

ADVOCATING FOR GOVERNANCE REFORMS IN SRI LANKA



**TRANSPARENCY
INTERNATIONAL
SRI LANKA**
a nation that upholds integrity

ANNUAL REPORT 2023

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 2023

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Chairperson's Message

The year 2023 marked another year of Transparency International Sri Lanka (TISL) working to eradicate corruption in the country. Against the backdrop of Sri Lanka recovering from its economic crisis, TISL continued its endeavours to ensure accountability of public officials. TISL and others, sought accountability for the economic crisis by way of a fundamental rights application, as a result of which the Supreme Court, in a historic judgment, found that actions of several high-level decision makers demonstrably contributed to the economic crisis. There is still, however, much work to be done, as demonstrated by the scandal surrounding the importation of substandard medicines (immunoglobulin injections), which resulted in the deaths of several individuals, which again, TISL has challenged as a violation of citizen's fundamental rights.

Another area TISL has engaged in has been in testing the constitutionality of Bills before the Supreme Court. TISL instituted judicial review of several Bills including the Anti-Corruption Bill and the Microfinance and Credit Regulatory Authority Bill with a view to strengthen the measures against corruption. The Supreme Court in fact recognised that the People have a sovereign right to a Government free of bribery or corruption in the former bill. In the latter bill, the court struck down proposed clauses in the bill which sought to exclude some of the larger authorities engaged in microfinance, which would have had serious repercussions on ensuring accountability if the bill passed in to law.

TISL has also continuously engaged with the Government, foreign missions, and international development partners, notably the International Monetary Fund (IMF), to ensure that the rare opportunity for reforms, amidst numerous socio-economic and political challenges, was not lost. The launch of the Civil Society Governance Diagnostic Report on the Anti-Corruption Landscape of Sri Lanka was a landmark initiative by TISL in 2023. This comprehensive report, based on an in-depth study, provides a robust set of recommendations addressing the root causes of the current state of affairs in the country. TISL, in collaboration with other like-minded civil society organizations, vigorously advocated for the timely implementation of these governance and policy reforms.

As TISL remains committed to championing anti-corruption initiatives and promoting integrity, transparency, and accountability, at this critical juncture, I would call upon all citizens to come forward in combatting corruption, as they are essential, in conjunction with real political will, for creating true change for our nation.



Pulasthi Hewamanna
Chairperson - TISL

Executive Director's Message

It gives me great contentment to reflect on the work of TISL in 2023, as it was a year in which we were able to fully adapt, innovate, lead and be effectively responsive to the country's context. We vigorously pursued our mandate of anti-corruption, capitalizing on the unique opportunities created by the critical need for economic recovery, public demand for a "system change" and the roll out of the International Monetary Fund (IMF) programme.

The Civil Society Governance Diagnostic Report on the Anti-Corruption Landscape of Sri Lanka, led by TISL and supported by five other leading civil society organizations stands out as a trailblazing and impactful intervention in 2023. This unique civil society collective effort that aimed to influence the governance reform agenda during the IMF programme, has become an inspiration to civil society actors around the world, especially from countries facing debt crisis and deep-rooted corruption.

Giving leadership to civil society collective action to resist the postponement of Local Government Elections and suppression of civic space, was another important course of action we embarked on in response to the situation of the country. Together with People's Action for Free and Fair Elections (PAFFREL), we mobilized civil society organizations, academics, professionals, public officials, youth, journalists etc. to collectively engage in a series of advocacy actions, ranging from press conferences to meeting with the parliamentarians and the diplomatic community. TISL played an active role as a steering committee member of the March 12 Movement, a civil society organization advocating for clean politics, to rejuvenate the Movement to respond to the crucial context and to mobilize a broader group of actors under the Movement.

Keeping in line with our strategic priority to strengthen the watchdog and accountability functions, we engaged in public interest litigation, leading to the landmark judgement from the Supreme Court in the Economic Crisis cases. We were able to intervene and provide critical input to the drafting of the new Anti-Corruption law, while publishing it for public feedback as well.

Creating public awareness and understanding of what the 'system change' should entail and the need for a cultural transformation that will enable the anti-corruption – governance reforms, was a key focus for us. We leveraged our partnerships with civil society organizations, election observers, as well as communication channels on mainstream and social media to creatively generate this awareness. In addition, we continued to support the functioning of the Right to Information Hubs around the country. We also continued providing advice and support to victims of corruption through our Shelters of Integrity operated in all our offices. Opening of a new Branch Office in Kandy town was a key step last year, in line with our strategy to expand our reach within the ground level. It is also rewarding to reflect how the TISL Branch Offices in Matara and Vavuniya have been expanding their reach and impact, through their outreach programmes targeting marginalized groups and by engaging with the public officials and political representatives in their target areas.

We continued our work with the public officials, facilitating trainings on anti-corruption and right to information, forging a healthy collaboration with the Ministry of Home Affairs that oversees the majority of public institutions in the country. We successfully carried out our iconic Integrity Icon Awards programme, which enabled us to identify hidden gems in the public service and amplify their inspirational story, encouraging them and building trust and hope about the public sector.

Not forgetting the role of the private sector in the fight against corruption, we continued our engagement through the Transparency in Corporate Reporting Assessment (TRAC) and through trainings and one to one advisory support to identify corruption vulnerabilities and enhance their resilience frameworks. We witnessed how companies have taken our advice and improved their standards of reporting.

We continued to work with selected local government authorities on creating awareness and supporting the proactive disclosure of information through websites and on adopting participatory budgeting and participatory governance.

We also continued supporting journalists through the Investigative Journalism Fellowship, where they were connected with a mentor and taken through capacity building and support to produce articles that exposed corruption at the regional level.

These are a few examples of our multi-sectoral and sustainable approach towards our mission to “contribute to the collective effort to eradicate corruption in Sri Lanka”. As an organization committed towards continuous learning and development, we took steps to keep abreast of the latest in anti-corruption, through self-learning and facilitated trainings for staff, at local and international level. We learned and adopted a Monitoring, Evaluation and Learning (MEL) framework that best suits the nature of our work as an advocacy organization. We made our voice heard in global forums related to the United Nations Convention Against Corruption, World Bank, IMF, the Asian Development Bank and among key international stakeholders such as the bilateral donors of the country.

We believe that our dedicated staff members are the most valuable resource of TISL, without whom we will not be able achieve our mandate. Therefore, we prioritized their development, well-being and well-fare last year as well, through many initiatives such as trainings, coaching, team building and recreational activities that supported their well-being and celebrated them. Understanding that the culture of the organization is a critical element that creates the enabling environment for staff well-being, retention and performance, we invested in trainings aimed at strengthening our culture with a focus on organizational core values.

I am deeply grateful towards all our donors, for trusting us, standing by us, understanding the complexities and adapting with the context and for resourcing us to sustain and grow our work. I am also deeply thankful to our partner organizations for their commitment, cooperation and trust towards us. I am grateful to all stakeholders from all sectors for their valuable cooperation, which remains as a strength to us. I wish to thank our Board of Directors for their constant guidance and oversight. Last, but not least, I thank our dearest staff members, for their sacrificial commitment towards the cause of fighting corruption and their hard work, perseverance, patience and comradeship at all times.



Nadishani Perera
Executive Director – TISL

ADVOCATING FOR GOVERNANCE REFORMS IN SRI LANKA

The Civil Society Governance Diagnostic Report on the Anti-Corruption Landscape of Sri Lanka, launched on September 13, 2023, introduces a comprehensive set of governance reform recommendations to address the root causes of the nation's current crisis. This Report, a result of an in-depth study, prioritizes key aspects of governance requiring systematic attention from public opinion and economic governance perspectives. The Report was initiated in response to the International Monetary Fund (IMF) programme's requirement for the Sri Lankan Government to assess the governance and anti-corruption landscape. Civil society undertook this task to highlight important, overlooked areas of governance beyond the IMF framework on which the Government's assessment was based.

Led by TISL and partnered with Verité Research, Centre for Policy Alternatives (CPA), Sarvodaya Shramadana Movement, People's Action for Free and Fair Elections (PAFFREL), and National Peace Council (NPC), the initiative reflects a critical moment of reform in Sri Lanka. It underscores the need to address deep-rooted corruption in governance for sustainable economic recovery.

The Report, informed by over 250 participants from nine districts and Key Informant Interviews of diverse experts, was researched by Prof. Arjuna Parakrama. The launch event included policymakers, IMF representatives, diplomatic missions, international funding institutions, civil society organizations, academics, and distinguished guests.

The Report identified 34 recommendations, and emphasized the urgency of addressing economic injustice and corruption, noting that corruption is so pervasive it risks state capture, hindering public institutions from fulfilling their roles. It identified, inter alia, high-risk tactics such as weakening

accountability frameworks, interfering with public officials, abusing state-owned enterprises, manipulating public procurement, suppressing civil society, and using illicit financial transactions.

The impact of this Report is evident, as it is cited in the Governance Diagnostic Assessment that was published by the Sri Lankan Government with technical assistance from the IMF, as offering a comprehensive overview of governance in Sri Lanka. The recommendations of the two reports are complimenting to a great extent and have highlighted similar governance and corruption reform needs.

Following the launch of the Report, TISL has been actively conducting meetings, workshops, trainings, and other capacity-building initiatives to empower individuals with the knowledge of the Report's recommendations. These recommendations serve as a crucial roadmap to the "system change" called for in 2022. Therefore, understanding the Report's content and implications widely and deeply has been essential.

TISL's initiatives aim to ensure that people are equipped with the necessary understanding to uphold accountability and transparency, demand governance reforms from policymakers, fostering a more informed and engaged citizenry capable of driving the desired reforms. A wider Civil Society meeting was convened with the participation of nearly 100 participants prior to the Governance Diagnostic Assessment and a second meeting was held following the launch of the Report. Meetings with key stakeholders such as diplomats, the IMF and others have been conducted and continue.

“THE REPORT IDENTIFIED 34 RECOMMENDATIONS, AND EMPHASIZED THE URGENCY OF ADDRESSING ECONOMIC INJUSTICE AND CORRUPTION, NOTING THAT CORRUPTION IS SO PERVASIVE IT RISKS STATE CAPTURE, HINDERING PUBLIC INSTITUTIONS FROM FULFILLING THEIR ROLES.”

Civil Society Governance Diagnostic Report on Sri Lanka

An Assessment of the
Anti-Corruption Landscape
of Sri Lanka

In addition, TISL, in collaboration with Transparency International US, has been engaging in international advocacy to promote governance reforms and raise awareness about the economic and governance crisis in Sri Lanka and its root causes overseas. These ongoing joint efforts aim to ensure that the IMF programme in Sri Lanka supports sustainable economic recovery and prioritizes governance reforms by approaching and establishing communications with key relevant stakeholders in the United States.



The launch of the Civil Society Governance Diagnostic Report on Sri Lanka





ADVOCACY

The Advocacy team of Transparency International Sri Lanka (TISL) plays a pivotal role in accomplishing TISL's strategy of becoming a knowledge leader, watchdog, facilitator, convener, mobilizer and advocator. The team works with key stakeholders to take the anti-corruption agenda to the public, build a broad-based movement drawing knowledge and synergies from across country borders, pursue collective action, and build coalitions with broader networks.

Its interventions include litigation on matters relevant to TISL's mandate, monitoring the context, gathering, compiling and analysing information, direct lobbying with decision makers, capacity building of its various stakeholders, and enhancing public awareness and interest.

In 2023, TISL petitioned the Supreme Court on three important matters. Firstly, TISL filed a Fundamental Rights petition (SC/FR 65/2023) on February 16, 2023, stating that serious doubts have arisen regarding the quality, safety, and efficacy of the pharmaceuticals purchased under the Indian Credit Line from Savorite Pharmaceuticals (Pvt) Limited. The Supreme Court granted leave to-proceed on April 6, 2023.

This case, filed in the public interest, challenged among other things, the non-compliance with procurement guidelines including the emergency procurement process and the abuse of process by the Minister of Health and the Chief Executive Officer of the National Medicines Regulatory Authority.

Secondly, TISL challenged 37 clauses of the Anti-Corruption Bill on May 10, 2023. TISL raised concerns that several provisions of the Bill are disproportionate and could have a chilling effect on whistleblowing, the right to information and the freedom of expression, and could affect the concepts of transparency and accountability.

Prior to pursuing litigation, TISL engaged in several consultations with the Ministry of Justice and other key stakeholders highlighting the drawbacks of the draft Bill. TISL also invited public comments on the draft Bill on its website, and gathered expert opinions, all of which were collated and submitted to the Ministry.

The Draft Bill, until such time that it was enacted into law, underwent approximately 150 amendments, of which over 50 amendments were made based on TISL's petition, consultations and further advocacy throughout the Bill's cycle.

Thirdly, TISL filed a petition in the Supreme Court on June 12, 2023, seeking to intervene in the ongoing Fundamental Rights case (SC/FR/Application No.168/2021) filed by the Centre for Environmental Justice (CEJ) and three other petitioners, highlighting the serious allegations of bribery and corruption surrounding the X-Press Pearl disaster.

