo to enhance knowledge among various stakeholders in this field. The event was attended by regional and local election monitoring bodies, TISL's electoral observer network, and other relevant civil society organizations. Two panel discussions were held under the theme of 'misuse of public resources during the election period' and 'the positive impact of using new technology to control such violations.' The panels featured representatives from the Election Commission of Sri Lanka, Asian Network for Free Elections, People's Action for Free and Fair Elections, Citizens Commission India, and Citizen Congress Watch, Taiwan.

Taking a step further, the Public Sector team reached out to election monitoring bodies in the Asia Pacific region, inviting them to join a broader coalition against the misuse of public resources. In addition to sharing knowledge and raising awareness, ongoing engagement with various stakeholders, both locally and internationally, amplifies the collective voice against the misuse of public resources.

## “Sambhashana” Panel Discussion

A panel discussion titled “Sambhashana” was conducted on March 28, 2022, to shed light on the social, economic, and legal factors contributing to the misuse of public resources and its detrimental impact on Sri Lanka's economy. The entire discussion was recorded and later aired on Derana 24, reaching a wide audience across the nation.

The distinguished panellists for this event were (Hon) Prof. Charitha Herath, Member of Parliament, (Hon) Sunil Handunnetti, former Member of Parliament and the former Chairman of COPE (Committee on Public Enterprises), (Hon) Dr. Harsha De Silva, Member of Parliament, and Mr. Rohana Hettiarachchi, Executive Director of the People's Action for Free and Fair Elections (PAFFREL). These esteemed individuals brought diverse perspectives and experiences from their respective backgrounds, to the discussion. Their collective expertise allowed for a comprehensive discussion on the root causes behind the country's economic decline and emphasized the importance of safeguarding public resources.

Throughout the panel discussion, the participants explored various dimensions of the economic downturn, bringing attention to the social, economic, and legal underpinnings of the misuse of public resources. By delving into these crucial aspects, the panellists aimed to increase public awareness regarding the adverse consequences of such malpractices on Sri Lanka's economy.

The panel discussion served as a platform for an open dialogue, enabling the panellists to highlight the importance of protecting public resources and combating corruption. By fostering a better understanding of the issues at hand, the event facilitated a broader conversation on the intricate interplay between the misappropriation of public property, corruption, and their profound impact on the nation's economic stability.

Ultimately, this engaging panel discussion contributed to raising awareness among the public about the far-reaching effects of such practices on the economy. By shedding light on these critical issues, the event served as a catalyst for promoting transparency, accountability, and responsible governance in Sri Lanka.

## Establishing the Electoral Observer Network

TISL has greatly benefited from the presence of a dedicated team of observers representing all administrative districts in Sri Lanka, which has been instrumental in effectively monitoring elections over the years. In the years 2021 and 2022, TISL took a significant step by formally appointing one observer from each district to assume the role of a standing district electoral observer, leading the monitoring efforts during election periods.

A notable transformation took place in the composition of the observer group. In the past, the group solely consisted of male observers, but through our revamped recruitment process, we successfully achieved a more gender-balanced representation. This shift was essential in fostering diversity and inclusivity within the group.



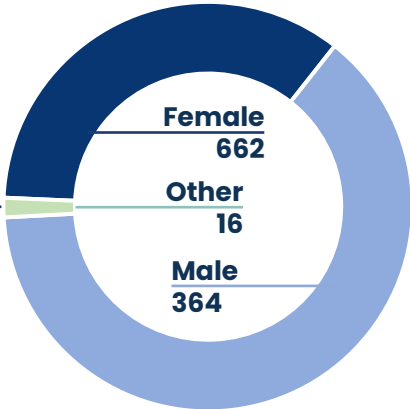


Recognising the importance of enhancing the capacity of our observer team, TISL made substantial investments in their development. Several targeted programmes were designed in alignment with our network’s objectives, aimed at equipping the observers with the necessary skills and knowledge. By engaging in these programmes, TISL’s observers were not only prepared to effectively monitor upcoming elections but also empowered to bring TISL’s agenda to the grassroots level, reaching out to individuals and networks at the community level. This was particularly apparent in the speed with which the Observers mobilised in their election observer efforts and voter education programmes, when the LGA elections were announced for the month of March 2023.

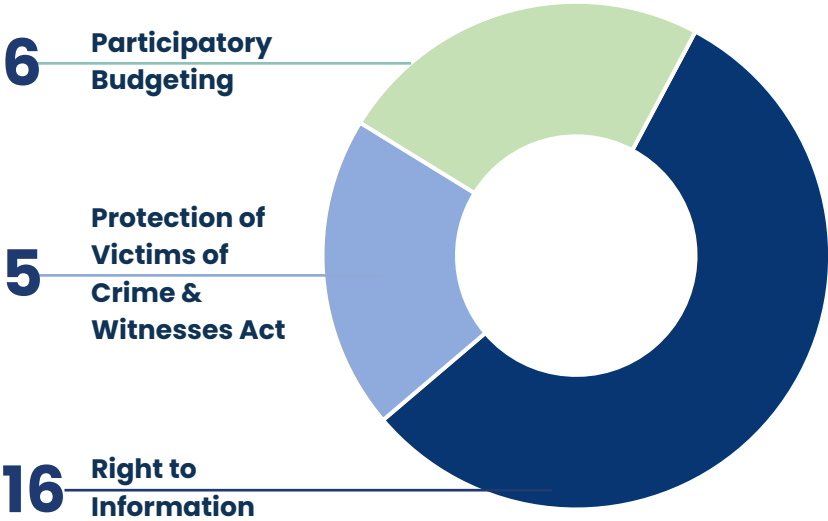
This concerted effort to strengthen the observer group and their engagement with various stakeholders reflects TISL’s commitment to ensuring transparent and inclusive elections in Sri Lanka. We remain dedicated to further enhancing the capabilities of our observers, enabling them to play a crucial role in safeguarding the integrity of the electoral process and promoting accountability within our democratic system.

**25** **# of Trainings Conduct by the Public Sector Pillar**

**1042** **# of Participants**



**Types of Training Sessions Conducted**









# Private Sector

The Private Sector team works predominantly with companies to facilitate the enhancement of private sector accountability through transparency. This is done through initiatives such as the Transparency in Corporate Reporting (TRAC) assessment, one-on-one discussions, trainings on Anti-Bribery and Corruption (ABC) and the Right to Information (RTI), Company policy reviews, panel discussions, surveys, research on Corruption Risks for Companies etc. The team also works with other stakeholders in the private sector such as Chambers of Commerce, Business Associations and regulatory authorities that are relevant to the sector, to adopt a holistic approach to engaging the private sector in the fight against corruption.

The Private Sector, with its interventions, strives to enhance private sector accountability while advocating for greater legal accountability of the private sector.





# Businesses Standing Against Corruption

In a year of great tumult in the sphere of governance that saw the President of the country resigning in response to public pressure, corruption emerged as a key factor contributing to Sri Lanka's severe economic crisis. Recognising the urgent need for change in both the political and public service sectors, citizens have been calling for reforms. However, it is crucial to acknowledge that the private sector, often seen as an enabler, can also play a pivotal role in combating corruption.

Responding to the citizens' outcry and their demand for transformation, the Sri Lanka Institute of Directors (SLID) approached TISL with the aim of instigating change within the private sector. The objective was to promote transparency and good governance, inspiring company directors and business leaders to take a stand against corruption and provide responsible leadership.

Following the outbreak of the economic and political crisis, SLID issued a media statement, emphasizing that corruption runs counter to professional ethics and has the potential to devastate nations, economies, and businesses. SLID called upon the country's leaders, its membership, and other business leaders to collaborate in bringing about systemic changes that would lead to a corruption-free Sri Lanka.



At the SLID Annual General Meeting held in July 2022, TISL and SLID formalized their partnership by signing a memorandum of understanding. This agreement marked the beginning of a joint initiative titled 'Business Against Corruption' (BAC). The primary objective of this initiative was to unite companies in a collective effort to enhance their own practices and become role models and champions in the fight against corruption, upholding values of transparency and accountability.

TISL and SLID reached out to numerous companies, and 11 of them expressed their willingness to join the BAC initiative. In October 2022, the first roundtable meeting was held, with representatives from these 11 companies in attendance. The participants warmly welcomed the BAC initiative and expressed gratitude to TISL and SLID for convening this crucial discussion. Following the meeting, it was agreed that TISL would engage with each company individually to discuss the way forward, with the intention of reconvening the group to collectively determine the next steps.

This joint effort between TISL and SLID, through the Business Against Corruption initiative, demonstrates a shared commitment to combatting corruption within the private sector. By encouraging companies to improve their practices and become beacons of integrity, transparency, and accountability, this initiative seeks to contribute to a corruption-free business environment in Sri Lanka.





# TRAC 2022 – A look back at the last 3 years

In a significant milestone for TISL, the organization successfully conducted the inaugural Transparency in Corporate Reporting (TRAC) Assessment in 2020. This assessment aimed to evaluate, rank, and acknowledge the adherence of Public Limited Companies (PLCs) to standards of business integrity. It marked a crucial step towards promoting transparency and accountability within the corporate sector.

In its first year, the TRAC Assessment encompassed 50 companies, diligently scrutinizing their corporate reporting practices and levels of compliance. The assessment process aimed to shed light on the transparency and accountability measures implemented by these companies, ultimately recognizing those that demonstrated exemplary standards of integrity.

Building upon the success of the initial assessment, TISL further expanded its scope in subsequent years. In 2021, the assessment was extended to encompass 75 companies, allowing for a more comprehensive evaluation of corporate reporting practices across a broader spectrum. This expansion served as a testament to TISL's commitment to fostering a culture of transparency and ethical conduct within the corporate landscape.

Continuing its growth trajectory, TISL further increased the scope of the TRAC Assessment in 2022, incorporating a total of 100 companies. This expansion showcased TISL's dedication to promoting responsible business practices and encouraging a higher level of accountability among corporations.



The TRAC Assessment focused on key thematic areas that hold significant importance in the fight against corruption and the promotion of responsible business practices. These areas included anti-corruption programs, company holdings, financial information related to domestic operations, and gender and non-discrimination policies. By evaluating these specific aspects, TISL aimed to encourage transparency, accountability, and integrity within the corporate sector.

To assess the performance of companies, a scoring and ranking system was employed, utilizing publicly available information pertaining to each company. The primary sources of information were the latest annual reports published by the companies, as well as their official websites and other publicly accessible company documents. These sources provided valuable insights into the practices and policies adopted by the companies, offering a basis for evaluation and comparison.

The inclusion of anti-corruption programs in the assessment underscored the importance of companies implementing robust measures to prevent and combat corrupt practices. By examining the presence and effectiveness of these programs, TISL aimed to incentivize companies to adopt comprehensive anti-corruption frameworks, thereby mitigating the risks associated with corrupt activities.

Company holdings constituted another critical aspect evaluated in the assessment. This involved analysing the transparency and disclosure of information regarding a company's holdings, ensuring that potential conflicts of interest and unethical practices were appropriately addressed and disclosed.

