



**Beyond the Bill:**  
**Ensuring Enforcement**  
**& Upholding Integrity**



**ANNUAL  
REPORT  
2025**

# 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

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## CHAIRPERSON'S MESSAGE

The 2025 financial year represented one of the most challenging periods in Transparency International Sri Lanka's recent history. Significant reductions in funding from the United States required the organisation to critically reassess and realign its programme portfolio and operations, necessitating a series of difficult but essential decisions. These included organizational restructuring, the scaling back of outreach activities, and the postponement or redesign of several planned interventions. These challenges underscored the importance of prudent stewardship, institutional resilience, and the Board's responsibility to safeguard the long-term sustainability of TISL during a period of considerable uncertainty.

What has been particularly encouraging during this period has been the resilience and adaptability demonstrated by the organisation. Led by a dynamic team of committed young professionals, TISL navigated these challenges with remarkable determination and professionalism, ensuring that critical areas of our work—most notably our free legal advice centers in Colombo, Kandy, Vavuniya, and Matara—remained operational and accessible to those who rely on them most. The period also called for extraordinary commitment from the entire staff, many of whom stepped beyond their formal roles to uphold the organization's mission and values. Their collective efforts ensured that TISL's voice and its commitment to amplifying the voices of the underserved and vulnerable remained strong and unwavering.

It is because of this resilience and shared sense of purpose that TISL was able to secure several significant achievements during 2025. These include the initiation of CSR collaboration with Hatton National Bank PLC (HNB) "Business at the Frontline: Investing in Integrity", strengthening legislative framework on anti corruption through Bill challenges and securing wins for local communities through free legal aid services, demonstrating that even in times of constraint, meaningful and impactful change remains possible.

As Chairperson, I would like to express my sincere appreciation to my fellow Board members for their continued commitment and strategic stewardship during a particularly demanding year. I also extend my gratitude to the management team and staff, whose dedication and professionalism have been central to navigating this period successfully; to our funding partners, whose confidence and support have sustained our work; and to our members, partners, and colleagues across the governance sector, whose solidarity continues to strengthen our collective efforts.

As we look ahead, I invite your continued partnership and support as we embark on implementing our new Strategic Plan for 2026–2030. Together, we can continue to strengthen integrity, deepen accountability, and advance the fight against corruption in Sri Lanka.



**PULASTI HEWAMANNE**

CHAIRPERSON

# EXECUTIVE DIRECTOR'S MESSAGE

The year 2025 was an eventful and defining one for governance, transparency, and accountability globally. Rising geopolitical tensions and the continued shift away from a unipolar world have increasingly complicated international cooperation and diplomacy. Across many regions, democratic institutions and governance structures came under strain, even as citizen demand for accountability grew stronger, particularly through a global wave of youth-led movements calling for greater transparency and an end to corruption.

In Sri Lanka, this complex global backdrop intersected with pressing national challenges. While the country continued to navigate the reform agenda associated with the IMF-supported recovery programme, it also faced one of the most severe environmental crises in recent years, with Cyclone Ditwah exposing and compounding significant governance, transparency, and accountability challenges.

Against this backdrop, the 2025 financial year was among the most challenging for our organization. Significant reductions in United States funding affected more than half of the organisation's operations and programme portfolio. Following the reduction of staff, programmatic interventions were scaled back. These constraints inevitably affected our ability to sustain the same level of public engagement and programme delivery achieved in previous years, while placing additional pressure on our operational sustainability.

Yet, even in the face of these challenges, TISL remained resilient and steadfast in its mission to promote integrity, accountability, and good governance in Sri Lanka. With the steadfast support of our Board and the extraordinary commitment of our staff, we undertook proactive cost-saving measures, exercised prudent financial management, and intensified our resource mobilisation efforts to stabilise operations during a period of significant uncertainty.

Our ability to endure and adapt was strengthened by the diversification of our funding base, including exploring deeper engagement with private sector partners, the continued support of our longstanding donor, the Open Society Foundations, and extended solidarity from the Transparency International Secretariat. Their support was instrumental in ensuring organisational continuity and protecting our core mission.

Importantly, 2025 also became a year of renewal. For the first time in many years, TISL led the development of its Strategic Plan for 2026–2030 entirely in-house, drawing on the expertise, institutional memory, and commitment of our own team, while enriching the process through consultations with key stakeholders and experts across Sri Lanka's governance landscape. This was a significant milestone that reaffirmed our confidence in our people and our collective vision for the future.

Despite the challenges, we also secured important victories that underscored the impact of our work and the perseverance of our team. These included the launch of the Governance Action Plan tracker, a practical tool for assessing whether government commitments flowing from the IMF Governance Recommendations are on track with the intended purpose. We could also witness fruition of long-term efforts initiated by former colleagues whose contributions continue to shape our progress, including the conclusion of the public interest litigation on the Fundamental Rights petitions relating to the X-Press Pearl maritime disaster.