The intervention petition was filed in the public interest, and refers to serious allegations of irregularity, mishandling, sabotage, bribery and corruption surrounding the claim for compensation arising from the X-Press Pearl disaster.

TISL urged that the private parties involved in the X-Press Pearl incident be held accountable, and be made to pay optimal compensation for the damage and pollution caused to the marine and coastal ecology of Sri Lanka, and the payment of compensation for the loss caused to the fishing communities and those engaged in tourism, as well as obtaining compensation under the Marine Pollution Prevention Act.

Supreme Court Delivers a Historical Judgement Holding Top Level Decision-Makers Accountable for Economic Crisis

In a historical judgment delivered on November 14, 2023, the Supreme Court ruled that former President Gotabaya Rajapaksa, former Prime Minister Mahinda Rajapaksa, former Finance Minister Basil Rajapaksa, former Central Bank Governors Prof. W.D. Lakshman and Ajith Nivard Cabraal, former Treasury Secretary S.R. Attygala, the former Monetary Board, and former Secretary to the President Dr. P.B. Jayasundera violated public trust and breached Article 12 (1) of the Constitution in their economic administration, leading to Sri Lanka's economic crisis.

TISL, along with co-petitioners Chandra Jayaratne, Jehan Canagaratna, and Julian Bolling, filed the Fundamental Rights Petition (SC/FR/212/2022) on June 17, 2022, seeking accountability for Sri Lanka's economic crisis. The petition, filed in the public interest, addressed the lack of accountability and transparency in high-level decision-making that has critically impacted the country.

The Court made several critical observations in its judgment, noting that the Respondents' actions directly contributed to the economic and political crisis. It stated that they should have been aware of the negative impacts of their decisions and taken measures to mitigate these issues, rather than exacerbating them. The Court emphasized that public officers are expected to act in the best interest of the country and uphold public trust, which the Respondents failed to do. It also asserted that the Respondents could not deflect responsibility by labelling their decisions as mere policy choices, given their power and knowledge to prevent the economic downfall. The Court concluded that the Respondents' cumulative actions and inactions led to the crisis, demonstrating a failure to act responsibly as required by their positions.

The Supreme Court's landmark judgment is already having a significant impact, as demonstrated by businessman Kalinga Silva's recent legal actions.

On April 25, 2024, the Daily Mirror reported that Silva, severely affected by Sri Lanka's economic crisis, is seeking LKR 50 million in damages from the respondents of the Economic Crisis Cases SC/FR/195/2022 and SC/FR/212/2022 which were heard together. Silva warned of impending legal action if compensation is not paid within two weeks. The Supreme Court's ruling which held these officials accountable for the economic crisis and breaching public trust, has empowered individuals like Silva to seek redress, underscoring the ruling's broader implications for political accountability and governance in Sri Lanka.

This unprecedented Supreme Court decision marks a significant milestone for political accountability in Sri Lanka. In November 2023, Opposition legislator Dr. Harsha de Silva stated that Parliament should take up the question of the civil rights of individuals faulted by the Supreme Court for triggering the economic crisis and default. Despite the Opposition's strong suggestions to Parliament that the civil rights of the people who dragged the country to this state must be discussed and dealt with, the same was not adequately addressed. Nevertheless, by holding high-ranking officials, including former presidents, prime ministers, finance ministers, and central bank governors, accountable for their roles in the country's economic crisis, the judgment reinforces the principle that public officers must act in the best interest of the nation.

The ruling underscores the importance of transparency and responsibility in governance, setting a powerful precedent for future administrations. It sends a clear message that breaches of public trust and constitutional violations will not be tolerated, and that policymakers will not be able to use 'public decisions' to excuse their kleptocratic decisions, paving the way for stronger governance reforms and a more accountable political landscape in Sri Lanka.

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POLICYMAKERS WILL NOT BE ABLE TO USE 'PUBLIC DECISIONS' TO EXCUSE THEIR KLEPTOCRATIC DECISIONS, PAVING THE WAY FOR STRONGER GOVERNANCE REFORMS AND A MORE ACCOUNTABLE POLITICAL LANDSCAPE IN SRI LANKA.

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INDIA ELECTION VIDEOS GRAVITAS WORLD INDIA SHOWBIZ LIFESTYLE SPORTS SCIENCE



Media reports on the Supreme Court judgement of the economic crisis case

MOBILISING PUBLIC REPRESENTATIVES TOWARDS GOVERNANCE REFORMS

The Political Sector team of Transparency International Sri Lanka (TISL) works closely with government officials, politicians, members of the civil society, and the public. In 2023, the Sector made successful interventions to advocate for public access to asset declarations, proactive disclosure, participatory budgeting and participatory governance. The Sector also provided training for journalists on reporting issues of corruption and facilitated new websites for local government authorities to encourage and ensure transparency and accountability.

The Political Sector carries 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.

Cross-Party Dialogue in Parliament on the Anti-Corruption Bill

The Political Sector team made important progress in 2023 initiating a crucial cross-party dialogue on the proposed Anti-Corruption Bill (ACB). This high-level discussion brought together political party leaders, ministry secretaries, and representatives with the aim of elaborating the content of the Bill and eliciting their support for its improvements and timely passage in Parliament. The meeting was conducted with due regard to and respect for the fact that the Bill was at that point under consideration by the Supreme Court.

During the roundtable, both Government and Opposition Members of Parliament (MPs) acknowledged the critical need to bridge the gap between legislation and practice. They emphasized that for the Anti-Corruption Bill to be effective, it must dismantle the existing corruption chain, ensuring that corrupt practices can no longer persist. Recognizing the Bill's progressive provisions, which are a timely need in the country, MPs from both the Government and Opposition benches stressed the importance of robust mechanisms for its implementation.

TISL's influence extended beyond discussions. A comprehensive legislative brief prepared by TISL offered over 150 recommendations for improving the Bill, and more than 50 of them were incorporated into the Bill during the committee stage debate in Parliament. This effort significantly strengthened the Bill's framework, underscoring TISL's role in shaping effective anti-corruption legislation.

The impact of TISL's initiatives was further evidenced when Opposition MP Dr. Harsha de Silva mentioned a shift in opinion within his party, attributing their newfound support to the insights gained during the meeting on the ACB held at Parliament.

Following the enactment of the law, TISL's Political Sector team conducted training sessions on the Anti-Corruption Act for local government officials and election candidates in the Southern and Northern Provinces. These sessions aimed to raise awareness about the provisions of the law and the importance of accountability and transparency in a democratic political culture.



The cross-party dialogue on the Anti-Corruption Bill at the Parliament complex



A training programme on the new Anti-Corruption Act for the officials and prospective election candidates of the Local Government Authorities (LGAs) in the Northern Province.

Promoting Citizen Engagement in Budgeting and Governance

TISL conducted a series of impactful initiatives in 2023, with the aim of promoting transparency, accountability, and public participation. On October 4th, TISL organized a training session on Participatory Budgeting and Governance for politicians and public officials from 10 Local Government Authorities (LGAs). This initiative included training on website maintenance and updating, with websites developed and handed over to the LGAs by TISL. Proactive disclosure of information required under the Right to Information (RTI) Act and using technology for participatory governance were promoted through this initiative.

Following this, on October 5th, TISL hosted a national multi-stakeholder discussion. This event brought together secretaries and officials from the 10 LGAs TISL collaborated with, along with citizens and representatives from Civil Society Organizations (CSOs) from each LGA. The multi-stakeholder discussion provided a platform for citizens to raise issues related to Participatory Budgeting and Governance processes within their respective LGAs. This dialogue allowed for direct feedback and responses from LGA secretaries, fostering a collaborative environment for problem-solving and improvement.

In addition to these efforts, TISL developed an animation video on Participatory Budgeting and Governance. This educational tool aimed to raise public awareness and encourage citizens to exercise their right to participate in local government budgeting and decision-making processes.

Through these initiatives, TISL has significantly enhanced the capacity of local government officials and politicians, supported LGAs in practicing proactive disclosure of information, and promoted active citizen engagement in budgeting and governance decision-making processes. The new LGA websites serve as crucial tools for transparency, allowing citizens to stay informed and involved in local government activities. The training sessions have not only empowered both officials and citizens but have also fostered a culture of transparency and civic responsibility, ensuring that local governments are more responsive and accountable to their communities. The Pradeshiya Sabhas which received new websites include Akuressa, Dickwella, Bentota, Beliatta, Karadeniya, and Neluwa. Additionally, Tissamaharama, Kuliapitiya and Maskeliya Pradeshiya Sabhas and Vavuniya Urban Council benefited from the revamping of their existing websites.



A training session on Participatory Governance, Budgeting, and Proactive Disclosure for the officials of the Local Government Authorities (LGAs)

The Role of Investigative Journalism for a Corruption-Free Country

A panel discussion on 'The Role of Investigative Journalism for a Corruption-Free Country', was held to underscore the significance and power of investigative reporting in promoting transparency and accountability. The panel featured senior investigative journalist Lasantha Ruhunage, journalist and social media activist Tharindu Uduwaragedara,

and human rights lawyer Swastika Arulingam, with senior investigative journalist Dilrukshi Handunnetti moderating the session. This discussion was followed by a session to celebrate the achievements of the fellows and mentors, by awarding certificates to all eight fellows, who underwent an Investigative Journalism Fellowship programme with TISL.



A panel discussion on 'The Role of Investigative Journalism for a Corruption-Free Country', featuring senior investigative journalist Lasantha Ruhunage, journalist and social media activist Tharindu Uduwaragedara, and human rights lawyer Swastika Arulingam, with senior investigative journalist Dilrukshi Handunnetti moderating the session.

of Training on Anti-Corruption Act 04

Number of Participants : 140

Government Authorities/
Election Candidates

128

Members of
Parliament

12

EMPOWERING PUBLIC OFFICIALS TOWARDS SYSTEM REFORMS

The Public Sector team of Transparency International Sri Lanka (TISL) has played a crucial role as a knowledge leader, advocator and facilitator, engaging in various activities aimed at promoting integrity, transparency, and accountability within the public service system. The team's focus has been on enhancing the capacities of public officials at all levels to ensure efficient and corruption-free service delivery to the public.

The Public Sector team, throughout the year 2023, actively engaged with public servants from the senior most-level to the grassroots-level to achieve its objectives through different innovative and strategic interventions. The team's initiatives have helped raise the awareness of public servants on the significance of public participation in decision-making processes, proactive disclosure, transparent procurement and the associated challenges. At the same time, the Public Sector team has also conducted RTI trainings for public officers, covering aspects of both reactive and proactive disclosure in the RTI Act, emphasizing its importance in promoting transparency, accountability, and citizen engagement.

Honouring Exemplary Public Servants: TISL Celebrates Integrity Icons 2022/23

TISL hosted the grand finale of Integrity Icon Sri Lanka (IISL) 2022/23 at BMICH in Colombo on August 17, 2023. This event served as a platform to acknowledge and applaud civil servants who demonstrate exceptional integrity, unwavering dedication, and strong moral values in their professional undertakings.

In collaboration with Accountability Lab, the fifth consecutive instalment of IISL was organised, felicitating honest public officials who make service to the people their foremost priority.

Five outstanding public officials were conferred the prestigious 'Integrity Icon' title at this occasion:

1. Subagini Mathiyalagan, Divisional Secretary, Divisional Secretariat, Valikamam East, Kopay.
2. Wijewardane Abeywickrama Nishshanka, Medical Superintendent, District Base Hospital Rikillagaskada, and District Director of Health Services, Nuwara Eliya.
3. Yasotha Uthayakumar, Divisional Secretary, Divisional Secretariat, Valikamam South West, Sandilipay.
4. 4Prathibani Sri Wijayanthi Molligoda, Nursing Officer, Base Hospital, Elpitiya.
5. Nalin Prasanna Wijesekara, Additional Medical Officer of Health, MOH Office, Ambalangoda.

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THE INTEGRITY ICON AWARDS PROGRAMME CONCEPTUALIZED BY ACCOUNTABILITY LAB – A GLOBAL ORGANISATION THAT SEEKS TO SUPPORT CHANGE-MAKERS TO DEVELOP AND IMPLEMENT POSITIVE IDEAS FOR INTEGRITY IN THEIR COMMUNITIES – HAS BEEN HELD ANNUALLY IN SRI LANKA SINCE 2018 TO GREAT PUBLIC ACCLAIM.

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These exceptional individuals were honoured with commemorative mementos, and they inspired the gathering by sharing their own stories. The top 12 finalists were recognised with certificates for their dedication and social contribution.

The meticulous seven-month process involved in-person and virtual interviews, conducted by a distinguished five-judge panel comprising: Austin Fernando, Retired Senior Civil Servant, S. Thillai Nadaraja, Retired Senior Civil Servant, Dr. Vinya Ariyaratne, President, Sarvodaya Shramadana Movement and Sri Lanka Medical Association, Shreen Saroor, Peace and Women's Rights Activist and Dr. Ramani Jayasundere, Director, Justice and Gender Programmes, The Asia Foundation, Sri Lanka.