The assessment also delved into the financial information related to domestic operations, emphasizing the significance of transparent reporting in this regard. By scrutinizing the financial data provided by the companies, TISL sought to promote accountability and accuracy in financial reporting, fostering trust and credibility in the corporate sector.

Lastly, the evaluation of gender and non-discrimination policies aimed to encourage companies to embrace diversity and inclusivity within their organizational structures. By assessing the presence and effectiveness of such policies, TISL aimed to promote gender equality and non-discrimination in the corporate environment.

Through the TRAC Assessment, TISL sought to promote transparency, integrity, and responsible business practices in Sri Lanka. By focusing on these thematic areas and utilizing publicly available information, the assessment provided valuable insights into the performance of companies and encouraged continuous improvement in corporate reporting practices.





## Transparency in Corporate Reporting Assessments 2021 & 2022

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**Number of Companies Assessed – 100**

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**Number of Other private sector stakeholders reached – 25**

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**The section on Gender and non-discrimination was scored and added to the overall score section in the TRAC report 2022.**

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**One-on-one Meetings – 21 companies**

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TRAC 2021 was covered in several newspapers – Island wide

TRAC 2021 was covered on several English television channels – English News channel viewers

TRAC 2022 was covered on an English television channel – English News channel viewers

Reach from the TRAC infographics was 80.6k and engagements was 8.9k

LMD reached out to TISL and conducted an interview on TRAC, free of charge.

## Reaching new Stakeholders

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**The Ceylon Chamber of Commerce (CCC) – Conducted a webinar on RTI and the Private Sector in partnership with the CCC, with 60 participants.**

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**The Securities and Exchange Commission (SEC) – The regulator of the Stock Exchange in Colombo. Met with them to discuss working together on private sector corruption.**

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**The Sri Lanka Institute of Directors (SLID) – Entered into a partnership on the Business Against Corruption (BAC) initiative. Had the 1st roundtable meeting with 11 companies joining.**

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**The Commission to Investigate Allegations of Bribery or Corruption (CIABOC) Meeting with the institution that investigates bribery and spoke about private sector corruption.**

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## Right to Information Trainings

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**Lawyers Symposium of John Keells Holdings – 15 Participants**

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**Heads of Departments of Dilmah Ceylon Tea – 60 Participants**

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## Other

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**Selected as the first Asian Organisation to join a Mentorship Programme on Collective Action by the Basel Institute on Governance**

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**Selected to be on a panel at the TI Movement Summit on TRAC**

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**Invited by Dialog Axiata as a Guest Speaker for International Anti-Corruption Day 2022**

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# Community Sector

The Community Sector's goal is to empower and mobilize citizens to understand and resist corruption. With this in mind, the Community Sector has been working to enhance the understanding of the public about corruption as well as the importance of integrity. While enhancing citizen engagement and building coalitions to challenge all types of corruption, the Community Sector has also responded to issues of corruption within communities. Providing free legal assistance and organising awareness-raising programmes on the Right to Information Act and its wider application were interventions by this Sector towards the strengthening of victim, witness, and whistleblower protection mechanisms.





# The Advocacy and Legal Advice Centre (ALAC)

The Advocacy and Legal Advice Centre (ALAC), provides the public with the opportunity to seek free legal advice when they encounter instances of corruption while obtaining a service from a state institution. These centres provide information on available mechanisms to pursue complaints, and also mediate between State institutions and complainants to find lasting solutions to grievances.

As TISL's legal arm, ALAC has addressed cases related to bribery, corruption, and specifically microfinance credit schemes, in collaboration with the Legal Aid Commission. Through this partnership, the Legal Aid Commission has agreed to provide legal representation for 25 clients that ALAC referred to it.



# The Power of Information

Through the Community Sector, TISL has been encouraging citizens to file Right to Information (RTI) applications with the relevant authorities to know more about matters that affect them, their community, and the country at large, and to use that information to bring the attention of the relevant authorities to address those problems. Given below are two examples of achievements made through TISL's interventions last year.

## Utilizing RTI for Investigative Journalism

The power of information and transparency was exemplified through a significant RTI request made by a determined journalist. The request unveiled a startling revelation: the Government had discreetly been allocating an exorbitant sum of over Rs. 200 million in salaries and allowances for Chairpersons and their personal staff, even after the dissolution of Provincial Councils.

Despite the severe economic crisis that had engulfed the nation, the Government had continued to incur expenses such as vehicle costs, fuel allowances, post service expenses, stamp charges, and private staff salaries, despite the inactivity of the 9 Provincial Councils and the non-performance of the Chairpersons' duties following the dissolution.

Driven by the desire to expose the misappropriation of public funds, the journalist shared this information through national newspapers as part of TISL's Investigative Journalism Fellowship, crafting a compelling narrative that resonated with citizens and even caught the attention of Cabinet Ministers. The story's publication sparked widespread public awareness and outcry.

A few months later, recognizing the urgency to address this issue, the Secretary to the President issued a special circular aimed at immediately curbing the excessive perks provided to Chairpersons. The circular placed restrictions on fuel allowances, vehicle facilities, and monthly salaries. The fuel allowance was limited to 150 litres per month, and the number of personal drivers was reduced to two, a significant reduction from the previous allowance of 1500 litres of fuel and 13 personal staff members.

This swift response from the Secretary to the President signifies the power of the RTI combined with passionate journalism. By exposing corruption and shedding light on the misuse of public funds, the journalist's efforts prompted a necessary course correction, resulting in substantial savings for the public purse. This incident highlights the crucial role that investigative journalism, fuelled by the right to information, can play in holding those in power accountable and safeguarding the interests of the public.



# The Power of Taking a Stand Against Corruption

Mr. Sarath Perera, a former police officer at the Ragama Police Station in Sri Lanka, faced an unjust interdiction on December 2, 2019, due to false allegations of absence from duty at the station.

Upon receiving Mr. Perera's complaint, the ALAC took immediate action to address the issue. Following ALAC's guidance, Mr. Perera filed RTI applications and sent several letters to obtain accurate information regarding the reasons behind his interdiction. These applications and letters sought clarification on the allegations, and expressed concerns regarding the violation of Mr. Perera's fundamental rights.

Recognizing the gravity of Mr. Perera's situation, TISL provided him with comprehensive advice and guidance. TISL helped him demand all legal documents and proper information pertaining to his interdiction. Furthermore, TISL carefully analysed the decisions and reliefs provided by the Police Commission, exploring avenues for a more favourable outcome.

Thanks to the interventions of ALAC and TISL, Mr. Perera successfully reclaimed his position as a police officer and resumed his dedicated service to the community on September 27, 2022. This reinstatement not only marks a personal victory for Mr. Perera but also serves as a testament to the power of fighting against corruption and standing up against unjust actions by authorities.

This success story highlights the vital role played by organizations like TISL in providing legal support, guidance, and advocacy for individuals who face injustice and rights violations. By fighting for justice and ensuring accountability, they contribute to a society where the principles of fairness, integrity, and transparency prevail.



# Matara Regional Office

## Solutions through interventions at the national level

In the early years of opening the branch office, Mr. S.G. Edmond approached TISL regarding his pension issue as a retired army officer of the Volunteer Force who had previously served in the River Valley Development Board. Mr. Edmond had completed 23 years of service in the River Valley Development Board and 18 years of service in the Volunteer Force of the Sri Lanka Army at the time of his retirement.

Upon informing the Department of Pensions about Mr. Edmond's non-receipt of a pension, they clarified that he was not eligible for a pension under existing provisions, as he had not fulfilled the requirement of serving 22 years in the Sri Lanka Army.

TISL took the initiative to request a Member of Parliament to file a petition on behalf of Mr. Edmond with the Parliamentary Committee on Public Petitions. Unfortunately, the petition was dismissed due to the dissolution of Parliament. However, another petition was filed in 2015.

In response to the Committee's request, the tri-forces were asked to prepare a cabinet memorandum addressing the issue of providing pension rights to individuals who had joined the Volunteer Force after serving in various Government institutions but had retired without receiving a pension due to reaching the maximum age limit.

Through the use of RTI applications and follow-ups with the tri-forces, TISL facilitated the submission of the cabinet memorandum in 2019, which subsequently received approval from the Cabinet in 2020. According to the Gazette notification issued on November 23, 2020, a total of 264 officers were identified to fall under this same category, making them eligible for a pension for their service in the Government sector.

With TISL's continuous follow-up efforts, including the submission of pension papers and relevant documents to the Department of Pensions, Mr. Edmond's pension file was completed in December 2022. This successful outcome signifies the impact of TISL's advocacy work in ensuring that individuals who have served in the Government sector receive their rightful pension benefits, even after facing initial challenges and hurdles.





# Vavuniya Regional Office

## Using RTI to Resolve Land-Related Issues

Pathmanathan Priyatharshini, a resident of Puthiyavelan Chinnakulam in Vavuniya, had been persistently seeking information regarding her land ownership from the Divisional Secretariat of Vavuniya. Despite her continuous inquiries, she did not receive any proper reply or information regarding her land ownership status. Priyatharshini had attended the land Kachchery (Reference Number: DS/11/LB/220F/PUTHI/ANEX/329) on April 4, 2013, but her queries had remained unanswered.

To address this issue, the Vavuniya Branch of TISL filed a Right to Information (RTI) application on May 24, 2022, to the Divisional Secretariat seeking information on Priyatharshini's land ownership. However, as before, there was no reply from the Divisional Secretariat. The Vavuniya Office continued to assist Priyatharshini by following up with a Designated Officer (DO) on the appeal and later to file an appeal with the Right to Information Commission.

The Commission eventually ordered the Divisional Secretary to provide a reply to Priyatharshini within one month. Subsequently, she received a response stating that her land had been transferred to someone else. The Divisional Secretariat acknowledged that they were unable to contact the current owner to cancel the ownership and consider Priyatharshini's request for a land permit.

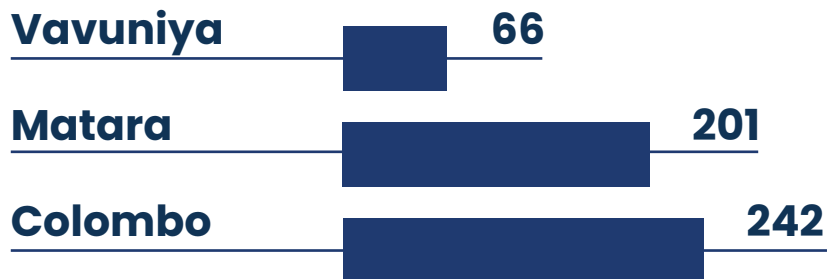
This revelation, after a nine-year wait, put an end to the mystery surrounding Priyatharshini's case. She expressed her belief that without the use of RTI, such information would have remained unknown. The information received through the RTI process exposed corruption, revealing that her land had been transferred to another person.

With this new information, Priyatharshini now has hope that she will be able to regain ownership of her land. The case exemplifies the power of RTI in uncovering corruption and providing individuals with crucial information to assert their rights and seek justice.