While 2025 demanded difficult adjustments, it also reaffirmed TISL's resilience, adaptability, and long-term commitment to the fight against corruption in Sri Lanka. As we move into 2026, we do so with renewed purpose, committed to building on the progress made, leveraging the expertise of our staff and members, and ensuring that the fight against corruption remains active, relevant, and impactful.

On behalf of the management team, I extend my sincere gratitude to our Board of Directors, members, partners, donors, and civil society colleagues for your continued trust, solidarity, and support throughout the past year. I look forward to working closely with all of you in the year ahead as we continue advancing the cause of transparency, accountability, and good governance in Sri Lanka.



**MAHESHI HERAT**

EXECUTIVE DIRECTOR – TISL

# COMMUNITY SECTOR

## EMPOWERING AND MOBILIZING CITIZENS TO UNDERSTAND AND RESIST CORRUPTION

TISL continued to strengthen citizen agency by moving beyond awareness-raising towards practical empowerment and community-level action. Efforts were undertaken across Ampara, Buttala, Badulla, Kandy, Matale, and Kalutara, with a special focus on persons with disabilities in Wellawaya and youth engagement in Nuwara Eliya, Kandy, and Vavuniya. These initiatives recognised citizens, particularly young people and communities unequally affected by governance failures, maladministration, and lack of transparency, as key actors in addressing corruption and demanding accountability. Through targeted engagement, TISL worked to build public understanding of corruption, citizens' rights, available complaint mechanisms, and administrative processes, while strengthening access to justice and encouraging active participation in governance. This approach helped shift citizens from being passive recipients of public services to informed rights-holders with the knowledge and confidence to question abuse, seek remedies, and hold public institutions accountable.

These interventions included targeted programmes on the Right to Information (RTI), anti-bribery and anti-corruption, designed to strengthen citizens' understanding of their rights, available legal mechanisms, and avenues for redress. Attention was given to equipping youth with the knowledge and confidence to identify, question, and resist corrupt practices within their communities. Through discussions and community engagement activities, young participants were encouraged to apply this learning in practical contexts and to take on leadership roles in promoting transparency, accountability, and ethical conduct.

In parallel, legal clinics and awareness-raising programmes were conducted in Anapallama, Monaragala, Nedumkerney, Vinayagapuram, Rasenthirakulam, and Sithamparapuram, reaching rural and underserved communities. This initiative saw most women participants who often face barriers in accessing legal and administrative support. These programmes helped bring legal guidance, rights awareness, and practical assistance closer to communities that are most affected by governance failures, strengthening their ability to seek remedies and engage more confidently with public institutions.

In response to the growing need for community-level dialogue on gender-sensitive forms of corruption, TISL convened community-based discussions with women to address sexual corruption. These sessions created a safe and supportive platform for women to speak about the abuse of

power, barriers to reporting, and the challenges faced when seeking accountability. By bringing these issues into community dialogue, TISL helped strengthen awareness of sexual corruption and encouraged more informed, rights-based responses to misconduct and abuse within public and private spaces.

TISL continued to expand its outreach across the Kandy District, engaging journalists, plantation sector workers, domestic workers in estates, youth, civil society actors and rural community leaders. These efforts ensured that knowledge dissemination remained inclusive, context-sensitive and responsive to the realities of different community groups. By reaching diverse constituencies, TISL deepened its community-level impact and strengthened the ability of citizens to recognise corruption, access available support mechanisms and collectively advocate for greater transparency and accountability.

Together, these interventions helped foster a more informed and active citizenry, with participants not only gaining a stronger understanding of the impacts of corruption but also being encouraged to take collective action against it. In several instances, persons with disabilities who participated in these programmes subsequently sought assistance from Advocacy and Legal Advice Center (ALAC) to submit RTI requests to relevant authorities regarding accessibility barriers and service-related challenges affecting them. This demonstrated the practical impact of moving from awareness to action, enabling citizens to use available legal tools to raise concerns and demand responses from public institutions.

By strengthening youth networks, supporting civic participation and improving community understanding of rights and accountability mechanisms, the programme contributed to building more resilient communities committed to integrity and good governance. It also helped create a wider ripple effect, where empowered citizens were able to influence, support and guide others within their communities. This emerging "watchdog" effect has made communities more vigilant, responsive and proactive in identifying corruption risks, challenging governance failures and seeking accountability.

# SUCCESS STORIES

## USING RTI AND ADVOCACY TO SECURE ENVIRONMENTAL ACCOUNTABILITY

Ms. Dissanayake faced significant difficulties in claiming her late husband's widow's pension after his personal file could not be located by the hospital where he had served as an Attendant. When she applied for the pension, the hospital informed her that the relevant file was missing. The matter was then referred to several other hospitals where her husband had previously worked, but those institutions also stated that they did not have the file.