Nominees were assessed for their positive impact, accomplishments, and sacrifices while overcoming multifaceted challenges. Their ability to navigate personal, professional, and social hurdles to effect positive change, and their initiatives for societal well-being, were evaluated during the selection process.

Public servants with a proven track record of at least 5 years of service, with at least 5 years remaining until retirement, were eligible to participate in IISL 2022/23. The programme welcomed third-party nominations as well as self-nominations.

Sumith Abeysinghe, a distinguished senior public official serving as the Finance Commission Chairman, graced the event as the Chief Guest.



The Integrity Icons 2022/23 with TISL Chairman Pulasthi Hewamanna, TISL Executive Director Nadishani Perera and Finance Commission Chairman Sumith Abeysinghe who was the Chief Guest of the event



The finalists of the Integrity Icon Sri Lanka 2022/23 with Finance Commission Chairman Sumith Abeysinghe, the Chief Guest of the event

Capacitating Public Officials to Combat Corruption

The Public Sector team in coordination with relevant state institutions organized capacity building training programmes for public officials throughout 2023. These programmes equipped public officials with up-to-date knowledge on the corruption vulnerabilities in the public service, especially in relation to state procurement, while taking them through best practices and strategies to successfully counter them. These trainings also provided a platform for TISL to advocate and promote the governance reforms needed for the betterment of the public service in Sri Lanka.

TISL collaborated with the State Ministry of Home Affairs on its “Road Map to Better Service Delivery” initiative, aimed at enhancing the capacities of senior public officials in District and Divisional Secretariats. A series of one-day training sessions were organized in the Galle, Matara, and Ratnapura Districts, in close coordination with the respective District Secretariats.

A total of 383 senior officers from 37 Divisional Secretariats and 3 District Secretariats actively participated in these sessions. The training was centred around fostering better public service delivery characterized by transparency, integrity, and honesty. This initiative provided a valuable

opportunity for senior public officials to deepen their understanding of the current governance landscape in Sri Lanka and enhance their skills in delivering services to the public in a manner that upholds the principles of good governance.

The Public Sector team also initiated a training for Development Officers and Management Assistants in 2023. This training, which was held in Colombo, focused on the open bidding process, with the aim of enhancing their capacities to minimize opportunities for corruption in procurement procedures. Participants shared the challenges and pressures they encounter in their procurement-related roles, underscoring the need for ongoing support and capacity-building initiatives in this critical area of governance.

In another important intervention in 2023, TISL initiated research to identify corruption risks in the health sector. This was carried out amidst an unfolding health-sector crisis in Sri Lanka due to the lack of transparency in procurement. This research, conducted in collaboration with a research team from the University of Ruhuna, revealed compelling insights into the prevalence of corruption across the health sector in the country.



A training programme titled “Road Map for the Better Service Delivery” in Matara for administrative officials of the District and Divisional Secretariats

Training of Election Observers and Civic Education

In 2023, the Public Sector marked significant strides in strengthening democratic processes through a series of comprehensive capacity-building initiatives. Following the announcement of the Local Government Elections (LG Elections scheduled for March 9, 2023 were later postponed indefinitely), TISL provided training for District Observers and Electoral Observers to enhance their skills and knowledge on electoral oversight with special focus on election law and laws related to misuse of public resources during election period. These training programmes held in February 2023 covered all nine provinces.

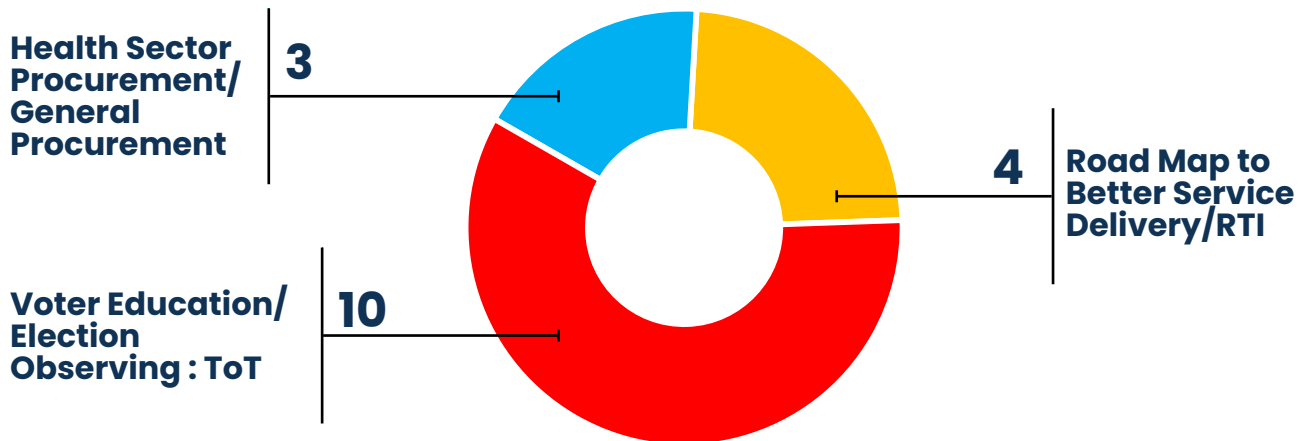
District Observers and Electoral Observers working with TISL took part in these training programmes.

Furthering the commitment to voter education, well-trained observers spearheaded 261 voter education meetings across 24 districts, training/raising awareness for 10,017 participants. Notably, these outreach efforts reached a diverse audience: 3,957 men, 5,930 women, and 19 disabled individuals. Age-wise, we connected with 2,382 young adults (18-35 years), 2,446 middle-aged citizens (36-45 years), and 3,179 older adults (46+ years). This widespread engagement and concerted efforts in capacity building and voter education shows TISL's unwavering dedication to contribute towards a transparent and inclusive electoral process.

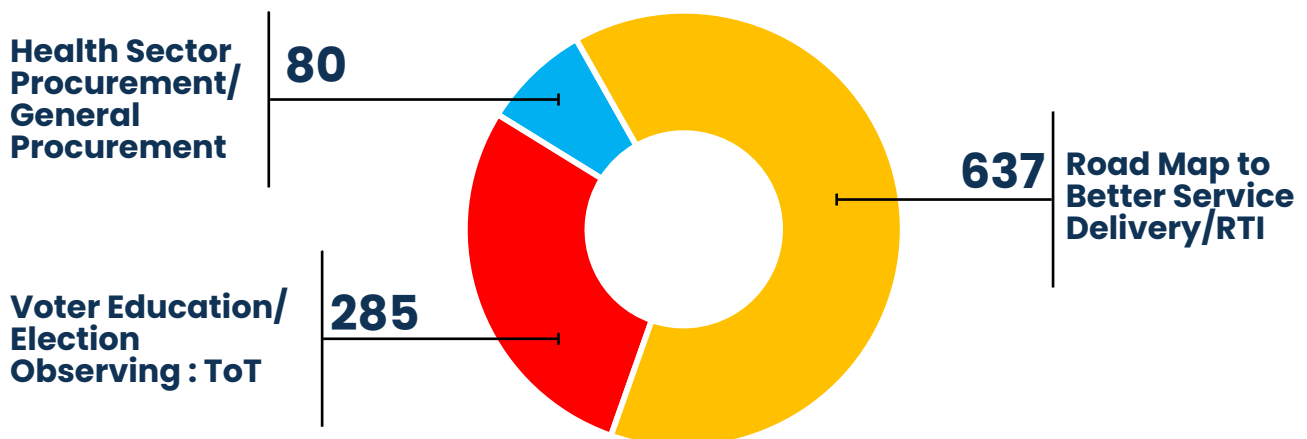


Civic education meetings in the grassroots-level

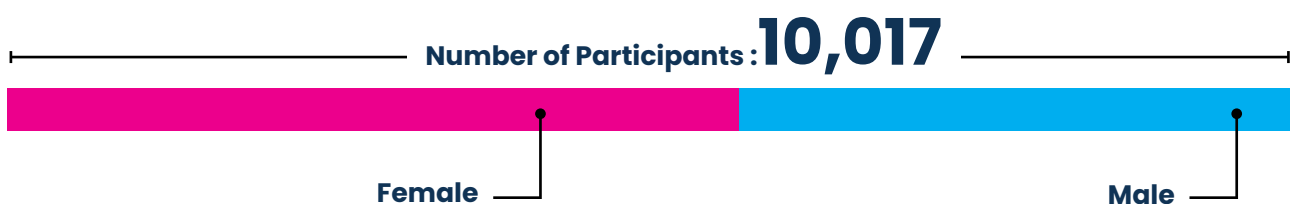
Types of Trainings Conducted by Public Sector



Training Participation Summary



of Trainings on Civic & Voter Education 261



CONNECTING PRIVATE SECTOR TO THE FIGHT AGAINST CORRUPTION

The Private Sector team of Transparency International Sri Lanka (TISL) 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 RTI, company policy reviews, panel discussions, surveys, and research on corruption risks for companies etc.

The team also collaborates with other key stakeholders, including Chambers of Commerce, Business Associations, and relevant regulatory authorities. This multi-stakeholder engagement is crucial for fostering a holistic approach to engaging the private sector in the fight against corruption. By working together with these entities, the team helps to create an environment that supports and sustains transparency and accountability initiatives in the private sector.

The team also advocates for stronger legal accountability within the private sector and contributed to TISL's work on reviewing the Anti-Corruption Bill which was passed in 2023, which for the first time in Sri Lanka, recognised private sector bribery as a punishable offence.

The pillar also ventured into a new area of work in 2023, addressing grand corruption cases involving the private sector and will continue to monitor the local context for instances of grand corruption and take action when necessary.

Capacitating Private Sector on Anti-Bribery and Corruption and Right to Information

In 2023, for the first time, TISL began conducting training on ABC for the private sector. Throughout the year, the team conducted 22 trainings for various companies in the private sector, representing different industries such as Banking, Diversified Financials, Insurance, Food and Beverages, Staples Retailing, Agriculture and Health Care etc. These trainings comprised participants from different levels of management such as the Board of Directors, Senior Management, Middle Management and entry level workers and factory staff. The number of participants at each training session ranged from 20 to over 400.

Each company independently reached out to TISL to obtain these trainings, noting the importance of ABC awareness in their respective organisations. TISL has received overly positive feedback from the participants in the training programmes. They highlighted ABC as an important focus area and thanked TISL for conducting the training sessions.

Interest in ABC trainings for the private sector may have increased in 2023 due to the passage of the new Anti-Corruption Act which for the first time in Sri Lanka, recognized bribery in the private sector as a punishable offence. Nevertheless, the increased interest led to an extremely high demand, resulting in TISL organising a Training of Trainers (TOT) on ABC for employees in the private sector to be able to train their own employees on ABC. This was conducted in August 2023 with over 25 participants.

In addition to ABC trainings, TISL also conducted a few sessions on RTI for the factory workers of a prominent tea factory. The participants found the training to be extremely useful and reached out to TISL's Advocacy and Legal Advice Centre (ALAC) to obtain legal assistance and to file RTI requests.



Five-way Tie for First Place in Transparency in Corporate Reporting (TRAC) Assessment 2023

TISL has been conducting the Transparency in Corporate Reporting (TRAC) Assessment annually since 2020. In TISL's 4th year of conducting the TRAC Assessment, for the first time, there was a five-way tie for first place in corporate reporting among the top 125 public limited companies in Sri Lanka (based on market capitalisation on the Colombo Stock Exchange as of July 5th, 2023).

John Keells Holdings PLC and Teejay Lanka PLC who ranked first in previous TRAC assessments, were joined in the 2023 assessment by Ceylon Tobacco Company PLC, Dialog Axiata PLC, and Dilmah Ceylon Tea Company PLC who had all achieved the full score for transparency in corporate reporting, while 27 companies were considered 'Significantly Transparent' in corporate reporting. The companies included in the assessment received an average score of 5.85 out of 10. This marks a slight overall improvement compared to the previous year's assessment, reflecting advancements in corporate transparency and reporting practices.

The TRAC Report 2023 assessed companies on their corporate disclosure practices in several important areas crucial to fighting and preventing corruption. Companies were then scored on a scale of 0-10, (10 being the highest and 0 being the lowest) based on publicly available information and were categorized into six groups as "Fully Transparent, Significantly Transparent, Moderately Transparent,

Partially Transparent, Slightly Transparent, and Least Transparent" according to the level of transparency in their corporate disclosures. Companies were also given the opportunity to provide feedback on their initial scores.

Of the 100 companies assessed in 2022, a significant 71 have demonstrated a notable increase in their TRAC score for 2023. From the scores obtained, there seems to be a significant improvement by several companies compared to previous assessments. It seems that several companies have integrated TISL's recommendations in the 2022 TRAC assessment into their annual reports, showcasing a commendable commitment to implementing best practices and enhancing transparency.

Although the TRAC report only assesses transparency in corporate disclosures, and not the actual implementation of companies' anti-corruption policies or programmes, the increasing number of companies obtaining higher scores each year is a testament to enhanced corporate transparency. Corporate transparency is one step that companies can take to reduce the risk of corruption within their organisations, and the five-way tie for first place in 2023 shows that the TRAC assessment has made a significant impact in the private sector for the last four years.