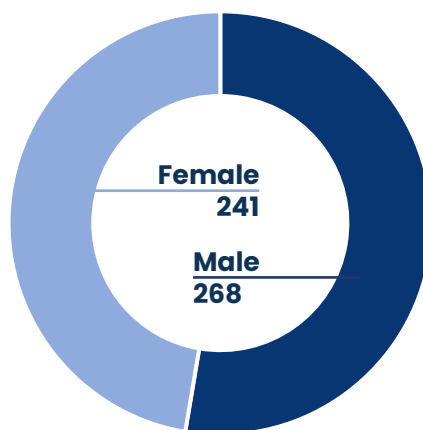


# 509

## Complaints Received by ALAC Offices

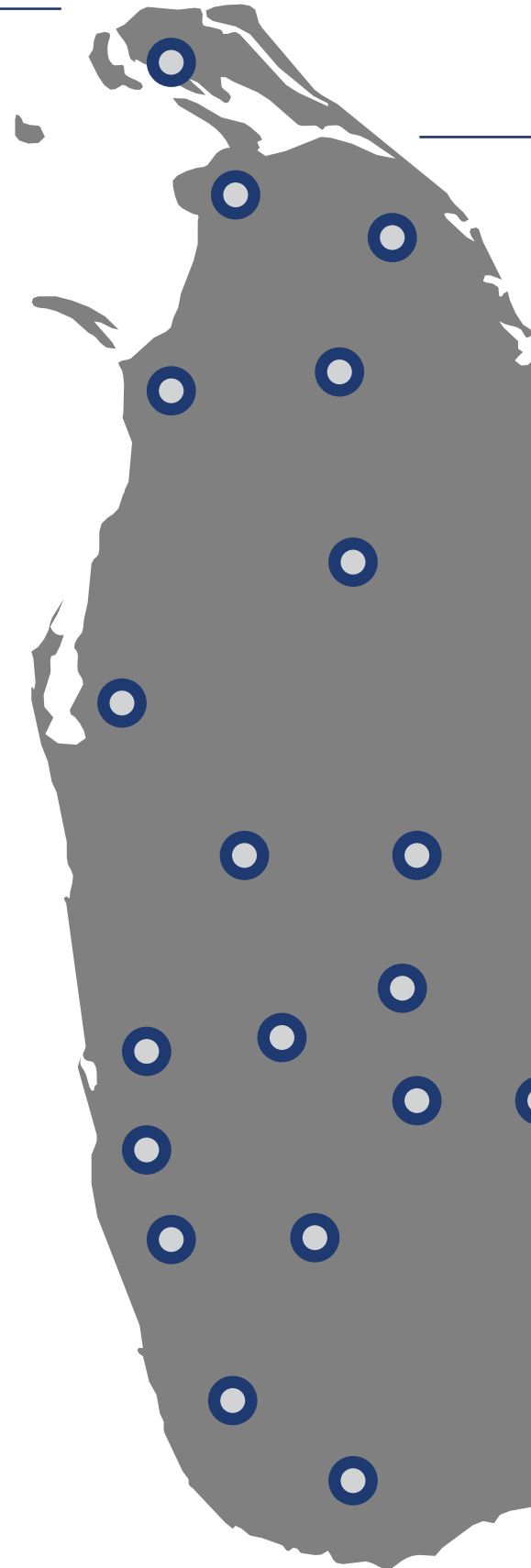
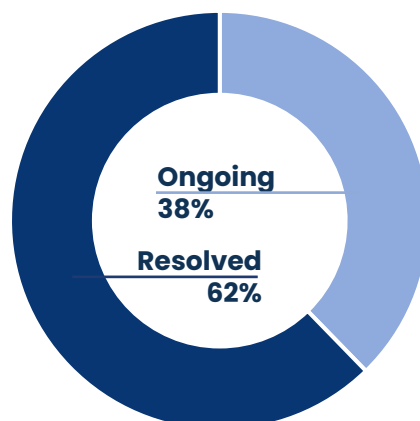


## Gender Comparison of Complaints - ALAC



## Complaint Resolution Rate - ALAC

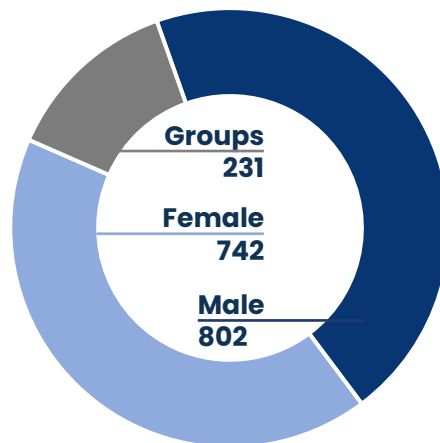
(of total complaints - 2022)



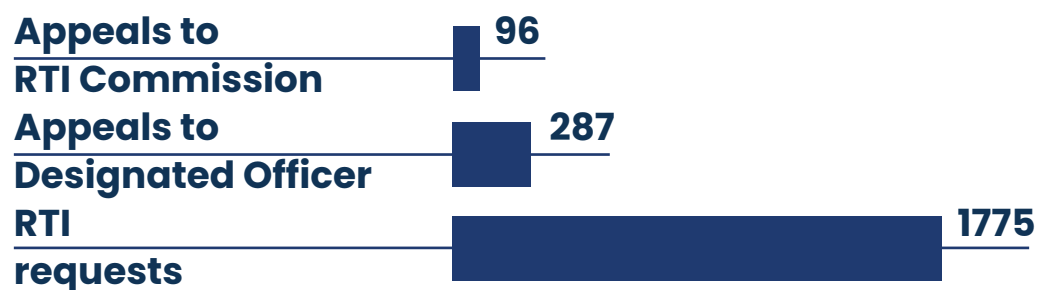


# 1175 RTI Requests Facilitated by RTI Hubs

## Gender Comparison of facilitated RTI requests



## A Summary of RTI Applications









# Communication and social media





    NEWSWIRE

46 TRANSPARENCY INTERNATIONAL SRI LANKA





Amid an unprecedented mass agitation sweeping across the country, the past year provided TISL with a unique opportunity to actively involve the public and gain significant media attention for our ongoing efforts in combating corruption, promoting good governance, and ensuring accountability. Harnessing the energy and enthusiasm of the public and the media, we were determined to effectively communicate our messages and raise awareness on these critical issues.

To achieve this, TISL strategically focused on enhancing our visibility, expanding our reach, and fostering engagement on social media platforms and other traditional media. TISL organized a series of media events and conferences to capture the attention of both the public and the media, ensuring its messages resonated strongly with the target audience. Through consistent and impactful communication on social media, we were able to reach a larger audience and generate a significant impact.

Recognizing the power of collaboration, TISL joined forces with other civil society organizations, presenting a united front in joint appearances before the media. It helped amplify a collective voice and influence. While working together with other groups, TISL made sure that the identity, impartiality and credibility of the organization remained intact. This collaborative approach not only strengthened its advocacy efforts but also facilitated a wider dissemination of TISL's messages, leaving a lasting impression on the public and reinforcing the importance of its cause.

By responding to the momentum of the mass agitation, adopting a multi-faceted media strategy, and leveraging collaborations, TISL successfully enhanced its visibility, expanded its reach, and engaged with a larger audience across various platforms. Through these concerted efforts, we effectively raised awareness, generated public participation, and fostered a culture of transparency and accountability in our society.



**Likes 22K**  
**Followers 24K**



**Followers 2476**



**Connections 1591**



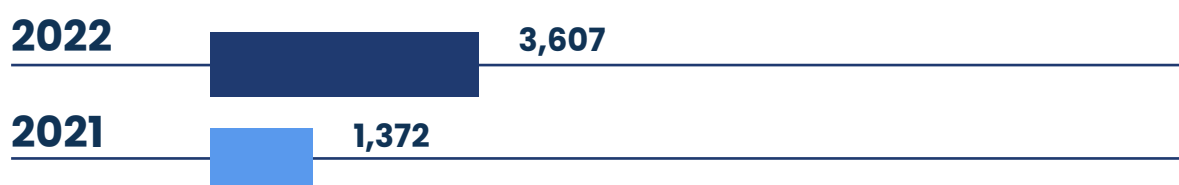
**Subscribers 459**



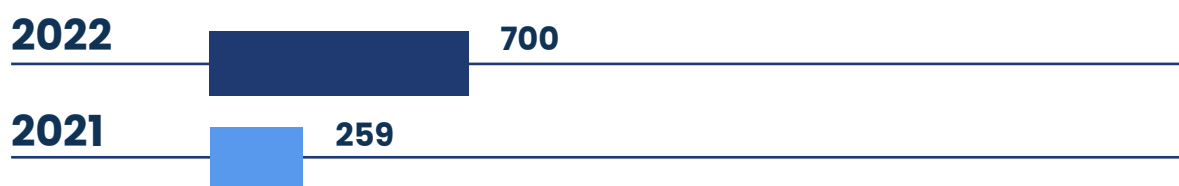
## **Total Facebook Reach : 2021 Vs 2022**



## **Facebook New Likes & Followers : 2021 Vs 2022**



## **Twitter New Followers : 2021 Vs 2022**



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**Total Press Releases Issued - 18**

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**Media Coverage Received - 242**

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**TV & Radio Media Discussions - 38**

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**No of Social Media Posts Designed (FB) - 244**

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# Finance and Operations

**Despite 2022 being a challenging year, the Finance and Operations teams adapted well to provide quality support for ongoing programs.**

In 2022, TISL's project expenditure increased by more than 75%, which in turn required greater project oversight and stronger financial controls. TISL maximized the use of information technology by moving to digital banking and the digital storage of records, and this helped the finance team to deliver quality services in a timely manner. In addition to statutory and project audits, bi-annual internal audits were initiated. The Finance Committee of the Board of Directors, continued to strengthen its guidance and oversight towards assessing and improving the financial and operational controls and the efficiency and effectiveness of financial management, in line with TISL's strategic direction.













# Staff Development & Well-Being



**TISL had a challenging yet transformative year in 2022. The organization faced significant challenges such as the economic downturn and a volatile political landscape, which demanded the implementation of high-security protocols and prioritization of staff care, to ensure the safety and well-being of team members. Through such focus, TISL was able to instill confidence among its staff members and enable them to perform effectively.**

Understanding that the organizational culture is a critical enabler, TISL provided an all-staff training aimed at strengthening the core values, staff relationships and the organizational culture. Prioritizing the need to develop the leadership skills of managers and to equip them to face the challenges pertaining to their role, TISL facilitated a series of leadership training and individual coaching sessions for the managers. TISL also facilitated training related to the subject matter and the work approach, such as training on communication for behavioral change, physical and digital security and on thematic areas of anti-corruption. With the generous support of The Asia Foundation, TISL was able to conduct an organizational capacity assessment and collectively identify areas that needed capacity building. Stemming from this, staff were taken through a comprehensive training on a new MEL tool that best suits the nature of TISL's work. The annual Strategic Plan review was conducted with the active participation of all staff, thereby building ownership and enhancing their knowledge of strategic planning.

As a staff well-being and team building initiative, a two-day staff trip was organized, which also provided a much-needed break, relaxation, recreation and bonding time for staff members, who have been coping with heightened stress and a high workload due to the country's situation. In appreciation of the dedication and hard work of the team throughout the year, TISL also organized, for the first time in its history, a year-end get-together, for which immediate family members of staff were invited. This enhanced the understanding of the family members about TISL's work, values and the internal culture, thereby strengthening their support and connection with TISL. During this event, TISL specifically recognized and appreciated the loyalty and dedication of team members who have served the organization for a long time. In addition, during the year, TISL organized simple staff-led celebrations to mark key religious/cultural festivals in the country, thereby celebrating diversity and facilitating staff inclusion and well-being.