With legal guidance from ALAC-Kandy, Ms. Dissanayake took steps to formally pursue the matter by sending letters and submitting Right to Information (RTI) requests seeking access to her late husband's personal file.

Although the relevant authorities did not respond at first, an appeal was subsequently filed with the RTI Commission.

Following this process, the hospital eventually responded to the RTI request and confirmed that the file had been located. The hospital also indicated its willingness to provide the requested details, creating a pathway for Ms. Dissanayake to proceed with her pension claim.

This case demonstrates how legal guidance and the effective use of RTI can help citizens overcome administrative delays and lack of responsiveness. For Ms. Dissanayake, access to the missing file was not merely a procedural matter; it was essential to securing a benefit she was entitled to as the widow of a public servant. More broadly, the case highlights how informed citizens, supported through the right mechanisms, can hold public institutions accountable and compel action where administrative inaction has prevented access to basic entitlements.

### MS. DISSANAYAKE'S JOURNEY: OVERCOMING BUREAUCRACY THROUGH RTI

**THE STRUGGLE: MISSING FILES**

HOSPITAL ADMINISTRATION  
CLOSED

MISSING FILE: K. DISSANAYAKE, ATTENDANT

HUSBAND'S PERSONAL FILE MISSING. PENSION CLAIM DELAYED.

**LEGAL GUIDANCE & RTI ACTION**

RTI REQUEST

ALAC-Kandy LEGAL AID

SUPPORT FROM ALAC-KANDY. FORMAL LETTERS & RTI SUBMITTED.

**PERSISTENCE & APPEAL**

RTI COMMISSION

NO RESPONSE

RTI APPEAL FILED

NO RESPONSE AT FIRST. APPEAL TO RTI COMMISSION.

**VICTORY & ACCOUNTABILITY**

PERSONAL FILE: K. DISSANAYAKE

FILE LOCATED! INFORMATION PROVIDED. PENSION CLAIM PROCEEDS.

**KEY LEARNINGS:**

1. OVERCOMING ADMINISTRATIVE DELAYS
2. EFFECTIVE USE OF RTI
3. HOLDING PUBLIC INSTITUTIONS ACCOUNTABLE

## USING RTI TO RECOVER A MISSING FILE AND UNLOCK A WIDOW'S PENSION

ALAC Matara supported a resident from Gandara who had been facing a prolonged environmental and public health concern due to the improper discharge of wastewater from a nearby hotel establishment. Although repeated complaints had been made to the relevant Local Government Authority, no effective action had been taken, allowing the issue to continue unresolved. The case reflected a broader governance concern, where administrative inaction, weak enforcement and possible undue influence appeared to prevent a timely response to a matter affecting the wider community.

To strengthen accountability, ALAC advised the client to make strategic use of the Right to Information Act by submitting RTI requests seeking details on the action taken by the Local Government Authority, any penalties imposed, and the expected timelines for corrective measures.

At the same time, ALAC formally engaged with the authority, calling for immediate administrative action and follow-up on the complaint.

As a result of this combined RTI intervention and institutional advocacy, the Local Government Authority initiated corrective action. The hotel owner was compelled to install proper wastewater tanks and implement an environmentally compliant disposal system.

Beyond resolving an individual grievance, the intervention helped protect public health, environmental safety, and community well-being in the area. The case demonstrates how citizen empowerment, supported by RTI mechanisms and targeted advocacy, can strengthen local governance accountability and encourage more responsive public administration.