TISL Executive Director Nadishani Perera unveiling the TRAC Report 2023 at a press conference

TRANSPARENCY IN CORPORATE REPORTING 2023

ASSESSING THE TOP 125 PUBLIC
LIMITED COMPANIES IN SRI LANKA



WHAT IS THE TRAC REPORT 2023?

The Transparency in Corporate Reporting (TRAC) 2023 Report is an independent assessment of corporate disclosure practices among the top 125* public limited companies in Sri Lanka.

*BASED ON MARKET CAPITALISATION ON THE COLOMBO STOCK EXCHANGE AS OF JULY 5th, 2023

WHICH AREAS WERE ASSESSED UNDER THE TRAC ASSESSMENT 2023?

- Reporting on Anti-Corruption Programmes
- Organisational Transparency in Company Holdings
- Domestic Financial Reporting
- Reporting on Gender and Non-Discrimination Policies
- Country-by-Country Reporting
- Reporting on Procurement Related to Government Contracts/Tenders

HOW TRANSPARENT ARE SRI LANKA'S PLC'S IN CORPORATE REPORTING?

5.85 – AVERAGE SCORE ACHIEVED BY A COMPANY

This marks a slight overall improvement compared to the previous year's assessment, reflecting advancements in corporate transparency & reporting practices.

10.00	Fully Transparent
8.00 - 9.99	Significantly Transparent
6.00 - 7.99	Moderately Transparent
4.00 - 5.99	Partially Transparent
2.00 - 3.99	Slightly Transparent
0.00 - 1.99	Least Transparent

WHICH COMPANY OR COMPANIES RANKED FIRST AND OBTAINED THE FULL OVERALL SCORE ACCORDING TO THE TRAC REPORT 2023?

- JOHN KEELLS HOLDINGS PLC*
- TEEJAY LANKA PLC**
- CEYLON TOBACCO COMPANY PLC
- DIALOG AXIATA PLC
- DILMAH CEYLON TEA COMPANY PLC

*RANKED FIRST FOR THE 4TH CONSECUTIVE YEAR
**RANKED FIRST FOR THE 2ND CONSECUTIVE YEAR

HOW DOES THE TRAC ASSESSMENT HELP COMPANIES?

Transparency in business is key. It allows companies to be socially responsible to their communities, enhancing their reputation and brand image while outshining competitors. By eliminating corruption, businesses foster stability and sustainability. Greater transparency in corporate reporting deters corrupt practices, builds trust, and attracts investors focused on Environmental, Social and Governance (ESG) criteria.

WHAT ARE THE LIMITATIONS OF THE TRAC ASSESSMENT?

The TRAC Report does not assess the actual implementation of companies' anti-corruption policies or programmes.

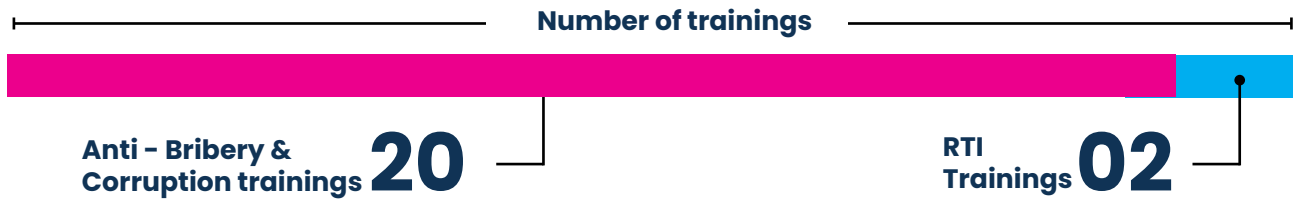
A low score does not necessarily mean that a company does not have strong anti-corruption programmes, nor does it indicate any wrongdoing on the part of the company.

A high score reflects strong disclosure mechanisms, but may not always reflect operational and implementational success of anti-corruption programmes.

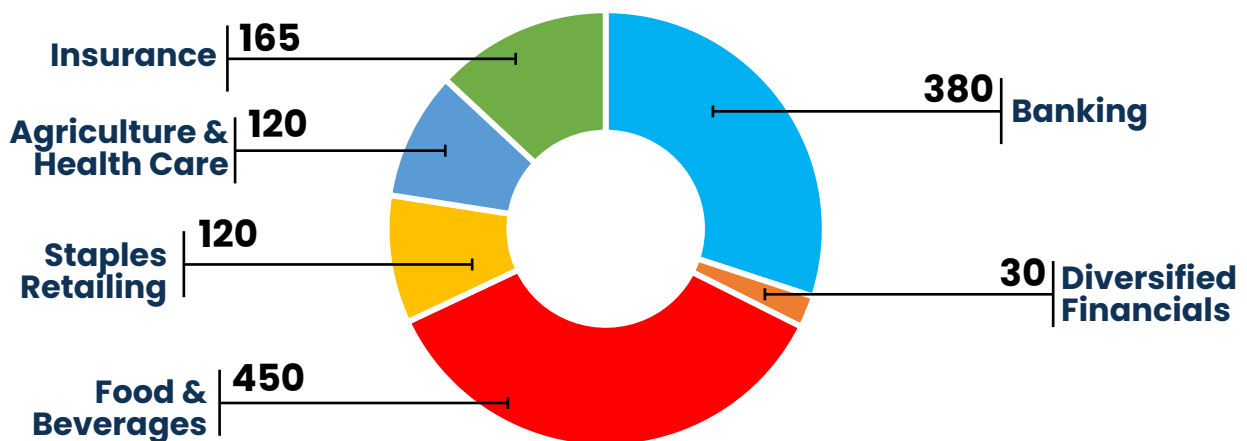
The TRAC Assessment will not address all grand corruption cases in Sri Lanka, but it serves as a strong motivator for companies to adopt strong disclosure practices, which in turn help fighting and preventing corruption.

of Trainings Conducted by the Private Sector Pillar

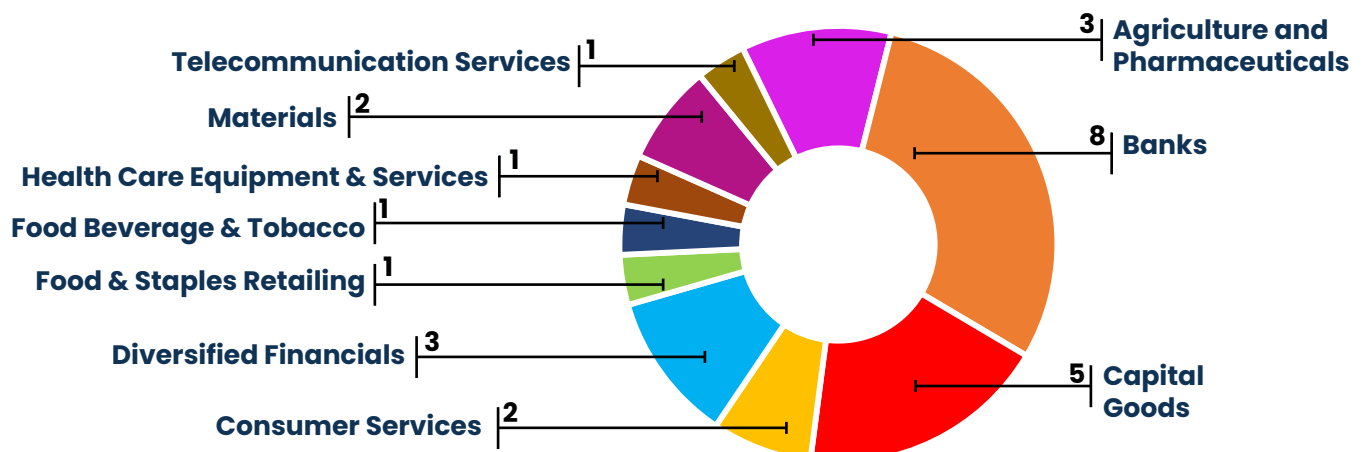
22



Industries Covered under Trainings & Number of Participants



Private Sector Employees Trained on Anti - Bribery & Corruption in Different Industries



EMPOWERING CITIZENS FOR THE SYSTEM CHANGE

The Community Sector's goal is to empower and mobilize citizens to understand and resist corruption. With this in mind, the Community Sector works to enhance the understanding of the public about corruption and 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 Kandy Branch, opened on April 24, 2023, is the latest addition to TISL's regional offices. Through this office, TISL has been expanding its outreach programmes to share knowledge and mobilize communities on combatting bribery and corruption in the grassroots level.

The Power of Information

Through the Community Sector, Transparency International Sri Lanka (TISL) has been encouraging citizens to file Right to Information (RTI) applications with public authorities to obtain information on matters that affect them, their community, and the country at large, and to use that information to draw the attention of the relevant public authorities to address those problems. Given below are some achievements made through TISL's interventions last year.



Raising public awareness on the Right to Information



Empowering Citizens: A RTI Success Story from Matale

Citizens worldwide have leveraged RTI to access government information. On November 29, 2022, seven individuals – T. Gunadarsani, N. Thilakaroopi, T. Muthulakshmi, T. Baby Uma, S. Kannan, P. Nathan, and M.F. Rinosha – submitted an RTI application to initiate the reconstruction of a road i.e. Ranjan Wijeratne Mawatha in the Rattota Pradeshiya Sabha.

These determined citizens used RTI to expedite road development, addressing a 14 – year delay. During an RTI awareness workshop on November 26, 2022, organized by TISL and Centre for Community Empowerment at the Rattota Pradeshiya Sabha Hall, the RTI application was prepared and sent.

Remarkably, within three weeks, road reconstruction began, even without a formal response from the authorities, demonstrative of the immediate impact of the RTI filing.

This success story highlights TISL's effective public education on RTI and its potential to prompt swift government action. It underscores the importance of citizens understanding and utilizing their rights under the RTI Act to drive positive societal change, combat corruption, and address local issues efficiently.



The reconstruction of Ranjan Wijeratne Mawatha, coming under the Rattota Pradeshiya Sabha, was expedited following the queries made under the Right to Information Act.

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 services from state institutions. These centres provide information on mechanisms available 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.



Resuming Bus Service from Badulla to Ottekade

During the COVID-19 pandemic, numerous public services, including transportation, faced significant disruptions. Among these was the bus service from Badulla to Ottekade, operated by the Sri Lanka Transport Board (SLTB). This service was halted for over two years due to illegal activities by the drivers and conductors. Villagers who depended on this service for daily commutes, and access to education, healthcare, and other essential services experienced considerable hardship.

Despite their complaints to the SLTB in Badulla about the misconduct leading to the service disruption, effective action was not taken to resolve the issue promptly. Consequently, the community was left without reliable transportation for an extended period of time, exacerbating their struggles.

Upon learning of the situation, ALAC intervened. The ALAC submitted several RTI applications and letters to the SLTB seeking clarification on the reasons behind the suspension and expressing concerns over the villagers' inconvenience. This effort aimed to hold the authorities accountable and push for the restoration of the bus service.

As a result of ALAC's advocacy, the bus service from Badulla to Ottekade was successfully reinstated after a two-year hiatus. The concerned government authorities took necessary measures to address the underlying issues, ensuring the resumption of operations.

The reinstatement of the bus service has had a profound impact on the Ottekade community. Residents now have improved access to transportation for work, education, healthcare, and other essential activities. This revival of service has not only enhanced their mobility but also instilled a sense of empowerment and optimism in the community. The success story underscores how dedicated advocacy and small actions can lead to significant positive changes for the public. The community's experience illustrates the power of collective effort in addressing and overcoming local challenges.



ALAC's intervention restores crucial bus service from Badulla to Ottekade after a two-year suspension

Vavuniya Regional Office: Advocating for Nedumkandal Farmers in Mannar District

Mannar District, one of Sri Lanka's 25 districts, has a labour force predominantly engaged in agriculture, fishing, and business sectors. Notably, over 75% of the workforce is involved in agriculture, which encompasses paddy cultivation, commercial crop cultivation, and other field crops. The total agricultural area spans approximately 31,060.2 hectares, with farmers cultivating their lands during the Maha and Yala seasons each year.

Traditionally, the Irrigation Department, Agrarian Department, and District Secretariat in Mannar allocate special agriculture lands during the Yala season, known locally as "Pulavu," at a ratio of 10:1. However, in 2024, due to insufficient water levels in the Giant Tank, the Agriculture Advisory Committee decided to adjust this ratio to 12:1, despite receiving ample rainfall in May 2024.

In an unprecedented move, the committee also decided to withhold Pulavu from the Nedumkandal farmers, citing a past incident in 2023 where the farmers allegedly disrespected officers from the agricultural departments. The Nedumkandal area is geographically advantageous as it retains water from the Giant Tank even during drought conditions.

Feeling aggrieved by this decision, the farmers of Nedumkandal sought assistance from the TISL – Vavuniya branch. TISL-Vavuniya promptly filed a RTI request with the Agrarian Department, Irrigation Department, and District Secretariat-Mannar, seeking pertinent information on the water allocation decision.