TISL also prioritized the psychological well-being of staff members during this year that really tested their coping capacity. Staff members who needed psychosocial assistance were connected to counselling services and informal staff meetings were held, creating safe spaces for staff to share their challenges and discuss coping mechanisms. As a strategic priority, TISL fostered a culture of empathy and care, where every team member felt valued and supported. This culture proved to be crucial in overcoming obstacles and achieving the collective goals of the organization.





# BOARD OF DIRECTORS

## Pulasthi Hewamanna

He is an Attorney-at-Law engaged in practice relating to Human Rights and Public Law litigation.

He has an LLB from the University of London and thereafter obtained an LLM (with distinction) from Kings College London specialising in International Human Rights & International Environmental Law. He has served as a Lecturer in the Law of Evidence at the Royal Institute, Colombo and has also lectured at the International College of Business and Technology (ICBT) campus, Colombo.

## Jeanne Samuel

Over the past 40 years Jeanne has worked in the field of humanitarian aid and development in Sri Lanka and Vietnam with local and international NGOs, bilateral aid agency and the United Nations High Commission for Refugees. She has managed and directed programs and projects in varied fields. She graduated at the London South Bank University, UK in Applied Biology and has a Master's degree in conflict, security and development from the University of Bradford, UK. She has spent her working life with the physically challenged, children, affected by armed conflict, internally displaced persons, women headed-households in addition to community development, livelihood initiatives and building capacities of local grass roots organizations. She served as a Consultant to The Asia Foundation on the implementation of the Language Policy in Sri Lanka and to the SPICE Project funded by USAID. She was a Board Member at the Centre for Policy Alternatives and a Trustee at the Neelan Tiruchelvam Trust.

## S.C.C. Elankovan

Mr. S.C.C.Elankovan received degrees in Philosophy and Law, and a Masters in Public Administration from the University of Madras. While a refugee in India for 17 years and pursuing his higher education, Mr. Elankovan worked for an organisation of Refugees working with refugees. He has worked in the NGO sector for the last 26 years, 19 of which have been spent in Sri Lanka working for INGO'S such as ZOA and Oxfam. He has also worked in varied capacities with the Sarvodaya Shramadana movement. A substantial extent of his professional career has been in the areas of rehabilitation and community development, working among refugees, IDPs and war affected communities.

Mr. Elankovan is presently a freelance consultant having undertaken recent assignments for the International Centre for Transitional Justice, Helvitas, Habitat for Humanity, Diakonia and GiZ's FLICT project in Sri Lanka. He is particularly interested in citizen engagement for social action, refugee rights, peace and reconciliation, and sustainable community development, which includes education and skills development of war-affected vulnerable groups. He continues to engage in advocacy initiatives on the same.

## Shreen Abdul Saroor

Ms. Shreen Abdul Saroor is a co-founder of Mannar Women's Development Federation (MWDF) and Women's Action Network, a collective of 11 women's groups, that have been working on advocacy on women's rights and documentation with a focus in north and east of Sri Lanka.

Challenges faced by Shreen in her own experience of being forcibly evicted and displaced along with all the members of her community from the north in 1990 laid the foundation for her activism. Her activism grew when she implemented the 'Shakti gender equality programme' sponsored by the Canadian International Development Agency in 1998.

In 2004, the John B. Kroc Institute for Peace and Justice elected Shreen as one of the Women Peacemakers and later that year she was awarded a two-year Echoing Green Fellowship to build a model resettlement village bringing together Tamil and Muslim displaced communities in her hometown, Mannar. Since the end of the war in May 2009 Shreen has been working with women who have faced sexual violence and families that are looking for their missing family members - especially on litigation and international lobbying.

Shreen's first degree is in Business Administration and her postgraduate area of specialty is in Feminist Studies. She is also an Ashoka Fellow.

## Camena Guneratne

Camena Guneratne has an LL.B from the University of Colombo, an LL.M from Harvard Law School and a PhD from the University of Waikato, New Zealand. She is currently a Professor in the Dept. of Legal Studies of the Open University of Sri Lanka.

Her areas of interest are environment and development, human rights and gender and women's rights. She has taught Environmental Law at several universities in Sri Lanka at both undergraduate and graduate level, and also teaches in the area of women's rights. She has been involved with non-governmental organisations working in the fields of both gender and environment, serving on the Board of Directors of the Environmental Foundation Ltd and the Centre for Women's Studies and is currently on the Board of the Women's Education and Research Centre. She has served on many government committees on environmental law, human rights, women's issues and legal education, and is presently a member of the Law Commission of Sri Lanka. She has done consultancies for the World Food Programme, the International Labour Organisation, and the Center for Environmental Research, Training and Information.

She is a Fulbright scholar and recipient of the Smuts Visiting Fellowship in Commonwealth Studies at the University of Cambridge.



## 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. She received her first degree in Law and thereafter an LL.M. at the University of Colombo.

As a freelance consultant in the development sector, Ms. Amarasinghe has worked on several assignments in organisational 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.

## Sandun Thudugala

Sandun Thudugala holds a BSC on Management Information Systems from University of Dublin and a BA on Sociology from Open University of Sri Lanka. He has 20 years of experiences working with national and International NGOs and local civil society movements in Sri Lanka.

Sandun is one of the founding members of People's Alliance for Right to Land (PARL). Currently he is serving as the Director Programs and Operations of Law and Society Trust (LST). In LST he leads current programs on land and labour rights, minority rights, governance reforms and women's economic empowerment.

He is also serving as an Executive Committee member of Movement for Land and Agriculture Reforms (MONLAR) and Devasarana Development Centre.

## Pavithra Kailasapathy

Pavithra Kailasapathy is a Professor in the Department of Human Resources Management at the Faculty of Management & Finance, University of Colombo. She graduated from the University of Colombo with BBA degree and has Master's degrees from the New School for Social Research, New York and the University of Massachusetts, Amherst, USA and PhD from the University of Melbourne, Australia. From 2013 Pavithra was an Associate Editor of the South Asian Journal of Human Resources Management (Sage Publishers) and from 2021 is the Editor-in-Chief. Pavithra's area of interest for research is gender issues in organisations.

Pavithra is an Associate member of the Chartered Institute of Personnel Management Sri Lanka and was a member of the IPM Council in 2002/3. She was a Director of the Board of Women's Education and Research Centre, Colombo, and Step-by-Step Studio, Colombo. She was also the Treasurer for 3 1/2 years in FUTA. Pavithra has conducted training for non-governmental organisations leaders and staff on personal development, organisation development and leadership development.

## Hana Ibrahim

Hana Ibrahim is the Editor in Chief of the Daily Express/Weekend Express, published by Express Newspapers Ceylon Ltd and Turning Points, an annual New York Times/Weekend Express co-branded magazine. A journalist by profession, she has a MS in Journalism and over 25 years local and international experience in the media industry. She is founder editor of Ceylon Today (Daily and Sunday) and the former editor of Sunday Standard; Senior Associate Editor, Sunday Observer and 'friday', a weekly tabloid, conceived and launched by her. She also worked as a journalist for a short period in the United States and for a longer period in the United Arab Emirates, for the Gulf News, covering a wide range of international issues, from the wars in Somalia and Bosnia to the Iraqi invasion of Kuwait and the subsequent war on Iraq. She has also interviewed a number of world leaders.

She is a co-convenor of South Asian Women in Media -SAWM and founder member of South Asia Media Solidarity Network – SAMSN; an Executive member of the Free Media Movement, and sits on the boards of the Sri Lanka College of Journalism and the Board of Media Law Forum.

Her areas of interest include ethical and professional journalism, responsible journalism, empowering women journalists, good newsroom practices, improving language skills and training young journalists.

## Farhaz Farouk

A Sri Lankan finance and management professional, possessing full professional memberships in leading management and accounting bodies in the United Kingdom and Sri Lanka, and holding a Master of Business Administration degree from the University of Essex, United Kingdom. Has served in Sri Lanka and in Bahrain, with short stints in Singapore, the Maldives and the United Kingdom, during his almost 3 decades of progressive and extensive work experience, from entry level to senior management levels. A significant component of work experience has been in banking, finance, investment and energy sectors.

Farhaz is well versed in setting and driving strategy and change; management of internal and external stakeholders; and regulator, vendor and customer relationship management. Recent successes at work include spearheading an overall transformation and change management process encompassing a number of functions and operations, including finance, accounting, IT, human resources, administration, and investments at the holding company for oil and gas assets in Bahrain. During this tenure, a new corporate strategy was formulated and implemented. This culminated with the Company raising over USD3 billion of funding for its various diversification and modernization projects.

Prior to that, he spent over a decade at an investment bank, joining it when it was a fledgling start up and being a part of its growth to the largest financial institution in Bahrain at its peak, serving in the accounting, reporting, planning, controlling, compliance, system changeovers and integrations teams. His duties also included setting up functions and teams from scratch, designing policies and procedures, recruitment and training of staff and guiding them until these new teams are capable and self-sustaining.

# **VOTE OF THANKS**

**A BIG THANK YOU TO OUR PARTNERS, DONORS AND WELL-WISHERS.**

**YOU MAKE OUR WORK POSSIBLE.**

## **OUR DONORS IN 2022**

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# DIRECTORS' REPORT

To: Members of TISL

The Directors of Transparency International Sri Lanka are pleased to present the Audited Statement of Accounts with Auditors' Report for the financial year ended 31st December 2022.

## Financial Results

The Audited Financial Statements are contained from pages 64 to 93 of the Annual Report.

## Directors

The **changes** in the Directorate during the period under review and upto the date of this report are as follows. Ms. Anushika Amarasinghe and Ms. Shreen Saroor resigned on 19.06.2022 and 01.01.2023 respectively. Mr. Leo Fernando and Mr. Senel Wanniarachchi were appointed as directors on 01.03.2023.

## Directors' Attendance

Name	Date of Appointment	Meetings held during tenure*	Meetings Attended
Ms. Anushika Amarasinghe	20.06.2013	3	3
Mr. S. C. C Elankovan	20.02.2015	6	5
Ms. Shreen Saroor	08.02.2017	6	4
Mr. Pulasthi Hewamanna	08.02.2017	6	4
Prof. Camena Guneratne	26.09.2018	6	6
Prof. Pavithra Kailasapathy	27.11.2018	6	6
Mr. Sandun Thudugala	25.11.2020	6	4
Ms. Jeanne Samuel	18.12.2020	6	5
Ms. Hana Ibrahim	20.01.2021	6	4
Mr. Farhaz Farouk	30.06.2021	6	5

\*06 Board Meetings were held during the year under review.