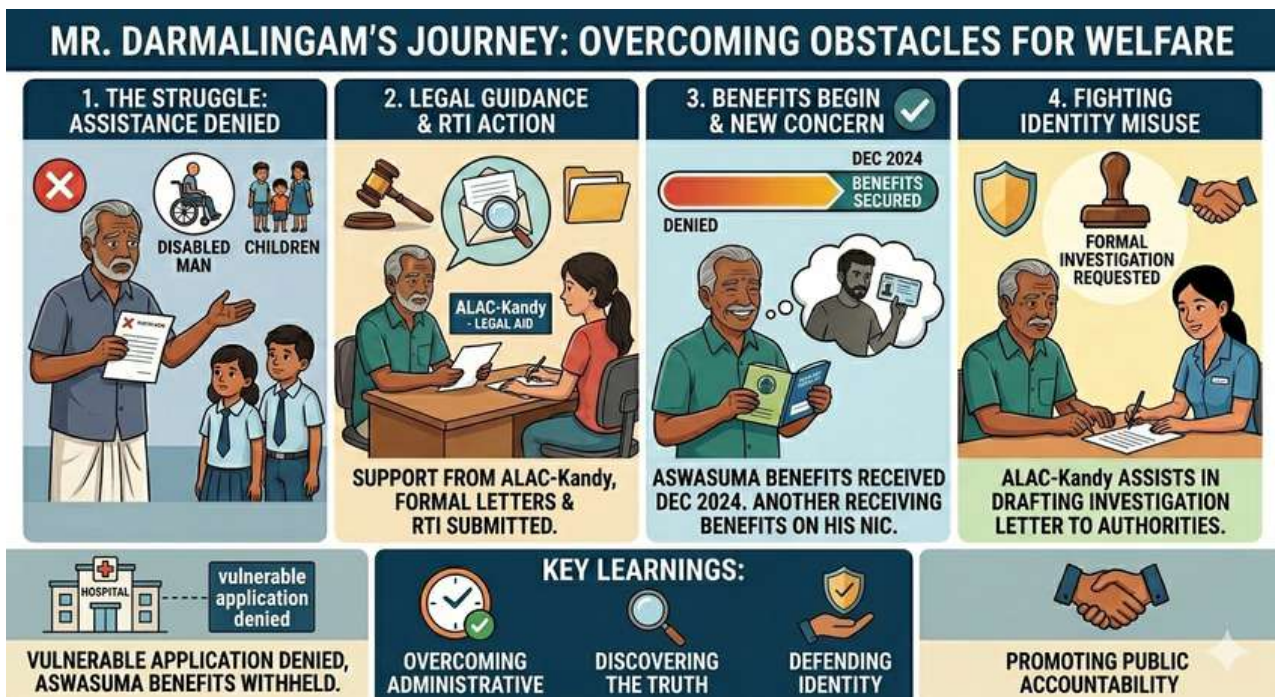
## USING RTI TO RESTORE WELFARE ENTITLEMENTS AND EXPOSE IDENTITY MISUSE

Mr. Darmalingam applied for assistance under the Aswasuma welfare scheme but was initially denied benefits, despite his family's vulnerable circumstances. As a father of two school-going children and a person suffering from a rare eye disease, access to welfare assistance was especially important for his family's wellbeing and financial security.

With support from ALAC-Kandy, Mr. Darmalingam submitted a Right to Information request seeking clarity on his application and the reasons for the denial of benefits. Following this intervention, he began receiving Aswasuma benefits in December 2024.

However, the matter later revealed a more serious concern. It emerged that another individual had allegedly been receiving benefits under the scheme using Mr. Darmalingam's National Identity Card number from the beginning of the programme. ALAC-Kandy then assisted him in drafting a formal letter to the relevant authorities requesting an investigation into the misuse of his identity and the irregular receipt of welfare benefits.

This case demonstrates the importance of RTI and legal guidance in helping citizens access entitlements, challenge administrative decisions and uncover potential irregularities within public welfare systems. Beyond securing benefits for one individual, the intervention highlighted the need for stronger verification, transparency and accountability in the administration of social protection schemes, particularly where vulnerable citizens depend on timely and fair access to state support.



## A DECADE OF WAITING ENDS – SECURING LAND RIGHTS IN VAVUNIYA

For more than ten years, three siblings from Vavuniya North – Ketheeswaran Mahinthan, Ketheeswaran Sinthuja and Ketheeswaran Vanila – lived with uncertainty over land permits that should have secured their family’s future. Their case began a decade ago, when a land kachcheri was held at the Divisional Secretariat in Vavuniya North. Like many families, they placed their trust in the administrative process, expecting that their eligibility would result in the issuance of permits.

However, despite the passage of time, the permits were never issued. The delay left the family without formal land security, affecting their sense of stability and limiting their ability to plan for the future with confidence.