In response, the Government Agent gave an assurance that a resolution would be provided after a meeting with the Agrarian and Irrigation Departments. Despite this, the farmers continued to demonstrate in front of the District Secretariat, demanding a fair allocation of Pulavu.

Ultimately, due to the persistent efforts of TISL and the solidarity of the Nedumkandal farmers, all relevant agricultural departments agreed to allocate Pulavu to the Nedumkandal farmers for the 2024 season.

The farmers expressed their gratitude to TISL for their swift and effective action through the RTI process, ensuring justice and equitable resource distribution.



A mobile campaign to raise public awareness on the Right to Information

Matara Regional Office: Securing Justice for Mr. A.K.P. Mahinda

Mr. A.K.P. Mahinda lodged a complaint regarding the non-receipt of compensation following his termination and transfer during the years 2004–2005. He faced false charges on two occasions, resulting in disciplinary actions and an illegal transfer in violation of the disciplinary constitution of the SLTB.

Mr. Mahinda was advised to file a complaint with the Labour Department and subsequently with the Committee of Investigations into Ministerial and Political Retaliations. The cabinet issued a decision based on the committee's recommendations. However, the Transport Board refused to implement these decisions, compelling Mr. Mahinda to lodge another complaint with the Labour Department. The report of the Industrial Relations Division of the Labour Department was not accepted by the Transport Board, leading the matter to arbitration.

On January 9, 2023, a government gazette mandated the Transport Board to pay Mr. Mahinda compensation within one month. Despite this order, the Transport Board failed to comply, prompting a series of referrals to the Ministry of Labour, the Presidential Secretariat, and Parliament. Additionally, RTI requests were filed with the Assistant Labour Commissioner, Colombo East.

As a result of these persistent efforts, the Transport Board was compelled to deposit LKR 200,000 immediately as compensation to Mr. Mahinda.

This success story highlights the relentless advocacy and effective use of RTI by the TISL Matara branch, ensuring justice and rightful compensation for Mr. Mahinda.

Kandy Regional Office: Advocacy for Fair Compensation at a Government University

A contract-based employee at an education centre affiliated with a government university in Sri Lanka, who served as an instructor, approached the ALAC Kandy office for assistance. Initially, he was contracted for one year, and the university subsequently extended his contract for an additional year.

During his first year of employment, only 8% of his monthly stipend was deducted as his contribution towards the Employee Provident Fund (EPF). The university contributed 12% to his EPF and 3% to the Employees' Trust Fund (ETF) as per prevailing labour laws. However, during his second appointment, the university deducted 23% from his monthly stipend. The justification provided by the university was that his appointment letter stated that, "The employee will receive an all-inclusive stipend of ... for the month." Based on this, the university deducted 12% for EPF and 3% for ETF from the employee's stipend, amounts which should have been contributed by the university, in addition to the 8% employee contribution.

Upon inquiry, the Director of the Education Centre confirmed that the annual budget included separate allocations for EPF and ETF contributions.

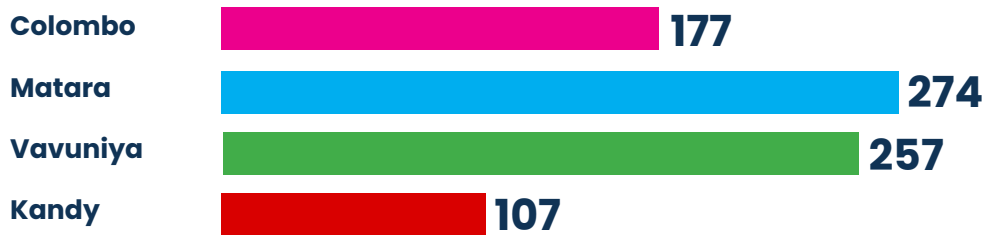
Despite the client's written requests and multiple appeals to the university for a fair resolution, his efforts were initially ignored. Ultimately, he left the university without receiving a just solution.

The client then sought assistance from the ALAC of TISL in Kandy. ALAC-Kandy assisted him in filing a RTI request, but no response was received. The client subsequently appealed to the Designated Officer. Following this appeal, the university informed him that the deducted amounts would be reimbursed, and the funds were eventually credited to his account.

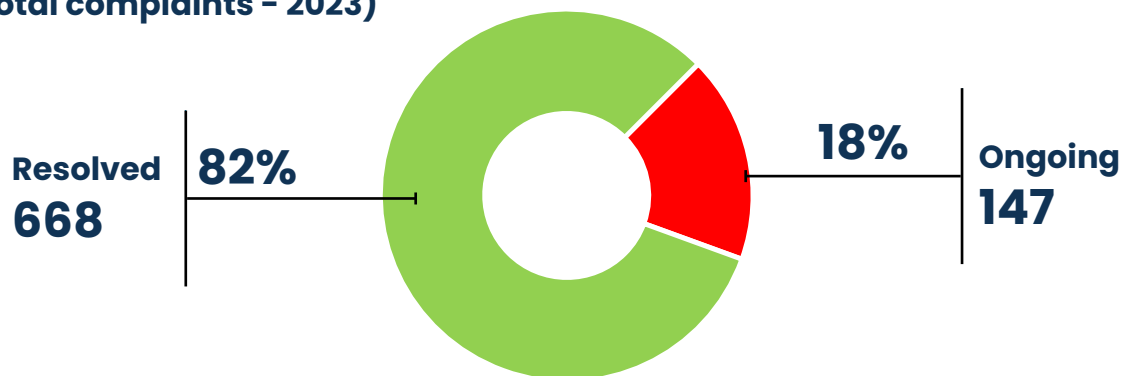
Despite facing significant delays and irresponsibility during his employment and afterward, the client successfully recovered the unjustly deducted funds after nine months with the assistance of ALAC-Kandy.

This case underscores the importance of persistent advocacy and the effective use of RTI in securing fair treatment and rightful compensation for employees.

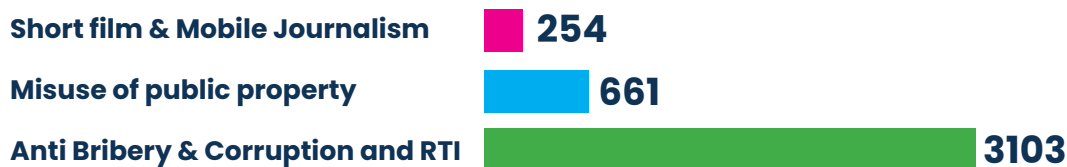
of Complaints Received by ALAC Offices



Complaint Resolution Rate – ALAC (of total complaints – 2023)



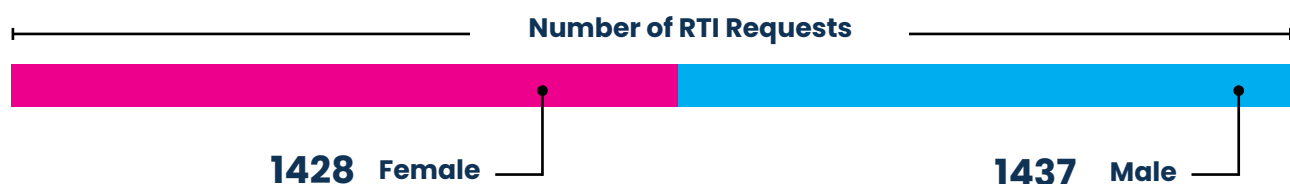
Participation summary: Trainings Conducted by Community Pillar



A Summary of RTI Applications



RTI Requests Facilitated by RTI Hubs



COMMUNICATIONS

In the past year, Transparency International Sri Lanka (TISL) seized the opportunity to engage the public and attract significant media attention to its mission of fighting corruption, promoting good governance, and ensuring accountability. TISL effectively communicated its key messages and heightened awareness of these critical issues by tapping into the public's energy and enthusiasm.

TISL strategically enhanced its visibility and reach, utilizing both social media and traditional media channels. A series of media events and conferences were organized to capture public and media interest, ensuring the resonance of TISL's messages with its target audience. Consistent and impactful social media communication allowed TISL to engage a broader audience and amplify its impact.

For the first time in history, TISL collaborated with the well-known YouTuber 'Lakai Sikai' to educate the public on the newly enacted law on campaign finance and general information related to civic and voter education. By the end of 2023, this video had garnered over 1.5 million views, receiving numerous positive comments from the public.

Collaboration played a pivotal role in TISL's strategy. By partnering with other civil society organizations, TISL presented a united front in media appearances, amplifying its collective voice while maintaining its identity, impartiality, and credibility. This

collaborative approach strengthened advocacy efforts and broadened the dissemination of TISL's messages, leaving a lasting public impression and emphasizing the importance of its cause.

By utilizing partnerships, adapting to the momentum of the mass movement, and putting a multifaceted media plan into action, TISL was able to increase its exposure, expand its reach, and engage a larger audience. In 2023, TISL's Facebook page has reached its highest ever organic reach and together, these coordinated efforts succeeded in increasing public awareness, promoting public engagement, and fostering a transparent and accountable culture within society.

"You – The Company Spokesperson", a specially crafted training session conducted by veteran media personality Kumar de Silva, was conducted to groom all staff at TISL on the Dos and Don'ts when appearing before the media.



TISL media conferences received wide coverage

TISL Digital Media Metrics



Likes 28K
Followers 31.9K



Connections 3000

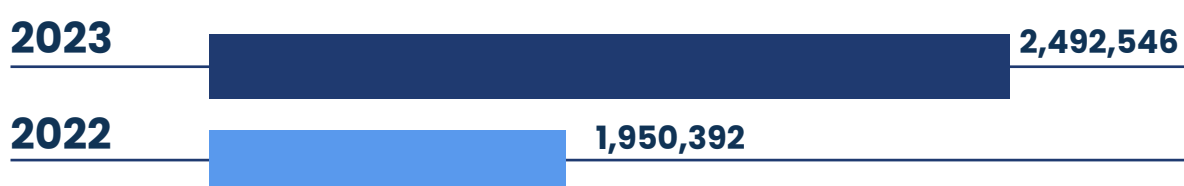


Followers 2543



Subscribers 987

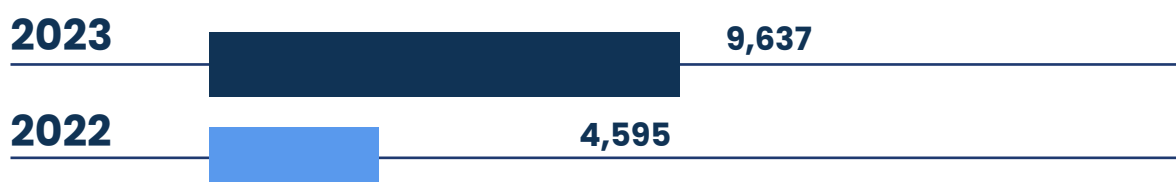
Total Facebook Reach : 2022 Vs 2023



Facebook New Likes & Followers : 2022 Vs 2023



YouTube Views : 2022 Vs 2023



Total Press Releases Issued – 21

TV & Radio Media Discussions – 48



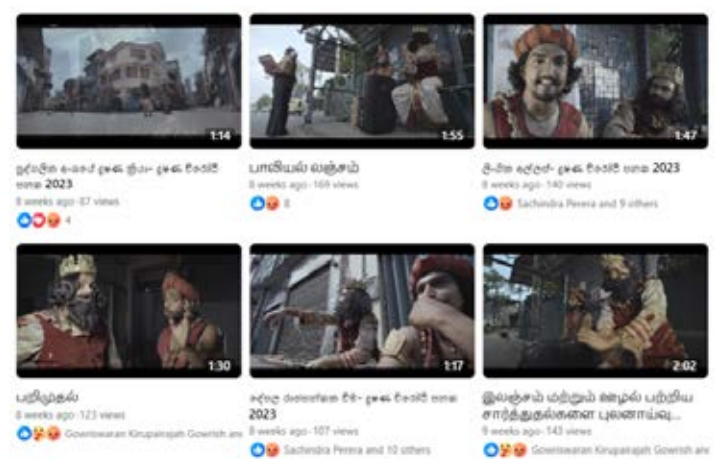
FACE THE NATION | Pirates in politics? | 31st May 2023 #eng



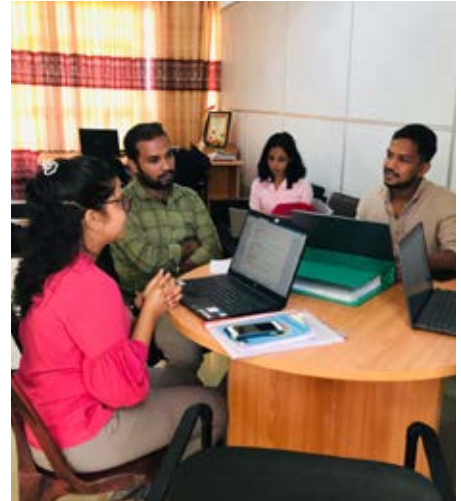
Mass media invitations for panel discussions and interviews



YouTube video created with Lakai-Sikai on Campaign Finance & Civic Education, became #1 trending video in Sri Lanka



Creative content development on new Anti-Corruption Act 2023



Deliberations of the Finance and Operations Teams in 2023

STAFF DEVELOPMENT AND WELL-BEING

TISL considers its committed team as the greatest asset, especially as an advocacy organization, where the quality of TISL's programme is directly dependent upon staff competence. Throughout the year 2023, TISL's leadership, along with the Human Resources team, worked with the objective of caring for staff and facilitating their well-being and development so they reach their full potential and organizational objectives. Last year, the Human Resources unit also had a special focus on mainstreaming organizational core values into the organizational culture.