In terms of Article 32 (2) of the Articles of Association, all directors appointed to fill casual vacancies hold office only for two years, and are then eligible for re-election at the next annual general meeting. Accordingly, after having served as Directors for 2 years, Ms. Hana Ibrahim, Ms. Jeanne Samuel and Mr. Farhaz Farouk retire at this AGM and Ms. Ibrahim and Mr. Farouk have offered themselves for re-election with the consent of the Board. Ms. Samuel has informed that she will be retiring at the annual general meeting. In terms of Article 32 (5) of the Articles of Association, at each Annual General Meeting one-third of the Directors for the time being are due to retire from office. Accordingly, Mr. S.C.C. Elankovan is due to retire by rotation and has offered himself for re-election with the consent of the Board.

## Directors' Interests

An Interests Register is being maintained in accordance with the Companies Act No. 07 of 2007.

The Directors have declared their interests in contracts of the Organization at meetings of the Board. The Directors have no direct or indirect interest in any contract or proposed contract with the Organization and they serve on the Board in an honorary capacity.

## Directors' Responsibility Statement:

Your Directors hereby report:

- a. that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st December 2022 and of the income statement for the year ended 31st December 2022;
- c. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the directors have prepared the annual accounts on a going concern basis.

## Litigation

There are ongoing civil and criminal proceedings against the Former Finance Manager.

## Board Sub Committees

The Board Sub Committees as at the date of this report are as follows:

Sub Committee	Members
Finance & Audit	Mr. Farouk (Head), Mr. Elankovan, Mr. Fernando
Nomination	Mr. Elankovan (Head), Mr. Hewamanna, Mr. Thudugala
Strategy, Fundraising & Media	Mr. Hewamanna (Head), Mr. Elankovan, Ms. Samuel, Mr. Thudugala, Ms. Ibrahim, Mr. Farouk
Governance & Internal Ethics	Prof. Guneratne (Head), Prof. Kailasapathy, Ms. Samuel (On Invitation – Mr. Hewamanna)

## Donations

TISL has not made any donations during the year under review.



## Auditors

A resolution to reappoint Messrs. PricewaterhouseCoopers, Chartered Accountants, as Auditors of the Organization until the conclusion of the Nineteenth Annual General Meeting and to authorize the Directors to determine their remuneration will be placed before the members at the Eighteenth Annual General Meeting.

## Auditors' Report

The observations of auditors are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

## Acknowledgements

Your Directors wish to place on record their gratitude for the continuing support of the members, donors, TI Secretariat, TISL staff and the bankers.

### **By Order of the Board Transparency International Sri Lanka**

Charuni Gunawardana

Company Secretary  
Colombo  
June 6, 2023

# FINANCIAL STATEMENTS

## TRANSPARENCY INTERNATIONAL SRI LANKA

FINANCIAL STATEMENTS - 31 DECEMBER 2022

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## *Independent auditor's report*

To the Board of Directors of Transparency International Sri Lanka

### *Report on the audit of the financial statements*

#### *Our opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Transparency International Sri Lanka ("the Company") as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Statement of Recommended Practice (SoRP) for Non-Governmental Organisations (NGOs) and Sri Lanka Accounting Standards issued by CA Sri Lanka.

#### **What we have audited**

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

#### *Basis for opinion*

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

#### **Independence**

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka ("CA Sri Lanka Code of Ethics"). We have fulfilled our other ethical responsibilities in accordance with the CA Sri Lanka Code of Ethics.

#### *Other information*

Management is responsible for the other information. The other information comprises the annual report of the board (but does not include the financial statements and our auditor's report thereon). The annual report of the board is expected to be made available to us after the date of this auditor's report.

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T: +94 (11) 771 9700, 771 9838, F: +94 (11) 230 3197, [www.pwc.com/lk](http://www.pwc.com/lk)

Partners D T S H Mudalige FCA, C S Manoharan FCA, Ms S Hadgie FCA, N R Gunasekera FCA, T U Jayasinghe FCA, H P V Lakdeva FCA,  
M D B Boyagoda FCA, Ms W D A S U Perera ACA, Ms L A C Tillekeratne ACA, K M D R P Manatunga ACA

PricewaterhouseCoopers is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

## *Independent auditor's report*

To the Board of Directors of Transparency International Sri Lanka (Contd)

### *Report on the audit of the financial statements (Contd)*

#### *Other information (Contd)*

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report of the board, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### *Responsibilities of management and those charged with governance for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Statement of Recommended Practice (SoRP) for Non-Governmental Organisations (NGOs) and Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka.

and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.





## *Independent auditor's report*

To the Board of Directors of Transparency International Sri Lanka (Contd)

### *Report on the audit of the financial statements (Contd)*

#### *Auditor's responsibilities for the audit of the financial statements (contd)*

As part of an audit in accordance with SLAuSs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## *Independent auditor's report*

To the Board of Directors of Transparency International Sri Lanka (Contd)

### *Report on other legal and regulatory requirements*

As required by section 163 (2) of the Companies Act, No. 07 of 2007, 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.

*PricewaterhouseCoopers.*  
**CHARTERED ACCOUNTANTS**

**COLOMBO**

7<sup>th</sup> June 2023





**TRANSPARENCY INTERNATIONAL SRI LANKA****Statement of comprehensive income**

(All amounts in Sri Lankan Rupees)

		<b>Year ended 31 December</b>	
	<b>Notes</b>	<b>2022</b>	<b>2021</b>
Incoming resources	4	153,421,843	86,366,981
<b>Operating expenditure</b>			
Project expenses	5	(114,632,030)	(58,665,855)
Administrative expenses	6	(40,095,439)	(27,750,718)
Total operating expenditure		(154,727,469)	(86,416,573)
<b>Net deficit on operating activities</b>		(1,305,626)	(49,592)
Net financial income	7	5,165,797	4,000,239
Other gains and losses - net	8	(5,648,158)	(2,997,020)
<b>Net (deficit) / surplus before tax</b>		(1,787,987)	953,627
Income tax expenses	9	(1,748,973)	(1,098,543)
Net deficit after tax		(3,536,960)	(144,916)
<b>Total comprehensive deficit for the year</b>		<b>(3,536,960)</b>	<b>(144,916)</b>

The Notes on pages 8 to 29 form an integral part of these financial statements.

Independent Auditor's Report on pages 1 - 4.



**TRANSPARENCY INTERNATIONAL SRI LANKA****Statement of financial position**

(All amounts in Sri Lankan Rupees)

		31 December	
ASSETS	Notes	2022	2021
<b>Non-current assets</b>			
Property, plant and equipment	10	2,605,310	590,554
Right-of-use asset	11	15,887,039	20,269,670
		<u>18,492,349</u>	<u>20,860,224</u>
<b>Current assets</b>			
Notes and other receivables	12	6,282,188	6,972,334
Investments	13	26,034,153	29,000,377
Cash and cash equivalents	14	77,577,686	64,831,951
		<u>109,894,027</u>	<u>100,804,662</u>
<b>Total assets</b>		<b><u>128,386,376</u></b>	<b><u>121,664,886</u></b>
<b>FUNDING and LIABILITIES</b>			
<b>Accumulated funds</b>			
Restricted funds	15	58,367,162	47,894,848
Unrestricted funds		42,161,338	45,745,548
Capital grants	16	2,610,525	684,072
		<u>103,139,025</u>	<u>94,324,468</u>
<b>Non-current liabilities</b>			
Retirement benefit obligation	17	5,601,528	3,602,425
Lease liabilities	11	12,940,933	16,955,558
		<u>18,542,461</u>	<u>20,557,983</u>
<b>Current liabilities</b>			
Accruals and other payables	18	1,676,444	2,684,065
Income tax payable	19	1,013,822	412,587
Lease liabilities	11	4,014,624	3,685,783
		<u>6,704,890</u>	<u>6,782,435</u>
<b>Total funding and liabilities</b>		<b><u>128,386,376</u></b>	<b><u>121,664,886</u></b>

I certify that these financial statements have been prepared 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. These financial statements were authorised for issue by Board of Directors on... 7-6-2023.

  
Director



  
Director

The Notes on pages 8 to 29 form an integral part of these financial statements.

Independent Auditor's Report on pages 1 - 4.



**TRANSPARENCY INTERNATIONAL SRI LANKA****Statement of changes in funds**

(All amounts in Sri Lankan Rupees)

	Restricted funds	Unrestricted funds	Capital grants	Results for the year	Total
<b>Balance as at 01 January 2021</b>	69,840,305	46,432,145	1,469,135	-	117,741,585
Net deficit for the year	-	-	-	(144,916)	(144,916)
<b>Balance before transfer to reserves</b>	69,840,305	46,432,145	1,469,135	(144,916)	117,596,669
Total comprehensive deficit for the year	-	(144,916)	-	144,916	-
Funds received during the year	64,508,207	-	-	-	64,508,207
Adjustment made during the year	-	(541,681)	-	-	(541,681)
Additions during the year	-	-	402,340	-	402,340
Amortisation made during the year	-	-	(1,187,403)	-	(1,187,403)
<b>Funds transferred to statement of comprehensive income</b>					
- against expenses incurred	(86,366,981)	-	-	-	(86,366,981)
- on completed projects	(86,683)	-	-	-	(86,683)
<b>Balance as at 31 December 2021</b>	<b>47,894,848</b>	<b>45,745,548</b>	<b>684,072</b>	<b>-</b>	<b>94,324,468</b>
Net deficit for the year	-	-	-	(3,536,960)	(3,536,960)
<b>Balance before transfer to reserves</b>	47,894,848	45,745,548	684,072	(3,536,960)	90,787,508
Total comprehensive deficit for the year	-	(3,536,960)	-	3,536,960	-
Funds received during the year	164,800,644	-	-	-	164,800,644
Adjustment made during the year	-	(47,250)	-	-	(47,250)
Addition during the year	-	-	3,706,343	-	3,706,343
Amortisation made during the year	-	-	(1,779,890)	-	(1,779,890)
<b>Funds transferred to statement of comprehensive income</b>					
- against expenses incurred	(153,421,843)	-	-	-	(153,421,843)
- on completed projects	(906,487)	-	-	-	(906,487)
<b>Balance as at 31 December 2022</b>	<b>58,367,162</b>	<b>42,161,338</b>	<b>2,610,525</b>	<b>-</b>	<b>103,139,025</b>

The Notes on pages 8 to 29 form an integral part of these financial statements.

Independent Auditor's Report on pages 1 - 4.



**TRANSPARENCY INTERNATIONAL SRI LANKA****Statement of cash flows**

(All amounts in Sri Lankan Rupees)

		<b>Year ended 31 December</b>	
	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>			
Net (deficit) / surplus before income tax		(1,787,987)	953,627
Adjustments for:			
Depreciation of property, plant and equipment	10.2	1,691,578	770,678
Depreciation of leased assets	11	4,382,631	3,564,290
Provision for gratuity	17	2,119,826	912,001
Amortisation of capital grant		(1,779,890)	(1,187,403)
Interest on leases	7	1,114,217	577,025
Interest income	7	(6,280,014)	(4,577,264)
Net cash (used in) / generated before working capital changes		(539,639)	1,012,954
Changes in working capital:			
Receivables		690,146	(2,403,563)
Payables		(1,007,621)	1,540,042
Cash (used in) / generated from operations		(857,114)	149,433
Payment of taxes	19	(1,147,738)	(1,079,568)
Payment of gratuity	17	(120,724)	(798,189)
Net cash used in operating activities		(2,125,576)	(1,728,324)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10.1	(3,706,334)	(402,337)
Addition to the capital grants		3,706,343	402,340
Investment on short term deposits		2,918,974	(1,581,811)
Interest income	7	6,280,014	4,577,264
Net cash generated from investing activities		9,198,997	2,995,456
<b>Cash flows from financing activities</b>			
Funds received from donors and utilised		10,472,314	(21,864,682)
Repayments of leases		(4,800,000)	(3,900,000)
Net cash generated from / (used in) financing activities		5,672,314	(25,764,682)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>12,745,735</b>	<b>(24,497,550)</b>
Cash and cash equivalents at the beginning of the year	14.2	64,831,951	89,329,501
<b>Cash and cash equivalents at the end of the year</b>	<b>14.2</b>	<b>77,577,686</b>	<b>64,831,951</b>

The Notes on pages 8 to 29 form an integral part of these financial statements.