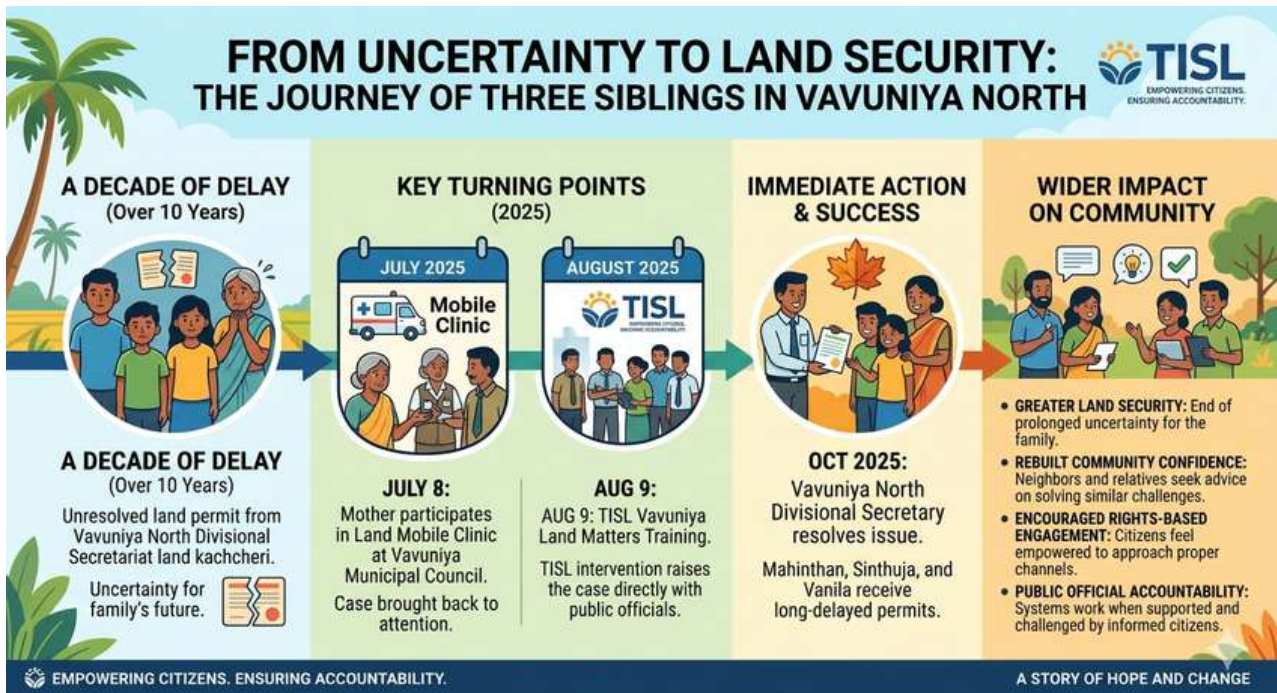
The issue resurfaced on 8 July 2025, when the siblings’ mother participated in a Land Mobile Clinic held at the Municipal Council in Vavuniya. The clinic provided an important platform for long-pending land-related grievances to be raised directly with relevant authorities. Through this process, a case that had remained unresolved for years was brought back into official attention.

A further turning point came on 9 August 2025, when TISL conducted a training on land matters in the Vavuniya District. The programme brought together key public officials, including Divisional Secretaries, Assistant Divisional Secretaries, Land Officers and Colonization Officers. Recognising the opportunity to address the matter through direct institutional engagement, TISL raised the case of the three siblings during the training.

Following this intervention, the Divisional Secretary took immediate steps to resolve the issue and committed to issuing the long-delayed permits. By around October 2025, the family’s decade-long wait finally came to an end, with Mahinthan, Sinthuja and Vanila receiving their land permits.

This outcome demonstrates the practical impact of bringing legal awareness, administrative processes and institutional actors closer to communities. For the family, the issuance of the permits marked the end of a prolonged period of uncertainty and the beginning of greater land security. For the wider community, it showed that unresolved grievances can be addressed when citizens are supported to raise their concerns through the proper channels and when public officials respond with accountability.

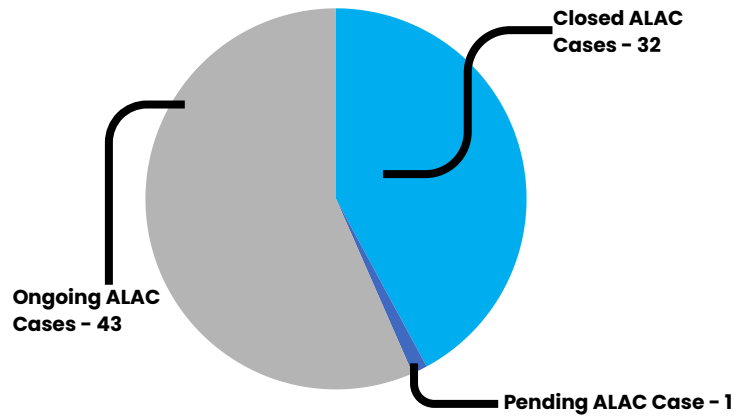
The case also contributed to a wider ripple effect within the community. In contexts where people may feel discouraged by delay, lack of transparency or fear of approaching authorities, a successful resolution can help rebuild confidence in civic action. The siblings and their mother have now become an informal point of reference for others facing similar land-related challenges, with neighbours and relatives seeking to understand how the issue was raised, where support was obtained and which institutions were approached. In this way, one resolved case helped strengthen community confidence, encourage rights-based engagement and reinforce the idea that informed citizens can play an active role in making systems work.