The Managers and Senior Managers were supported with one-to-one coaching sessions with a senior coach from Snap Ark Pvt. Ltd., as a continuation of the leadership development programme initiated in 2022. In addition, a follow up training programme on leadership development was conducted for all in management and leadership, which focused on areas such as situational and empathetic leadership, transactional analysis, difficult conversations, identifying and addressing dysfunctions in teams and identifying bias. An Organizational Culture strengthening workshop was also conducted by Snap Ark Pvt. Ltd. for all staff, whereby facilitating a deeper understanding of the core values, communication, personalities, team building etc.

In addition to these organizational trainings, staff members were facilitated with many opportunities to receive trainings on a variety of anti-corruption related subject matters, such as corruption in the private sector, health sector related procurement, stolen assets recovery, the new Anti-Corruption Act, and the Governance Diagnostic Assessments on Sri Lanka. TISL also conducted knowledge and skills development sessions for all staff such as communication for behaviour change and facing the mainstream media.

The Transparency International (TI) Secretariat's security team visited TISL with an international expert to support TISL to strengthen the security policy, and as part of this effort, they also conducted a training session for staff. Two training sessions on digital security were conducted for staff by TISL's security focal point, and a training on first aid and on firefighting was also organized. TI's CEO – Daniel Eriksson and the Senior Advisor for Asia made a visit to TISL, whereby they met different stakeholders and advocated for TISL's work. Staff members were able to gain valuable insights from the discussions with them.

Some staff members also received the opportunity to attend international conferences and workshops, such as the Conference of the State Parties of the UN Convention Against Corruption in the USA, the Anti-Corruption for Development Conference of the World Bank in the USA and the World Bank-IMF Annual Meeting in Morocco, the Open Government Partnership Conference in Estonia, an advocacy training workshop in Malaysia and a project launch meeting at the TI Secretariat in Germany.

Three staff members were provided the opportunity to be part of an Exchange Programme funded by the TI Secretariat, where they visited the TI chapter in Cambodia for a period of ten days. As part of this exchange programme, three teams from TI chapters – the Maldives, Nepal and Pakistan visited Sri Lanka, thereby facilitating cross learning between TISL team and these teams from other Asian countries.

In terms of appreciating the services of staff and promoting staff well-being and team spirit, the annual staff trip was organized with many enjoyable activities to foster greater friendship in an informal setting. TISL team celebrated the Thai Pongal festival, Sinhala and Tamil New Year, Vesak, Ramadan and Christmas, in the spirit of respecting and celebrating all religions and cultures. The families of staff members were invited to attend the year-end Christmas get-together as a means of expressing gratitude to the family members for supporting the staff members who worked tirelessly for the cause of TISL. Special steps were taken at this event to also appreciate staff members who have completed 5, 10 or 15 years of service with TISL and to appreciate each staff member with a personalized message for their unique contribution and commitment. TISL continued to celebrate the birthdays of each staff member, thereby making them feel valued and part of the TISL family.







BOARD OF DIRECTORS

Pulasthi Hewamanna

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

Mr. Hewamanna 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, Ms. Jeanne Samuel 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 programmes and projects in varied fields. Ms. Samuel 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, those affected by armed conflict, internally displaced persons, and women-headed households in addition to community development, livelihood initiatives and building capacities of local grass roots organizations. Ms. Samuel 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 for 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 Ms. Abdul Saroor 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 Ms. Abdul Saroor 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 she 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.

Ms. Abdul Saroor'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

Ms. 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.

Ms. Guneratne's 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 she also teaches in the area of women's rights. She has been involved with non-governmental organisations working in the fields of 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.

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

Farhaz Farouk

Mr. Farhaz Farouk is a finance and management professional, possessing full professional memberships in leading management and accounting bodies in the United Kingdom and Sri Lanka, and holds a Master of Business Administration degree from the University of Essex, United Kingdom. He has served in Sri Lanka and 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. His significant component of work experience has been in the banking, finance, investment and energy sectors.

Mr. Farouk is well versed in setting and driving strategy and change; managing internal and external stakeholders; and regulating, 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 USD 3 billion of funding for its various diversification and modernization projects.

Prior to that, Mr. Farouk 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.

Pavithra Kailasapathy

Ms. 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 a 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, Ms. Kailasapathy was an Associate Editor of the South Asian Journal of Human Resources Management (Sage Publishers) and from 2021, she is the Editor-in-Chief. Her area of interest for research is gender issues in organisations.

Ms. Kailasapathy 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 at FUTA. Ms. Kailasapathy has conducted training for non-governmental organisations leaders and staff on personal development, organisation development and leadership development.

Sandun Thudugala

Mr. Sandun Thudugala holds a BSc in Management Information Systems from University of Dublin and a BA in Sociology from Open University of Sri Lanka. He has 20 years of experience working with national and international NGOs and local civil society movements in Sri Lanka.

Mr. Thudugala 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 at the Law and Society Trust (LST). In LST, he leads current programmes on land and labour rights, minority rights, governance reforms, and women's economic empowerment.

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

Hana Ibrahim

Ms. 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 of local and international experience in the media industry. She is the 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. Ms. Ibrahim 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.

Ms. Ibrahim is a co-convenor of South Asian Women in Media (SAWM) and founder member of South Asia Media Solidarity Network (SAMSAN); an Executive member of the Free Media Movement, and she 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.

Leonid Fernando

Mr. Leo Fernando comes from an entrepreneurial, private equity and investment banking background. He is the founder of Travel Lanka Compass, a travel startup that consolidated all the functions associated with planning and booking a holiday, into one virtual platform. He was the first entrepreneur in Sri Lanka to launch a mobile app to capture a highly fragmented transportation industry.

Mr. Fernando was CEO/Executive Director of Platinum Advisors, a boutique investment bank that focuses on M&A deal advisory and the Chief Investment Officer of Lanka Strategic Investments, a New York based preIPO/IPO private equity fund. As investment research driven individual, with an absolute focus on exit strategy, he delivered above market returns for the fund. He was an analyst at Millennium Capital Management equity long/short hedge fund in Singapore and was responsible for identifying asset mispricing and trading opportunities across multiple industries in key markets across Asia (Australia, South Korea, Hong Kong, Taiwan, India and Singapore).

Mr. Fernando was vice-president at Amba Research and worked as an off-shore analyst for the European media sellside research team of a global investment bank in London. A notable achievement during this period was developing a commercially viable research product on accounting diagnostics and quality of earnings, for some of the large investment funds. Mr. Fernando started his career at KPMG in Audit and up to the position of Senior Manager, Internal Audit and Learning & Development.

Mr. Fernando is a CFA Charterholder and a Chartered Accountant.

Senel Wanniarachchi

Mr. Senel Wanniarachchi is the Co-Founder and Director of Sri Lankan activist organisation Hashtag Generation. Currently, he is a PhD Researcher at the London School of Economics and Political Science. His research is interested in how discourse on 'culture' and 'heritage' get co-opted to legitimise anti-imperialist but also nationalist, 'anti-gender' and anti-human rights frameworks. Mr. Wanniarachchi also sits on the board of the Innovation for Change South Asia Hub as well as on the South Asia Steering Committee for the Men Engage Alliance. He holds an MSc in Human Rights from the LSE which he followed on a Chevening Scholarship and a B.A. in International Relations from the University of Colombo. Mr. Wanniarachchi's research has appeared or is set to appear in the Cultural Politics Journal and the Handbook on Contemporary Sri Lanka.

VOTE OF THANKS

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

YOU MAKE OUR WORK POSSIBLE.

OUR DONORS IN 2023

**THE ASIA FOUNDATION
TRANSPARENCY INTERNATIONAL E.V. SECRETARIAT
EUROPEAN COMMISSION
HIGH COMMISSION OF CANADA
THE INTERNATIONAL REPUBLICAN INSTITUTE
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FRIEDRICH NAUMANN FOUNDATION
INTERNATIONAL FOUNDATION FOR ELECTORAL SYSTEM
COMMONWEALTH FOUNDATION
THE CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE
BRITISH HIGH COMMISSION
WESTMINSTER FOUNDATION FOR DEMOCRACY
FREEDOM HOUSE
MANAGEMENT SYSTEMS INTERNATIONAL
INTERNEWS NETWORK
DT GLOBAL**

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 2023.

Financial Results

The Audited Financial Statements are contained from pages 53 to 80 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. Shreen Saroor, Prof. Pavithra Kailasapathy and Prof. Camena Guneratne resigned on 01.01.2023, 30.11.2023 and 15.01.2024 respectively. Ms. Jeanne Samuel retired at the AGM held on 23.06.2023 and Mr. S.C.C. Elankovan ceased as a Director upon completion of 9 years on the Board on 21.02.2024 . 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
Mr. S. C. C. Elankovan	20.02.2015	6	5
Ms. Shreen Saroor	08.02.2017	0	0
Mr. Pulasthi Hewamanna	08.02.2017	6	5
Prof. Camena Guneratne	26.09.2018	6	4
Prof. Pavithra Kailasapathy	27.11.2018	6	6
Mr. Sandun Thudugala	25.11.2020	6	4
Ms. Jeanne Samuel	18.12.2020	4	4
Ms. Hana Ibrahim	20.01.2021	6	5
Mr. Farhaz Farouk	30.06.2021	6	5
Mr. Leo Fernando	01.03.2023	6	6
Mr. Senel Wanniarachchi	01.03.2023	6	4

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

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. Pulasthi Hewamanna and Mr. Sandun Thudugala are due to retire by rotation and have 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 2023 and of the income statement for the year ended 31st December 2023;
- 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. Fernando
Nomination	Mr. Hewamanna (Head), Mr. Thudugala
Strategy, Fundraising & Media	Mr. Hewamanna (Head), Mr. Thudugala, Ms. Ibrahim, Mr. Farouk
Governance & Internal Ethics	Mr. Hewamanna (Head)

Donations

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

Auditors

A resolution to reappoint Messrs. Deloitte Partners, Chartered Accountants, as Auditors of the Organization until the conclusion of the Twentieth Annual General Meeting and to authorize the Directors to determine their remuneration will be placed before the members at the Nineteenth 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 11, 2024

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TRANSPARENCY INTERNATIONAL SRI LANKA
FINANCIAL STATEMENTS - 31 DECEMBER 2023

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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

We have audited the financial statements of Transparency International Sri Lanka (the Company). The financial statements of the Company comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in funds for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, 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 Not-for-Profit Organisations (NGOs) and Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka.

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.



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Other information

Management is responsible for the other information. The other information comprises the Annual Report 2023, but does not include the financial statements and our auditor's report thereon.

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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Not-for-Profit 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.

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.

- 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.

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.

A handwritten signature in black ink that reads "Deloitte Partners".

CHARTERED ACCOUNTANTS

COLOMBO

10 June 2024

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TRANSPARENCY INTERNATIONAL SRI LANKA**Statement of comprehensive income****(All amounts in Sri Lankan Rupees)**

	Notes	Year ended 31 December	
		2023	2022
Incoming resources	4	223,908,200	153,421,843
Operating expenditure			
Project expenses	5	(173,797,930)	(114,632,030)
Administrative expenses	6	(55,848,761)	(49,008,579)
Total operating expenditure		(229,646,691)	(163,640,609)
Net surplus / (deficit) on operating activities		(5,738,491)	(10,218,766)
Net financial income	7	10,648,306	5,165,798
Other gains and losses - net	8	6,470,054	2,758,359
Net surplus / (deficit) before tax		11,379,869	(2,294,609)
Income tax expenses	9	(3,460,105)	(1,748,973)
Net surplus / (deficit) after tax		7,919,764	(4,043,582)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial (loss) / gain on defined benefit plans	17	(301,080)	506,623
Total comprehensive surplus / (deficit) for the year		7,618,684	(3,536,959)

The Notes on pages 8 to 27 form an integral part of these financial statements.

Independent Auditor's Report on pages 1 - 3.