Independent Auditor's Report on pages 1 - 4.





## TRANSPARENCY INTERNATIONAL SRI LANKA

### Notes to the financial statements

(In the notes all amounts are shown in Sri Lankan Rupees unless otherwise stated)

#### 1 Reporting entity

##### 1.1 Corporate information

Transparency International Sri Lanka ("The Company") 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. 366, Nawala Road, Nawala Rajagiriya.

##### 1.2 Principle activities of the Company

Transparency International Sri Lanka (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 100 chapters worldwide.

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.

The Board of Directors who held office for the year ended 31 December 2022 are as follows:

Name	Date of appointment	Date of resignation
Ms. M. A. Amarasinghe	20.06.2013	19.06.2022
Mr. P. R. K. Hewamanna	08.02.2017	Not applicable
Mr. S. C. C Elankovan	20.02.2015	Not applicable
Ms. S. S. A. Saroor	08.02.2017	Not applicable
Prof. C. E. Guneratne	26.09.2018	Not applicable
Prof. P. Kailasapathy	27.11.2018	Not applicable
Ms. B. H. Ibrahim	20.01.2021	Not applicable
Mr. A.F. Farouk	30.06.2021	Not applicable
Ms. J. Samuel	18.12.2020	Not applicable
Mr. T. M. B. S. Thudugala	25.11.2020	Not applicable
Mr. T. Someswaran	29.07.2014	08.06.2021
Mr. A. L. M. Senewiratne	27.07.2015	01.07.2021



## TRANSPARENCY INTERNATIONAL SRI LANKA

### Notes to the financial statements (contd)

#### 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 (SoRP) for Non-Governmental Organisations (NGOs) and Sri Lanka Accounting standards issued by the Institute of Chartered Accountants of Sri Lanka.

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

These financial statements include the following components:

- Statement of comprehensive income providing the information on the financial performance of the Company for the year under review;
- Statement of financial position providing the information on the financial position of the Company as at the year-end;
- Statement of changes in funds depicting all changes in shareholders' funds during the year under review of the Company;
- Statement of cash flows providing the information to the users, on the ability of the Company to generate cash and cash equivalents and the needs of the Company to utilise those cash flows; and
- Notes to the financial statements comprising accounting policies and other explanatory information which details of the Company's accounting policies, including changes during the year, are included in Note 3.

##### 2.2 Responsibility for financial statements

The Board of Directors is responsible for preparation and presentation of the financial statements of the Company as per the provisions of the Companies Act No. 07 of 2007, the Sri Lanka Statement of Recommended Practice (SoRP) for Non-Governmental Organisations (NGOs) and Sri Lanka Accounting standards issued by the Institute of Chartered Accountants of Sri Lanka.

##### 2.3 Approval of financial statements

The financial statements for the year ended 31 December 2022 were authorised for issue by the Directors on 7.6.2023.

##### 2.4 Materiality and aggregation

Each item which is similar in nature is presented separately if material. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard LKAS 1 on 'Presentation of financial statements'.





## TRANSPARENCY INTERNATIONAL SRI LANKA

### Notes to the financial statements (contd)

#### 2 Basis of preparation (contd)

##### 2.5 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

##### 2.6 Basis of measurement

These financial statements have been prepared on a historical cost basis except for the following material items, which are measured on an alternative basis on each reporting date:

Item	Disclosure reference	Measurement basis	Note
Net defined benefit assets /(liabilities)	3.4.2	Actuarially valued and recognised at the present value	Note 17

No adjustments have been made for inflationary factors affecting the financial statements.

##### 2.7 Comparative information

The accounting policies have been consistently applied by the Company are unless otherwise stated is consistent with those used in the previous year.

##### 2.8 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 (SoRP) for Non-Governmental Organisations (NGOs) issued by the Institute of Chartered Accountants of Sri Lanka.

##### 2.9 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Sri Lankan Rupees (LKR), which is the Company's functional and presentation currency since the entity use LKR in majority of these transactions and reflects the economic substance of the underlying events and circumstances relevant to the Company.



## TRANSPARENCY INTERNATIONAL SRI LANKA

### Notes to the financial statements (contd)

#### 2 Basis of preparation (contd)

##### 2.10 Use of judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included as follows:

Critical accounting estimates / judgments	Disclosure reference	
	Accounting policy	Note
Measurement of defined benefit obligations	3.4.2	Note 17

#### 3 Significant accounting policies

##### 3.1 General policies

##### 3.1.1 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.

##### 3.1.2 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 Organisation's (NGOs) as being a limited by Guarantee Company.

Further based on the objectives of the Company, the organization is treated as a non profit making organization which is liable to pay income taxes on other sources of income (other source of income or profit from interest, rent, lotteries and entertainment etc.).

Accordingly the Company is liable to pay income taxes at the rate of 24% on investment income for the first six months of the year of assessment commencing on January 1, 2022 and for the second six months of the same year of assesment at the rate of 30% according to item 7(1)(c) of the First Schedule to the Inland Revenue Act, No. 24 of 2017.





**TRANSPARENCY INTERNATIONAL SRI LANKA****Notes to the financial statements (contd)****3 Significant accounting policies (contd)****3.2 Accounting for the receipts and utilisation of funds****3.2.1 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 subsequent approval of the donor.

Contributions received from general public are recognised in the Statement of comprehensive income on a cash basis.

**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. Unutilised 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 recognised through debtors in the Statement of financial position.

**c) Other**

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

**3.2.2 Capital grants and subsidies**

Grants and subsidies related to assets are deferred in the Statement of financial position and recognised 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.

**3.3 Valuation of assets and their measurement bases****3.3.1 Receivables**

Advances, deposits and other receivables are stated at cost less impairment (if any). These amounts generally arise from transactions outside the usual operating activities of the Company. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.



## TRANSPARENCY INTERNATIONAL SRI LANKA

### Notes to the financial statements (contd)

#### 3 Significant accounting policies (contd)

##### 3.3.2 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

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

##### 3.3.3 Property, plant and equipment

###### a) Cost and valuation

Property, plant and equipment is stated at cost excluding the cost of day to day servicing less accumulated depreciation and accumulated impairment in value. All items of property, plant and equipment are initially recorded at cost.

Where any item of property, plant and equipment subsequently revalued, the entire class of such asset is revalued. Revaluation is carried out with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values as at the balance sheet date.

Subsequent to the initial recognition of an asset, property plant and equipment are carried at historical cost or, if revalued, at the revalued amounts less any subsequent depreciation. Additions subsequent to the last revaluation is carried at cost less any subsequent depreciation.

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

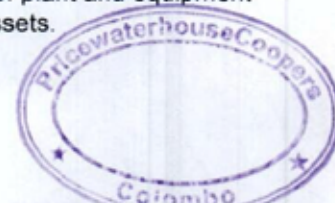
Depreciation is provided for on all assets on the straight line basis and is calculated on the cost or revalued amount of all property, plant and equipment less any terminal value in order to write off such amounts over the estimated useful lives of such assets. Depreciation is provided on assets commencing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

The economic useful lives of assets are estimated below for depreciation purpose:

	Estimated useful life	Rate of depreciation
Furniture and fittings	4 Years	0.25
Office equipment	4 Years	0.25
Computers	4 Years	0.25
Motor vehicles	4 Years	0.25

###### c) Donated asset

When 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 are not handed over to the beneficiary or returned to the original donor the cost of the assets are included in a memorandum inventory of plant and equipment identified as such in the financial statements. Depreciation is not provided on such assets.





## TRANSPARENCY INTERNATIONAL SRI LANKA

### Notes to the financial statements (contd)

#### 3 Significant accounting policies (contd)

##### 3.3.4 Leases

##### The Company as a lessee

##### a) Recognition and measurement

Leases are recognised as right-of-use assets and corresponding liabilities as at the date at which the leased assets are available for use by the Company.

The right-of-use assets are presented separately in the statement of financial position.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the following lease payments for the underlying right-of-use assets during the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising

The lease payments are discounted using the interest rate implicit in the lease, if that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Each lease payment is allocated between the liability and interest cost. Lease liabilities are subsequently measured using the effective interest method. The carrying amount of liability is re-measured to reflect any reassessment, lease modification or revised in-substance fixed payments.

The lease term is a non-cancellable period of a lease; periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

Right-of-use assets are measured initially at cost comprising the following:

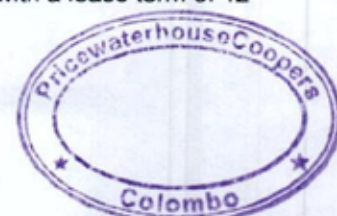
- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs;
- restoration costs.

Subsequently, the right-of-use assets, are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for re-measurement of the lease liability due to reassessment or lease modifications.

The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The amortisation periods for the right-of-use assets are as follows:

- right of use for the Office Blding 2-5 years

Payments associated with all short-term leases and certain leases of all low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.



## TRANSPARENCY INTERNATIONAL SRI LANKA

### Notes to the financial statements (contd)

#### 3 Significant accounting policies (contd)

##### 3.3.4 Leases (contd)

###### b) Lease activities

The Company in general leases properties such as office buildings which contains a wide range of different terms and conditions. Lease agreements do not impose any covenants, but lease assets may not be used as security for borrowing purposes.

###### c) Termination and extension option

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (extension option) or not terminated (termination option). The assessment of whether the Company is reasonably certain to exercise an extension option, or not to exercise a termination option is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the Company.

The management has applied judgment that:

- For the office building the extension option was not included as it is not reasonably certain that the Company will continue the lease beyond the 5 year period.
- For the office vehicles the extension option was not included as the alternative assets are easily available and there are no economic incentives to continue beyond the basic period of 5 years.

##### 3.3.5 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.

#### 3.4 Liability and provisions

##### 3.4.1 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.





## TRANSPARENCY INTERNATIONAL SRI LANKA

### Notes to the financial statements (contd)

#### 3 Significant accounting policies (contd)

##### 3.4.2 Retirement Benefit Obligations

###### (a) Provisions

Provisions are recognised when the organisation has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resource embodying economic benefit will be required to settle the obligation and the reliable estimate can be made to the amount of the obligation. When the organisation expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial activities net of any reimbursement.

###### (b) Defined benefit plan

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.