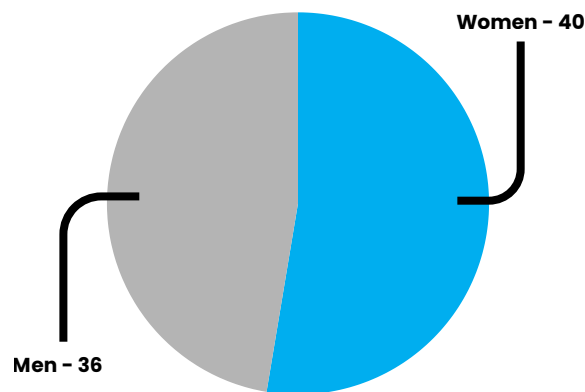
# ADVOCACY AND LEGAL ADVICE CENTER (ALAC) 2025: DATA-DRIVEN INSIGHTS

## MATARA - ALAC

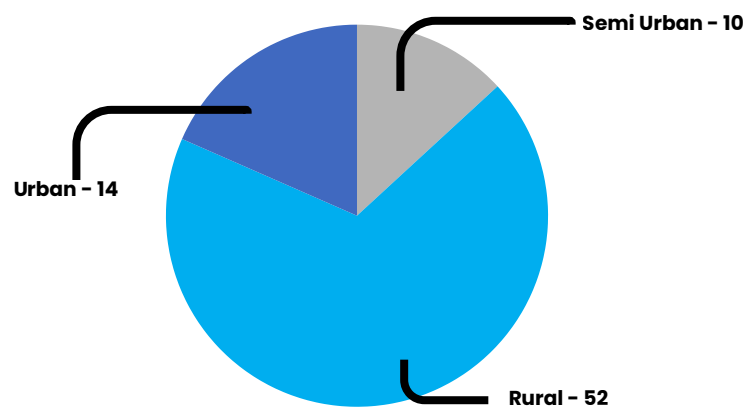
TOTAL NUMBER OF ALAC CASES- 2025 = 76



Success in handling ALAC Cases



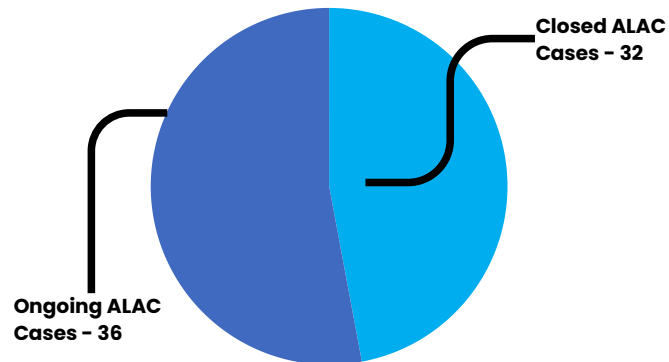
Gender Distribution of Complainants



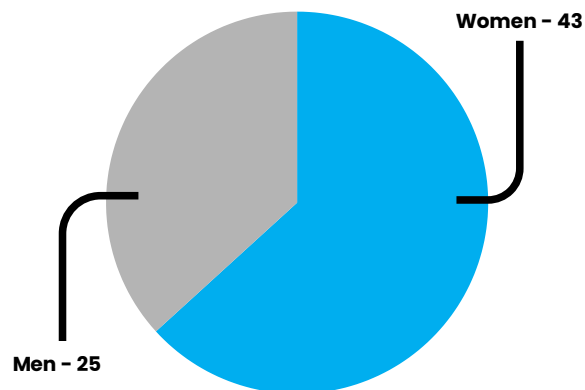
Geographical Distribution of Complaints

## VAVUNIYA - ALAC

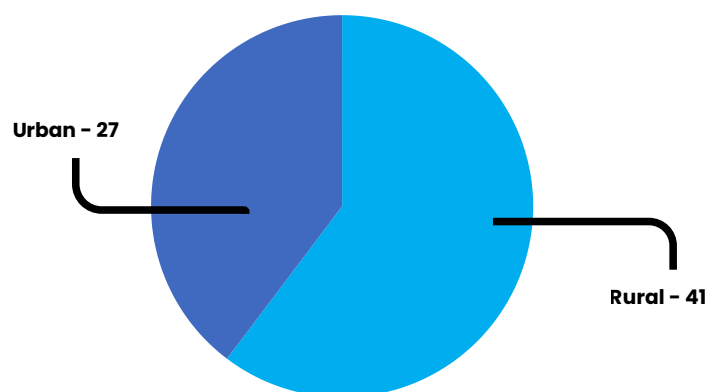
Total Number of ALAC Cases- 2025 = 68