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TRANSPARENCY INTERNATIONAL SRI LANKA**Statement of financial position****(All amounts in Sri Lankan Rupees)**


ASSETS	Notes	31 December	
		2023	2022
Non-current assets			
Property, plant and equipment	10	2,915,770	2,605,310
Right-of-use asset	11	11,504,408	15,887,039
		<u>14,420,178</u>	<u>18,492,349</u>
Current assets			
Notes and other receivables	12	6,066,079	6,282,188
Investments	13	36,241,476	26,034,153
Cash and cash equivalents	14	54,483,324	85,586,423
		<u>96,790,879</u>	<u>117,902,764</u>
Total assets		<u>111,211,057</u>	<u>136,395,113</u>
FUNDING and LIABILITIES			
Accumulated funds			
Restricted funds	15	28,829,164	58,367,162
Unrestricted funds		49,780,022	42,161,338
Capital grants	16	2,915,445	2,610,525
		<u>81,524,631</u>	<u>103,139,025</u>
Non-current liabilities			
Retirement benefit obligation	17	7,979,632	5,601,528
Lease liabilities	11	8,430,751	12,940,933
		<u>16,410,383</u>	<u>18,542,461</u>
Current liabilities			
Accruals and other payables	18	4,284,398	1,676,444
Income tax payable	19	1,530,108	1,013,822
Lease liabilities	11	4,510,182	4,014,624
Bank overdraft	14	2,951,355	8,008,737
		<u>13,276,043</u>	<u>14,713,627</u>
Total funding and liabilities		<u>111,211,057</u>	<u>136,395,113</u>

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.



Senior Manager - Finance and Operations

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 10 June 2024.



Director



Director

The Notes on pages 8 to 27 form an integral part of these financial statements.

Independent Auditor's Report on pages 1 - 3.

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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
Balance as at 01 January 2022	47,894,848	45,745,548	684,072	-	94,324,468
Net deficit for the year	-	-	-	(3,536,960)	(3,536,960)
Balance before transfer to reserves	47,894,848	45,745,548	684,072	(3,536,960)	90,787,508
Net 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)
Additions during the year	-	-	3,706,343	-	3,706,343
Amortisation made during the year	-	-	(1,779,890)	-	(1,779,890)
Funds transferred to statement of comprehensive income					
- against expenses incurred	(153,421,843)	-	-	-	(153,421,843)
- on completed projects	(906,487)	-	-	-	(906,487)
Balance as at 31 December 2022	58,367,162	42,161,338	2,610,525	-	103,139,025
Net surplus for the year	-	-	-	7,618,684	7,618,684
Balance before transfer to reserves	58,367,162	42,161,338	2,610,525	7,618,684	110,757,709
Net surplus for the year	-	7,618,684	-	(7,618,684)	-
Funds received during the year	198,371,703	-	-	-	198,371,703
Addition during the year	-	-	2,519,994	-	2,519,994
Amortisation made during the year	-	-	(2,215,074)	-	(2,215,074)
Funds transferred to statement of comprehensive income					
- against expenses incurred	(223,908,200)	-	-	-	(223,908,200)
- on completed projects	(4,001,501)	-	-	-	(4,001,501)
Balance as at 31 December 2023	28,829,164	49,780,022	2,915,445	-	81,524,631

The Notes on pages 8 to 27 form an integral part of these financial statements.

Independent Auditor's Report on pages 1 - 3.



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TRANSPARENCY INTERNATIONAL SRI LANKA**Statement of cash flows****(All amounts in Sri Lankan Rupees)**

		Year ended 31 December	
	Notes	2023	2022
Cash flows from operating activities			
Net surplus / (deficit) before income tax		11,379,869	(2,294,609)
Adjustments for:			
Depreciation of property, plant and equipment	10.2	2,209,544	1,691,578
Depreciation of leased assets	11	4,382,631	4,382,631
Provision for gratuity	17	2,833,274	2,626,449
Amortization of capital grant	16	(2,215,074)	(1,779,890)
Interest on leases	7	885,376	1,114,216
Interest income	7	(11,533,682)	(6,280,014)
Income recognized against expenses incurred	15	(223,908,200)	(153,421,843)
Excess funds transferred from completed projects	15	(4,001,501)	(906,487)
Net cash used before working capital changes		(219,967,763)	(154,867,969)
Changes in working capital:			
Receivables		216,109	690,146
Payables		2,607,954	(1,007,621)
Cash used in operations		(217,143,700)	(155,185,444)
Payment of taxes	19	(2,943,819)	(1,147,738)
Payment of gratuity	17	(756,250)	(120,724)
Net cash used in operating activities		(220,843,769)	(156,453,906)
Cash flows from investing activities			
Purchase of property, plant and equipment	10.1	(2,520,004)	(3,706,334)
Addition to the capital grants	16	2,519,994	3,706,343
Investment on short term deposits		(10,207,323)	2,918,974
Interest income	7	11,533,682	6,280,014
Net cash generated from investing activities		1,326,349	9,198,997
Cash flows from financing activities			
Funds received during the year	15	198,371,703	164,800,644
Repayments of leases	11	(4,900,000)	(4,800,000)
Net cash generated from financing activities		193,471,703	160,000,644
Net (decrease) / increase in cash and cash equivalents		(26,045,717)	12,745,735
Cash and cash equivalents at the beginning of the year	14	77,577,686	64,831,951
Cash and cash equivalents at the end of the year	14	51,531,969	77,577,686

The Notes on pages 8 to 27 form an integral part of these financial statements.

Independent Auditor's Report on pages 1 - 3.



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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 Principal 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 2023 are as follows:

Name	Date of appointment	Date of resignation
Mr. P. R. K. Hewamanna	08.02.2017	Not applicable
Mr. T. M. B. S. Thudugala	25.11.2020	Not applicable
Ms. B. H. Ibrahim	20.01.2021	Not applicable
Mr. A.F. Farouk	30.06.2021	Not applicable
Mr. S.M. Wanniarachchi	01.03.2023	Not applicable
Mr. L.M.J. Fernando	01.03.2023	Not applicable
Mr. S. C. C Elankovan	20.02.2015	21.02.2024
Prof. C. E. Guneratne	26.09.2018	15.01.2024
Ms. S. S. A. Saroor	08.02.2017	01.01.2023
Prof. P. Kailasapathy	27.11.2018	30.11.2023
Ms. J. Samuel	18.12.2020	23.06.2023



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 material 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 2023 were authorised for issue by the Directors on 10 June 2024.

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'.

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.



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TRANSPARENCY INTERNATIONAL SRI LANKA**Notes to the financial statements (contd)****2 Basis of preparation (contd)****2.6 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.

2.7 Changes in accounting policies and disclosures

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated.

2.8 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 it reflects the economic substance of the underlying events and circumstances relevant to the Company.

2.9 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.

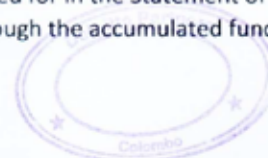
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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 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.



TRANSPARENCY INTERNATIONAL SRI LANKA**Notes to the financial statements (contd)****3 Accounting policies (contd)****3.1 General policies (contd)****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. Accordingly the grants and donations received by the Company are not liable for income tax. Interest Income is taxed at 30%.

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 Restricted 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.

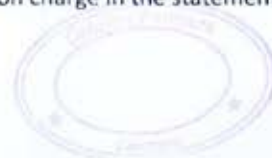
Where approved grant expenditure exceeds the income received and there is a certainty that the balance will be received such amounts recognised through debtors in the statement of financial position.

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 minutes provide 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.



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TRANSPARENCY INTERNATIONAL SRI LANKA**Notes to the financial statements (contd)****3 Accounting policies (contd)****3.3 Valuation of assets and their measurement basis****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.

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 under 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 statement of financial position 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 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.



TRANSPARENCY INTERNATIONAL SRI LANKA**Notes to the financial statements (contd)****3 Accounting policies (contd)****3.3 Valuation of assets and their measurement basis (contd)****3.3.3 Property, plant and equipment (contd)****b) Depreciation (contd)**

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

	Estimated useful life	Rate of depreciation
Furniture and fittings	4 Years	25%
Office equipment	4 Years	25%
Computers	4 Years	25%
Motor vehicles	4 Years	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.

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
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

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.



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TRANSPARENCY INTERNATIONAL SRI LANKA**Notes to the financial statements (contd)****3 Accounting policies (contd)****3.3 Valuation of assets and their measurement basis (contd)****3.3.4 Leases (contd)****The Company as a lessee (contd)****a) Recognition and measurement (contd)**

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 Building 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.

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.



TRANSPARENCY INTERNATIONAL SRI LANKA**Notes to the financial statements (contd)****3 Accounting policies (contd)****3.3 Valuation of assets and their measurement basis (contd)****3.3.4 Leases (contd)****The Company as a lessee (contd)****c) Termination and extension option (contd)**

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.

3.4.2 Retirement Benefit Obligations**(a) Provisions**

Provision are recognised when the Company 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.



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TRANSPARENCY INTERNATIONAL SRI LANKA**Notes to the financial statements (contd)****3 Accounting policies (contd)****3.4 Liability and provisions (contd)****3.4.2 Retirement Benefit Obligations (contd)****(b) Defined benefit plan**

Gratuity is a defined benefit plan. In order to meet this liability, a provision is carried forward in the statement of financial position. The provision is calculated based on a projected unit credit method considering the future salary increment rates, discount rates and the expected staff turnover rate. The resulting difference between the brought forward provision at the beginning of the year and the carried forward provision at the end of the year is dealt within the statement of comprehensive income. However, as per the payment of the Gratuity Act No.12 of 1983, gratuity liability is not externally funded. This liability is grouped under non-current liabilities in the statement of financial position.

(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 Accounting policies (contd)****3.5 Income and expenditure (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	
	2023	2022
Income recognised for projects carried out (Refer Note 15)	223,908,200	153,421,843
	223,908,200	153,421,843

5 Project expenses

	Year ended 31 December	
	2023	2022
Staff cost	43,272,956	37,949,267
Direct project cost	130,524,974	76,682,763
	173,797,930	114,632,030



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TRANSPARENCY INTERNATIONAL SRI LANKA

Notes to the financial statements (contd)

5 Project expenses (contd)

Donor	Name of the project	Year ended 31 December 2023		
		Staff cost	Project Cost	Total
The Asia Foundation - TAF	Using technology to track the abuse of state property.	253,677	2,757,211	3,010,888
Transparency International e.V. Secretariat - STRONGG	Indo - Pacific partnership for strong, Transparent, Responsive and open Networks for Good Governance.	5,075,155	10,205,169	15,280,324
European Commission - EIDHR	Stronger Media through enhanced freedom of expression and Right to Information.	15,410,938	34,752,981	50,163,919
Transparency International e.V. Secretariat - SANCUS	Strengthening accountability networks among civil society: Regional Coordination of AP countries and in-country action.	5,923,352	8,942,905	14,866,257
High Commission of Canada CFLI	Strengthening Accountability Mechanisms across Sectors in Sri Lanka to Combat Corruption.	103,459	2,295,525	2,398,984
The International Republican Institute - IRI	Ensure the sustainability of a platform for regional anti - corruption collaboration	-	1,543,555	1,543,555
Foundation Open Society Policy Center - OSF (FOSI)	To support Grantee to tie-off work on promoting the Right to Information.	6,700,936	23,386,252	30,087,188
Friedrich Naumann Foundation - FNF	Integrity Icon Programme.	-	2,100,000	2,100,000
International foundation for electoral system (IFES)	Money in Politics/Political Finance Legislation Research in Sri Lanka	611,991	3,146,929	3,758,920
Common Wealth foundation	Citizen engagement with advocacy for open contracting in public health procurement in Sri Lanka	1,676,955	145,101	1,822,056
The Center For International Private Enterprise (CIPE)	Fostering Business Integrity In The Private Sector	4,200,584	3,110,896	7,311,480
British High Commission (BHC)	Enhancing electoral integrity of Local Government Authorities Election 2023 through prevention of misuse of public resources and voter education	1,239,983	19,405,156	20,645,139

TRANSPARENCY INTERNATIONAL SRI LANKA

Notes to the financial statements (contd)

5 Project expenses (contd)

Donor	Name of the project	Year ended 31 December 2023		
		Staff cost	Project Cost	Total
Westminster Foundation for Democracy (WFD)	Election Campaign Finance Monitoring	471,374	7,174,892	7,646,266
Freedom House	Advancing Inclusive Governance in Sri Lanka	-	1,869,585	1,869,585
Management Systems International MSI - IDEA	Improved knowledge and advocacy for essential anti-corruption reform in Sri Lanka	-	1,831,513	1,831,513
Internews Network	The Media and Civil Society Collaboration for Accountability.	40,102	316,250	356,352
Foundation Open Society Policy Center (Civil Society Initiative)- OSF CSI	To support the Grantee's efforts to conduct an in-depth diagnosis on anticorruption and governance reforms for economic recovery in Sri Lanka through collective civil society engagements.	1,564,450	6,206,420	7,770,870
DT Global - Sri Lanka Engagement (SLE)	Identifying barriers and opportunities to youth Civic Engagement.	-	697,934	697,934
Transparency International Sri Lanka - TISL		-	636,700	636,700
Total		43,272,956	130,524,974	173,797,930



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TRANSPARENCY INTERNATIONAL SRI LANKA

Notes to the financial statements (contd)