###### (c) Defined contribution plans

All employees are eligible to contribute to the Employees Provident Fund (EPF) and the Employees Trust Fund (ETF) 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.

#### 3.5 Income and expenditure

##### 3.5.1 Income recognition

###### (a) Incoming resources

Income realised from restricted funds is recognised 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. Unutilised funds are carried forward as such in the Statement of financial position.

###### (b) Revenue generated from other activities

Interest earned is recognised on an accrual basis.

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

Other income is recognised on an accrual basis. All other income is recognised when the Company is legally entitled to the use of such funds and the amount can be quantified.



## TRANSPARENCY INTERNATIONAL SRI LANKA

## Notes to the financial statements (contd)

## 3 Significant accounting policies (contd)

## 3.5.2 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 plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the Statement of comprehensive income.
- (b) For the purpose of presentation, of the Statement 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.

## 3.5.3 Financial income and expenses

Interest income / expenses is calculated by applying the effective interest rate to the gross carrying amount of a financial asset / liability except for financial assets that subsequently become credit-impaired.

## 3.5.4 Non operating income and expenses

Gains / (losses) arising from the activities outside the normal course of business are calculated and recorded at the fair value.

## 4 Incoming resources

	Year ended 31 December	
	2022	2021
Income recognised for projects carried out [Refer Note 15]	153,421,843	86,366,981
	<b>153,421,843</b>	<b>86,366,981</b>

## 5 Project expenses

	Year ended 31 December	
	2022	2021
Staff cost	37,949,267	24,952,352
Direct project cost	76,682,763	33,713,503
	<b>114,632,030</b>	<b>58,665,855</b>





**TRANSPARENCY INTERNATIONAL SRI LANKA****Notes to the financial statements (contd)**

Donor	Name of the project	Staff cost	Project Cost	Total
The Asia Foundation - TAF	Using technology to track the abuse of state property.	3,630,319	11,953,871	15,584,190
Transparency International e.V. Secretariat - STRONGG	Indo - Pacific partnership for strong, Transparent, Responsive and open Networks for Good Governance.	5,731,685	6,240,622	11,972,307
European Commission - EIDHR	Stronger Media through enhanced freedom of expression and Right to Information.	13,124,703	29,580,335	42,705,038
Transparency International e.V. Secretariat - SANCUS	Strengthening accountability networks among civil society: Regional Coordination of AP countries and in-country action.	6,975,821	10,684,967	17,660,788
High Commission of Canada - CFLI	Strengthening Accountability Mechanisms across Sectors in Sri Lanka to Combat Corruption.	3,766,074	1,509,535	5,275,609
The International Republican Institute - IRI	Ensure the sustainability of a platform for regional anti -corruption collaboration	-	1,042,878	1,042,878
Taiwan Foundation for Democracy- TFD	Integrity Idol Sri Lanka 2021.	-	194,085	194,085
Foundation Open Society Policy Center - OSF (FOSI)	To support Grantee to tie-off work on promoting the Right to Information.	2,106,684	5,628,876	7,735,560
Friedrich Naumann Foundation FNF	Integrity Icon Programme.	-	1,210,000	1,210,000
Friedrich Naumann Foundation FNF (New)	Good Governance: Creation of awareness and understanding on transparent administration, anti-corruption strategies to public officials in Sri Lanka	-	4,900,000	4,900,000
International foundation for electoral system (IFES)	Money in Politics/Political Finance Legislation Research in Sri Lanka	729,658	1,295,322	2,024,980
Common Wealth foundation	Citizen engagement with advocacy for open contracting in public health procurement in Sri Lanka	748,585	335,000	1,083,585
The Center For International Private Enterprise (CIPE)	Fostering Business Integrity In The Private Sector	103,439	-	103,439
Transparency International Sri Lanka - TISL		1,032,299	2,107,272	3,139,571
<b>Total</b>		<b>37,949,267</b>	<b>76,682,763</b>	<b>114,632,030</b>



## TRANSPARENCY INTERNATIONAL SRI LANKA

## Notes to the financial statements (contd)

## 6 Administrative expenses

	Year ended 31 December	
	2022	2021
Salaries	28,125,908	17,137,126
Office rent	1,039,085	1,276,750
Security	1,657,114	1,108,080
Telephone / internet charges	696,761	528,097
Insurance	138,086	148,172
Electricity	599,518	574,705
Janitorial charges	1,448,004	398,850
Office maintenance	849,266	1,735,583
IT maintenance	826,920	675,592
Travelling	455,752	364,118
Staff welfare	885,652	272,441
Printing and stationery	551,900	212,747
Secretarial fees	89,914	230,120
Water rates	57,609	30,105
Equipment maintenance	160,112	50,201
Postage, stamps and courier charges	7,961	2,910
Board meeting expenses	4,500	27,260
Vehicle maintenance	1,640	18,800
Rates	96,650	578,620
Tax consultancy	115,330	168,107
Legal expenses	29,219	702,970
Stamp duty	9,275	283,430
Audit fees - institutional	2,080,963	842,213
Accounting package maintenance	168,300	-
Strategic Planing	-	222,721
Office shifting Expens	-	11,000
Other Expenses	-	150,000
	<b>40,095,439</b>	<b>27,750,718</b>





## TRANSPARENCY INTERNATIONAL SRI LANKA

## Notes to the financial statements (contd)

## 7 Net financial income

	Year ended 31 December	
	2022	2021
Interest income	6,280,014	4,577,264
Interest expenses on lease liabilities	(1,114,217)	(577,025)
	<b>5,165,797</b>	<b>4,000,239</b>

## 8 Other gains and losses - net

	Year ended 31 December	
	2022	2021
Sundry income	978,469	1,649,407
Amortisation of capital grant	1,779,890	1,187,403
Depreciation	(1,691,579)	(770,678)
Bank charges	(212,481)	(198,261)
Provision for impairment of other receivables	-	(388,600)
Depreciation buildings (right-of-use asset)	(4,382,631)	(3,564,290)
Gratuity	(2,119,826)	(912,001)
	<b>(5,648,158)</b>	<b>(2,997,020)</b>

## 9 Income tax expenses

## Current income tax

	Year ended 31 December	
	2022	2021
Current income tax charge [Note 19]	1,748,973	1,098,543
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>1,748,973</b>	<b>1,098,543</b>

Based on the objectives of the Company, the organization is treated as a non profit making organization, which is liable to pay income taxes on other sources of income (other source of income or profit from interest, rent, lotteries and entertainment etc.).

Accordingly the Company is liable to pay income taxes at the rate of 24% on investment income for the first six months of the year of assessment commencing on January 1, 2022 and for the second six months of the same year of assesment at the rate of 30% according to item 7(1)(c) of the First Schedule to the Inland Revenue Act, No. 24 of 2017.



## TRANSPARENCY INTERNATIONAL SRI LANKA

## Notes to the financial statements (contd)

## 10 Property, plant and equipment

## 10.1 Gross carrying amounts

	Balance as at 1 January 2022	Additions	Disposals	Balance as at 31 December 2022
Furniture & Fittings	1,741,583	280,294	-	2,021,877
Motor Vehicles	78,000	363,750	-	441,750
Office Equipment	1,735,268	763,362	-	2,498,630
Computer Equipment	2,087,412	2,298,928	-	4,386,340
<b>Total gross carrying amount</b>	<b>5,642,263</b>	<b>3,706,334</b>	<b>-</b>	<b>9,348,597</b>

## 10.2 Depreciation

	Balance as at 1 January 2022	Charge for the period	Transferred for disposed assets	Balance as at 31 December 2022
Furniture & Fittings	1,652,270	160,456	-	1,812,726
Motor Vehicles	78,000	121,250	-	199,250
Office Equipment	1,594,984	394,695	-	1,989,679
Computer Equipment	1,726,455	1,015,177	-	2,741,632
<b>Total depreciation</b>	<b>5,051,709</b>	<b>1,691,578</b>	<b>-</b>	<b>6,743,287</b>

## 10.3 Net book values

	As at 31 December	
	2022	2021
Total carrying value of property, plant and equipment	<b>2,605,310</b>	<b>590,554</b>





## TRANSPARENCY INTERNATIONAL SRI LANKA

## Notes to the financial statements (contd)

## 11 Right-of-use asset

## Building

## (i) Right-of-use asset

## Cost

	As at 31 December	
	2022	2021
Balance as at 1 January	21,913,157	6,585,611
Write off value	-	(6,585,611)
Additions during the year	-	21,913,157
<b>Balance as at 31 December</b>	<b>21,913,157</b>	<b>21,913,157</b>

## Accumulated depreciation and impairment losses

Balance as at 1 January	1,643,487	4,664,808
Write off value	-	(6,585,611)
Depreciation for the year	4,382,631	3,564,290
<b>Balance as at 31 December 2022</b>	<b>6,026,118</b>	<b>1,643,487</b>

<b>Carrying value as at 31 December</b>	<b>15,887,039</b>	<b>20,269,670</b>
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## (ii) Lease liabilities

Non current	12,940,933	16,955,558
Current	4,014,624	3,685,783
	<b>16,955,557</b>	<b>20,641,341</b>

## (iii) Amounts relating to leases recognised in the statement of income

## Depreciation charge for the right-of-use assets by class of assets

Building	4,382,631	3,564,290
<b>Total depreciation charge</b>	<b>4,382,631</b>	<b>3,564,290</b>

Interest expense on lease liabilities	1,114,217	577,025
<b>Total expenses related to leases</b>	<b>1,114,217</b>	<b>577,025</b>



**TRANSPARENCY INTERNATIONAL SRI LANKA****Notes to the financial statements (contd)****12 Notes and other receivables****(a) Deposits, advances and prepayments**

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
Advance given to project staff	1,554,449	1,072,368
Deposits and prepayments	4,727,739	5,718,016
	<b>6,282,188</b>	<b>6,790,384</b>

**(b) Other receivables**

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
Receivable from Mr. T R U Priyankara (i)		
Balance as at 01 January	5,845,338	5,456,738
Additions during the year	-	388,600
Balance as at 31 December	5,845,338	5,845,338
Less: provision for impairment	(5,845,338)	(5,845,338)
	-	-
Reimbursable expenses	-	181,950
	-	181,950
<b>Total notes and other receivables</b>	<b>6,282,188</b>	<b>6,972,334</b>

(i) This amount is a discovered fraud, which is under due legal process.