### Success in handling ALAC Cases



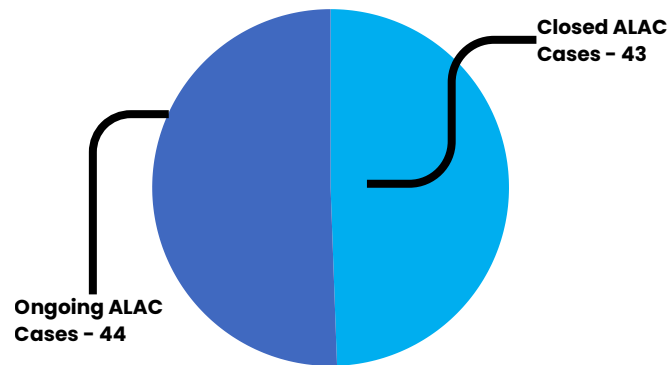
### Gender Distribution of Complainants



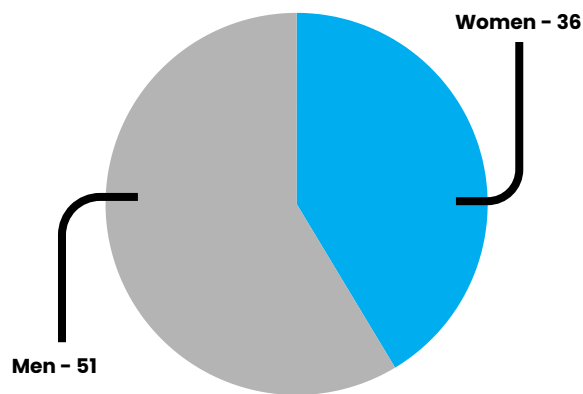
### Geographical Distribution of Complaints

## KANDY - ALAC

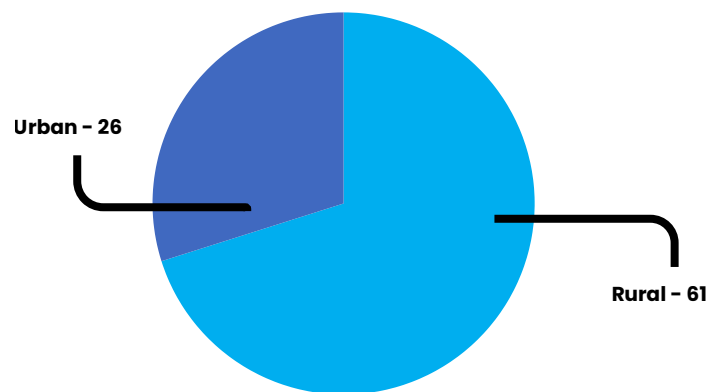
Total Number of ALAC Cases- 2025 = 87



### Success in handling ALAC Cases



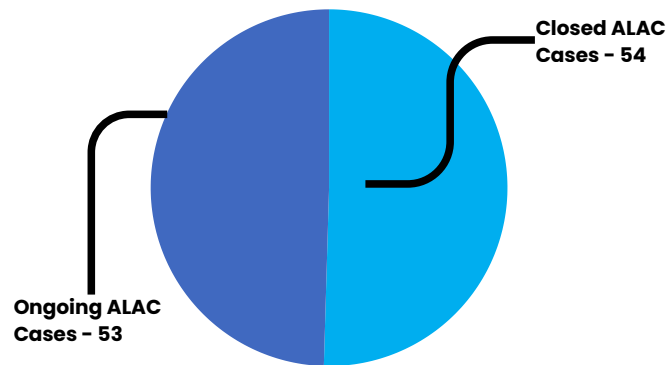
### Gender Distribution of Complainants



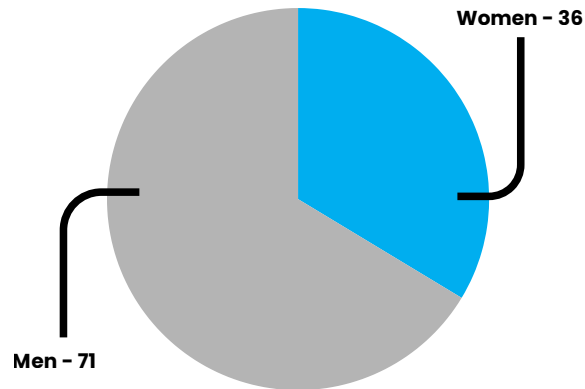
### Geographical Distribution of Complaints