6 Administrative expenses

	Year ended 31 December	
	2023	2022
Salaries	31,012,212	28,125,908
Office rent	1,533,820	1,039,085
Security	1,613,414	1,657,114
Telephone / internet charges	809,611	696,761
Insurance	138,967	138,086
Electricity	1,198,928	599,518
Janitorial charges	1,771,525	1,448,004
Office maintenance	358,977	849,266
IT maintenance	1,321,452	826,920
Travelling	743,397	455,752
Staff welfare	1,528,082	885,652
Printing and stationery	720,629	551,900
Secretarial fees	226,482	89,914
Water rates	93,421	57,609
Equipment maintenance	288,443	160,112
Postage, stamps and courier charges	40,073	7,961
Board meeting expenses	17,957	4,500
Vehicle maintenance	24,109	1,640
Accounting package maintenance	222,810	168,300
Legal expenses	294,751	29,219
Stamp duty	10,725	9,275
Audit fees - external audit	1,519,850	1,674,040
Audit fees - internal audit	447,615	406,923
Rates	-	96,650
Tax consultancy	136,205	115,330
Depreciation (Note 10)	2,209,544	1,691,579
Bank charges	349,857	212,481
Depreciation buildings (right-of-use asset)	4,382,631	4,382,631
Retirement benefit obligations cost (Note 17)	2,833,274	2,626,449
	55,848,761	49,008,579

7 Net financial income

	Year ended 31 December	
	2023	2022
Interest income	11,533,682	6,280,014
Interest expenses on lease liabilities (Note 11)	(885,376)	(1,114,216)
	10,648,306	5,165,798

8 Other gains and losses - net

	Year ended 31 December	
	2023	2022
Excess funds from completed projects (Note 15)	4,001,501	906,487
Amortisation of capital grant (Note 16)	2,215,074	1,779,890
Sundry income	253,479	71,982
	6,470,054	2,758,359



TRANSPARENCY INTERNATIONAL SRI LANKA

Notes to the financial statements (contd)

9 Income tax expenses

Current income tax

	Year ended 31 December	
	2023	2022
Current income tax charge (Note 19)	3,460,105	1,748,973
Income tax expense reported in the statement of comprehensive income	3,460,105	1,748,973

As per the Inland Revenue act No. 24 of 2017, Company is liable for Income tax at 30% on taxable income. (Company was liable for Income tax at 24% for the first 6 months and 30% for the second 6 months on taxable income in the prior year). Taxable income of the Company solely consists of interest earned on bank balances and fixed deposits.

10 Property, plant and equipment

10.1 Gross carrying amounts

	Balance as at 1 January 2023	Additions	Disposals	Balance as at 31 December 2023
Furniture & Fittings	2,021,877	999,588	-	3,021,465
Motor Vehicles	441,750	-	-	441,750
Office Equipment	2,498,630	611,931	-	3,110,561
Computer Equipment	4,386,340	908,485	-	5,294,825
Total gross carrying amount	9,348,597	2,520,004	-	11,868,601

10.2 Depreciation

	Balance as at 1 January 2023	Charge for the period	Transferred for disposed assets	Balance as at 31 December 2023
Furniture & Fittings	1,812,726	448,684	-	2,261,410
Motor Vehicles	199,250	121,250	-	320,500
Office Equipment	1,989,679	458,430	-	2,448,109
Computer Equipment	2,741,632	1,181,180	-	3,922,812
Total depreciation	6,743,287	2,209,544	-	8,952,831

10.3 Net book values

	As at 31 December	
	2023	2022
Total carrying value of property, plant and equipment	2,915,770	2,605,310



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TRANSPARENCY INTERNATIONAL SRI LANKA

Notes to the financial statements (contd)

11 Right-of-use asset

Building

(i) Right-of-use asset

As at 31 December

	2023	2022
Cost		
Balance at the beginning of year	21,913,157	21,913,157
Balance at the end of year	21,913,157	21,913,157
Accumulated depreciation and impairment losses		
Balance at the beginning of year	6,026,118	1,643,487
Depreciation for the year	4,382,631	4,382,631
Balance at the end of year	10,408,749	6,026,118
Carrying value at the end of year	11,504,408	15,887,039
(ii) Lease liabilities		
Non current	8,430,751	12,940,933
Current	4,510,182	4,014,624
	12,940,933	16,955,557
Balance at the beginning of year	16,955,557	20,641,341
Lease repayments	(4,900,000)	(4,800,000)
Interest expense (Note 7)	885,376	1,114,216
Balance at the end of year	12,940,933	16,955,557
(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	4,382,631
Total depreciation charge	4,382,631	4,382,631
Interest expense on lease liabilities	885,376	1,114,216
Total interest expenses related to leases	885,376	1,114,216

Expenses relating to short-term leases amounting to Rs.1,533,820 (2022 - Rs.1,039,085) has been recognised in Profit or Loss.



TRANSPARENCY INTERNATIONAL SRI LANKA

Notes to the financial statements (contd)

12 Notes and other receivables

(a) Deposits, advances and prepayments

	As at 31 December	
	2023	2022
Advance given to project staff	1,470,732	1,554,449
Deposits and prepayments	4,595,347	4,727,739
	6,066,079	6,282,188

(b) Other receivables

	As at 31 December	
	2023	2022
Receivable from Mr. T R U Priyankara (i)		
Balance at the beginning of year	5,845,338	5,845,338
Additions during the year	-	-
Balance at the end of year	5,845,338	5,845,338
Less: provision for impairment	(5,845,338)	(5,845,338)
	6,066,079	6,282,188

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

13 Financial investments

	As at 31 December	
	2023	2022
Fixed deposits	36,241,476	26,034,153
	36,241,476	26,034,153

14 Cash and cash equivalents

	As at 31 December	
	2023	2022
14.1 Favorable cash and cash equivalents balance		
Balance at bank	53,582,832	85,401,423
Cash in hand	900,492	185,000
	54,483,324	85,586,423
14.2 Unfavorable cash and cash equivalent balances		
Bank overdraft	2,951,355	8,008,737
	51,531,969	77,577,686



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Notes to the Financial Statements (contd)

15 Restricted funds

As at 31 December	
2023	2022
58,367,162	47,894,848
198,371,703	164,800,644
(223,908,200)	(153,421,843)
(4,001,501)	(906,487)
28,829,164	58,367,162

Balance at the beginning of the year

Funds received during the year

Funds transferred to statement of comprehensive income against expenses incurred

Excess funds transferred to statement of comprehensive income on completed projects

Balance at the end of the year

Movements in restricted funds

Name of Donor Organisations	Budget for the period	Balance as at 01.01.2023		Cash Received / paid during the year	Income Recognised		Balance as at 31.12.2023	Of which	
		Accrued	Deferred		Restricted	Unrestricted		Accrued	Deferred
		A		B	C		D = A + B - C		
Diakonia Country Office - Sri Lanka	-	-	483,484	-	-	-	483,484	-	483,484
The Asia Foundation - TAF	3,169,275	-	919,425	2,243,301	3,162,575	151	-	-	-
Transparency International e.V. Secretariat - STRONGG	24,426,924	-	6,068,222	8,647,260	23,478,156	-	(8,762,674)	(8,762,674)	-
European Commission - EIDHR	78,083,691	-	38,044,645	36,273,376	64,594,330	-	9,723,691	-	9,723,691
Friedrich Naumann Foundation (IISL) -FNF	2,730,000	-	-	2,100,000	2,100,000	-	-	-	-
Transparency International e.V. Secretariat - SANCUS	24,368,162	-	4,836,051	14,336,207	23,815,171	-	(4,642,913)	(4,642,913)	-
High Commission of Canada - CFLI	2,487,639	-	1,496,842	1,065,596	2,487,639	74,799	-	-	-
The International Republican Institute - IRI	6,293,700	(1,071,360)	-	6,541,466	1,543,555	3,926,551	-	-	-
Foundation Open Society Policy Center - OSF (FOSI)	38,923,213	-	485,423	39,858,775	40,344,198	-	-	-	-

TRANSPARENCY INTERNATIONAL SRI LANKA

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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 01.01.2023		Cash Received / Paid during the year	Income Recognised		Balance as at 31.12.2023	Of which	
		Accrued	Deferred		Restricted	Unrestricted		Accrued	Deferred
		A		B	C		D = A + B - C		
International foundation for electoral system (IFES)	5,215,963	-	1,070,394	3,578,214	4,806,292	-	(157,684)	(157,684)	-
Common Wealth foundation	10,694,041	-	6,669,443	-	2,432,776	-	4,236,667	-	4,236,667
The Center For International Private Enterprise (CIPE)	22,150,778	(635,407)	-	17,365,838	10,515,053	-	6,215,378	-	6,215,378
British High Commission (BHC)	27,697,640	-	-	22,202,432	22,202,432	-	-	-	-
Westminster Foundation for Democracy (WFD)	10,137,920	-	-	8,096,000	8,096,000	-	-	-	-
Freedom House	2,000,000	-	-	1,500,000	1,873,900	-	(373,900)	(373,900)	-
Inter News	2,000,000	-	-	8,157,200	617,792	-	7,539,408	-	7,539,408
The Asia Foundation - TAF NEW	-	-	-	2,000,000	-	-	2,000,000	-	2,000,000
Foundation Open Society Policy Center (Civil Society Initiative)- OSF CSI	15,750,000	-	-	16,044,564	9,308,884	-	6,735,680	-	6,735,680
DT Global - Sri Lanka Engagement (SLE)	697,934	-	-	-	697,934	-	(697,934)	(697,934)	-
Management Systems International MSI - IDEA	1,831,513	-	-	8,361,474	1,831,513	-	6,529,961	-	6,529,961
Total for ongoing project	278,658,393	(1,706,767)	60,073,929	198,371,703	223,908,200	4,001,501	28,829,164	(14,635,105)	43,464,269

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TRANSPARENCY INTERNATIONAL SRI LANKA

Notes to the financial statements (contd)

16 Capital grants

	As at 31 December	
	2023	2022
Balance at the beginning of year	2,610,525	684,072
Addition during the year	2,519,994	3,706,343
Amortisation during the year (Note 8)	(2,215,074)	(1,779,890)
Balance at the end of year	2,915,445	2,610,525

17 Retirement benefit obligations

	As at 31 December	
	2023	2022
Balance at the beginning of year	5,601,528	3,602,426
Current service cost	2,217,830	1,890,435
Interest cost	615,444	736,014
Actuarial loss / (gain)	301,080	(506,623)
Payment made during the year	(756,250)	(120,724)
Balance at the end of year	7,979,632	5,601,528

Amounts recognised in the statement of comprehensive income are as follows:

Current service cost	2,217,830	1,890,435
Interest cost	615,444	736,014
Actuarial loss / (gain)	301,080	(506,623)

18 Accruals and other payables

	As at 31 December	
	2023	2022
Employees Provident Fund (EPF)	948,280	1,000
Employees Trust Fund (ETF)	142,242	150
Advanced Personal Income Tax (APIT)	432,683	9,330
Rent	117,375	-
Audit fees	1,846,967	1,558,562
Salary control account	29,005	-
Tax consultant	136,205	-
Unidentified deposits	49,765	-
Others	459,920	4,273
Utilities	121,956	103,129
	4,284,398	1,676,444



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

	As at 31 December	
	2023	2022
Taxable income	11,533,682	6,280,014
	11,533,682	6,280,014
Tax liability (Note 9)	3,460,105	1,748,973
Balance at beginning of year	1,013,822	412,587
Self assessment tax payments	(2,375,512)	(1,147,738)
WHT (Final payment)	(568,307)	-
Balance at the end of year	1,530,108	1,013,822

20 Capital commitments

There are no significant capital commitments as at 31 December 2023.

21 Reimbursable expenses

The Company does not have significant contingent liabilities as at 31 December 2023.

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.

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

	Year ended 31 December	
	2023	2022
Short - term employee benefits	15,829,689	12,783,996
Retirement benefit obligations	1,843,928	1,188,433
	17,673,617	13,972,429



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of Transparency International Sri Lanka will be held on Friday, 28th June 2024 at 5:00 p.m at Transparency International Sri Lanka, No. 366, Nawala Road, Nawala, Rajagiriya.

Agenda

1. To receive, consider and adopt the Directors' Report and the Statement of Accounts for the financial year ended 31st December 2023 with the report of the Auditors thereon.
2. To re-elect Mr. Pulasthi Hewamanna 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.
3. To re-elect Mr. Sandun Thudugala 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.
4. 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 11, 2024

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.
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 with the email subject title "TISL AGM 2024" 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* |
| 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. Fernando | 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 Nineteenth Annual
General Meeting of the Organization to be held on 28th June 2024 to be held at
Transparency International Sri Lanka, 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 2023 with the report of the Auditors thereon. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To re-elect Mr. Pulasthi Hewamanna 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"/> |
| 3. To re-elect Mr. Sandun Thudugala 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"/> |
| 4. 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 Four.

.....
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

Web : www.tisrilanka.org

COMPANY SECRETARY

Charuni Gunawardana FCG

AUDITORS

Deloitte Partners

BANKERS

Commercial Bank of Ceylon PLC