**13 Financial investments**

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
Fixed deposits	26,034,153	29,000,377
	<b>26,034,153</b>	<b>29,000,377</b>

**14 Cash and cash equivalents**

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
<b>14.1 Favorable cash and cash equivalents balance</b>		
Balance at bank	85,401,423	71,810,976
Cash in hand	185,000	155,000
	<b>85,586,423</b>	<b>71,965,976</b>
<b>14.2 Unfavorable cash and cash equivalent balances</b>		
Balance at bank	(8,008,737)	(7,134,025)
	(8,008,737)	(7,134,025)
	<b>77,577,686</b>	<b>64,831,951</b>





## Notes to the Financial Statements (Contd)

## 15 Restricted funds

	As at 31 December 2022	2021
Balance at the beginning of the year	47,894,848	69,840,305
Funds received during the year	164,800,644	64,508,207
Funds transferred to statement of comprehensive income against expenses incurred	(153,421,843)	(86,366,981)
Excess funds transferred to statement of comprehensive income on completed projects	(906,487)	(86,683)
<b>Balance at the end of the year</b>	<b>58,367,162</b>	<b>47,894,848</b>



## Movements in restricted funds

Improvements in restricted funds		Budget for the period	Balance as at 01.01.2022		Cash Received / paid during the year	Income Recognised		Balance as at 31.12.2022	Of which	
Name of Donor Organisations	-		Accrued	Deferred		Restricted	Unrestricted		Accrued	Deferred
			A							
Diakonia Country Office - Sri Lanka	-		-	483,484	-	-	-	483,484	-	483,484
Management Systems International - IDEA (New)	-		(4,362,694)	-	4,957,288		594,594	-	-	-
The Asia Foundation - TAF	20,029,323		-	13,000,253	4,779,220	16,860,048	-	919,425	-	919,425
Transparency International e.V.	21,618,198		-	1,380,551	23,476,001	18,788,330	-	6,068,222	-	6,068,222
European Commission - EIDHR	73,814,399		-	18,852,523	74,928,848	55,736,726	-	38,044,645	-	38,044,645
Transparency International e.V. Secretariat - SANCUS	38,087,524		-	10,158,430	19,195,558	24,517,937	-	4,836,051	-	4,836,051
High Commission of Canada - CFLI	7,193,534		-	1,209,383	6,268,164	5,980,705	-	1,496,842	-	1,496,842
The International Republican Institute - IRI	-		-	261,817	-		261,817	-	-	-
The International Republican Institute - IRI (New)	-		-	-	-	1,071,360		(1,071,360)	(1,071,360)	

## Notes to the Financial Statements (Contd)

## 15 Restricted funds (contd)

## Movements in restricted funds (contd)

Name of Donor Organisations	Budget for the period	Balance as at 01.01.2022		Cash Received / Paid during the year	Income Recognised		Balance as at 31.12.2022	Of which	
		Accrued	Deferred		Restricted	Unrestricted		Accrued	Deferred
		A		B	C		D = A + B - C		
Taiwan Foundation for Democracy- TFD		-	72,045	172,116	194,085	50,076	-	-	
Foundation Open Society Policy Center - OSF (FOSI)	21,609,388	-	6,839,056	12,599,700	18,953,333	-	485,423	-	485,423
Friedrich Naumann Foundation - FNF	-	-	-	1,210,000	1,210,000	-	-	-	-
Friedrich Naumann Foundation - FNF (New)	4,900,000	-	-	4,900,000	4,899,999	-	-	-	-
International foundation for electoral system (IFES)	6,757,460	-	-	4,319,049	3,248,655	-	1,070,394	-	1,070,394
Common Wealth foundation	5,187,856	-	-	7,994,700	1,325,258	-	6,669,443	-	6,669,443
The Center For International Private Enterprise (CIPE)	1,328,733	-	-	-	635,407	-	(635,407)	(635,407)	
<b>Total for ongoing project</b>	<b>200,526,414</b>	<b>(4,362,694)</b>	<b>52,257,542</b>	<b>164,800,644</b>	<b>153,421,843</b>	<b>906,487</b>	<b>58,367,162</b>	<b>(1,706,767)</b>	<b>60,073,929</b>





## TRANSPARENCY INTERNATIONAL SRI LANKA

## Notes to the financial statements (contd)

## 16 Capital grants

	As at 31 December	
	2022	2021
Balance at the beginning of year	684,072	1,469,135
Addition during the year	3,706,343	402,340
Amortisation during the year	(1,779,890)	(1,187,403)
<b>Balance at the end of year</b>	<b>2,610,525</b>	<b>684,072</b>

## 17 Retirement benefit obligations

	As at 31 December	
	2022	2021
Balance at the beginning of year	3,602,426	3,488,613
Charge for the year	2,119,826	912,001
Payment made during the year	(120,724)	(798,189)
<b>Balance at the end of year</b>	<b>5,601,528</b>	<b>3,602,425</b>

## 18 Accruals and other payables

	As at 31 December	
	2022	2021
EPF	1,000	618,927
ETF	150	92,839
Audit fees	1,558,562	747,360
Others	4,273	36,739
PAYE	9,330	-
Utilities	103,129	-
Advance - FNF	-	1,013,200
Payable to Royal Norwegian Embassy [Refer Note (i) below]	-	175,000
	<b>1,676,444</b>	<b>2,684,065</b>



**TRANSPARENCY INTERNATIONAL SRI LANKA****Notes to the financial statements (contd)****19 Income tax payable****Income tax payable**

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
Taxable income	6,280,014	4,577,264
	6,280,014	4,577,264
Tax liability	-	1,098,543
First six months at the rate of 24%	540,123	-
Second six months at the rate of 30%	1,208,850	-
Tax liability [Note 09]	1,748,973	1,098,543
<b>Balance at beginning of year</b>	412,587	393,612
Self assessment tax payments	(1,147,738)	(1,079,568)
<b>Balance at the end of year</b>	<b>1,013,822</b>	<b>412,587</b>

**20 Capital commitments**

There are no capital commitments as at 31 December 2022.

**21 Contingent liabilities**

The Company does not have significant contingent liabilities as at the 31 December 2022.

**22 Events after the reporting period**

No events have occurred after the reporting date which would require adjustments to, or disclosure in the financial statements.





**TRANSPARENCY INTERNATIONAL SRI LANKA****Notes to the financial statements (contd)****22 Related party disclosures****22.1 Transactions with key management personnel of the Company**

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 the Company. No member of the Board of Directors receives any salary or other compensation.

**Key management personnel compensation**

	<b>Year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
Short - term employee benefits	12,783,996	11,329,456
Retirement benefit obligations	1,188,433	665,926
	<b>13,972,429</b>	<b>11,995,382</b>

**23 Management's assessment of the impact of rising inflation and interest rates**

The impact of rising inflation and interest rates of 2022 was offset to a great extent by the gains in exchange rates at the time of receiving funds. While there was no impact on funding, there was an impact on field-based project activities, which were delayed and rescheduled due to restrictions in travel during the first half of the year. This was done with the understanding of the donors, and funds allocated to certain activities were reallocated accordingly. Staff continued to work remotely during such times, and activities were done online wherever possible. Therefore, the rising inflation, higher interest and exchange rates did not have a significant impact on the entity's overall operations in 2022.



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Eighteenth Annual General Meeting of Transparency International Sri Lanka will be held as a hybrid meeting: online through a Zoom link (to be shared closer to the date) and in person at the TISL office at 366, Nawala Road, Nawala, Rajagiriya, on 23rd June 2023 at 5:00 p.m.

## Agenda

1. To receive, consider and adopt the Directors' Report and the Statement of Accounts for the financial year ended 31st December 2022 with the report of the Auditors thereon.
2. To re-elect Ms. Hana Ibrahim who retires by rotation at the Annual General Meeting in terms of Article 32 (2) of the Articles of Association of TISL, as a Director.
3. To re-elect Mr. Farhaz Farouk who retires by rotation at the Annual General Meeting in terms of Article 32 (2) of the Articles of Association of TISL, as a Director.
4. To re-elect Mr. S.C.C. Elankovan who retires by rotation at the Annual General Meeting in terms of Article 32 (5) of the Articles of Association of TISL, as a Director.
5. To re-appoint Messrs. PricewaterhouseCoopers, Chartered Accountants, as Auditors of the Organization and to authorize the Directors to determine their remuneration.

By Order of the Board

**Charuni Gunawardana**

**Company Secretary**

June 6, 2023

## Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of him/her. A Proxy need not be a member of TISL. A Form of Proxy is enclosed for this purpose.
2. The completed Form of Proxy should be deposited at the registered office of the Organization, No. 366, Nawala Road, Nawala, Rajagiriya, Sri Lanka not less than 48 hours before the time appointed for the Meeting. A scanned copy of the signed Proxy Form may be emailed to the Company Secretary, [charuni@c-g-associates.com](mailto:charuni@c-g-associates.com).
3. Please bring your National Identity Card to the Meeting.
4. The Board of Directors, having taken note of the fuel issue, has decided to make available the option of joining the AGM through an online virtual platform by using audio-visual tools in conformity with the applicable legal provisions. However, attending in person is strongly encouraged.
5. Members who are compelled to participate in the Annual General Meeting through the online platform are kindly requested to confirm their attendance to the email address [charuni@c-g-associates.com](mailto:charuni@c-g-associates.com) with the email subject title "TISL AGM 2023" or post a confirmation letter to the registered address mentioned above to be received not less than 48 hours before the date of the meeting. Members are requested to provide their email address in order to forward the weblink if they wish to participate in the meeting through the online platform.



# FORM OF PROXY

I/We ..... (NIC No. ....)  
of ..... being a  
member/s\* of Transparency International Sri Lanka, hereby appoint:

Mr. P. R.K. Hewamanna	of Colombo or failing him*
Ms. J. Samuel	of Colombo or failing her*
Mr. S. C. C. Elankovan	of Colombo or failing him*
Prof. C. Guneratne	of Colombo or failing her*
Prof. P. Kailasapathy	of Colombo or failing her*
Mr. T.M.P.S. Thudugala	of Colombo or failing him*
Ms. B.H. Ibrahim	of Colombo or failing her*
Mr. A.F. Farouk	of Colombo or failing him*
Mr. L.M.J. Ferenando	of Colombo or failing him*
Mr. S.M. Wanniarachchi	of Colombo or failing him*

..... of ..... (Email  
address: .....) as my/our\* proxy  
to represent me/us\* and to vote as indicated hereunder for me/us\* and on my/our\* behalf at  
the Eighteenth Annual General Meeting of the Organization to be held on 23rd June 2023 to  
be held at No.366, Nawala Road, Nawala, Rajagiriya and at every poll which may be taken in  
consequence of the aforesaid Meeting at any adjournment thereof.

	For	Against
1. To receive, consider and adopt the Directors' Report and the Statement of Accounts for the financial year ended 31st December 2022 with the report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Ms. Hana Ibrahim who retires at the Annual General Meeting in terms of Article 32 (2) of the Articles of Association of TISL, as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. Farhaz Farouk who retires at the Annual General Meeting in terms of Article 32 (2) of the Articles of Association of TISL, as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr. S.C.C. Elankovan who retires at the Annual General Meeting in terms of Article 32 (5) of the Articles of Association of TISL, as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint Messrs. PricewaterhouseCoopers Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration	<input type="checkbox"/>	<input type="checkbox"/>

In witness we place my/our\* hands hereunto this ..... day of June Two Thousand and Twenty Three.

.....  
Signature

Notes: \*Please delete inappropriate word/s.

# 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

366, Nawala Road, Nawala, Rajagiriya, Sri Lanka.

Telephone : 011 4369781

Fax : 011 2 865 777

E-mail : [tisl@tisrilanka.org](mailto:tisl@tisrilanka.org)

Web : [www.tisrilanka.org](http://www.tisrilanka.org)

## COMPANY SECRETARY

Charuni Gunawardana FCG

## AUDITORS

PwC

Chartered Accountants

## BANKERS

Commercial Bank of Ceylon PLC