## COLOMBO - ALAC

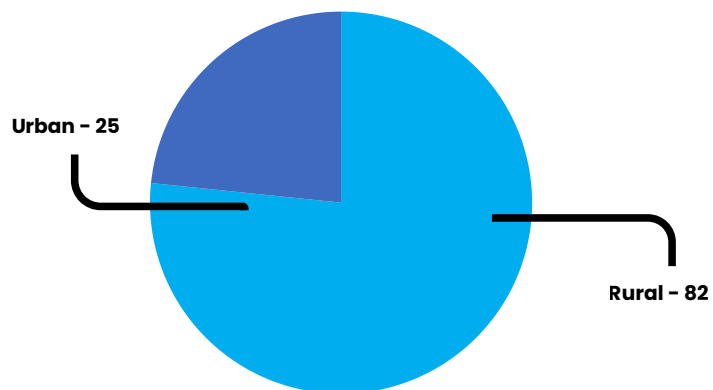
Total Number of ALAC Cases- 2025 = 107



### Success in handling ALAC Cases

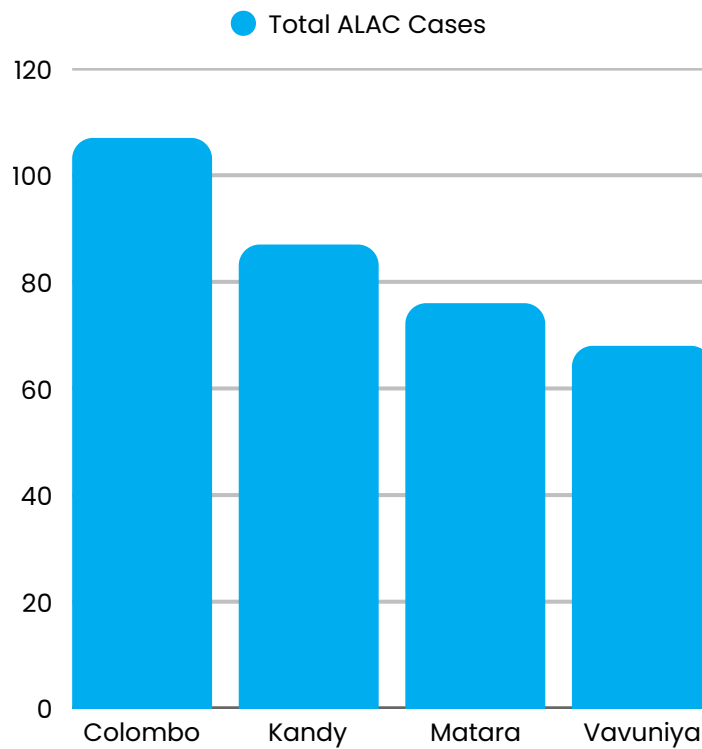


### Gender Distribution of Complainants

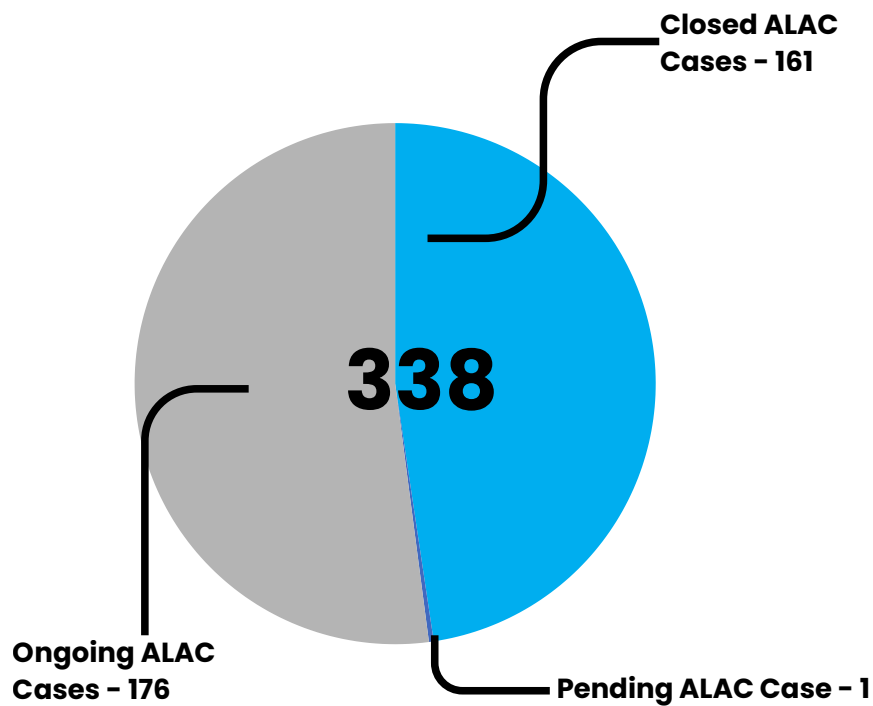


### Geographical Distribution of Complaints

# OVERALL PERFORMANCE IN ALAC SERVICES – 2025



Total ALAC Cases by Branch



Status of the Total ALAC Cases

# PUBLIC SECTOR

## INSTITUTIONALIZING INTEGRITY IN GOVERNANCE

### CULTIVATING AN ETHICAL BUREAUCRACY THROUGH AWARENESS AND ACTION

A key priority during the year was strengthening a culture of proactive disclosure of information as a fundamental pillar for enhancing transparency, accountability, and integrity in public institutions. Recognising the critical role of Information Officers in enabling the effective implementation of the Right to Information (RTI) framework, TISL's interventions focused on enhancing their technical capacity, practical competencies, and ethical grounding. These efforts were aimed at improving service delivery, strengthening compliance with RTI obligations, and reinforcing public trust in state institutions through more responsive and transparent governance practices.

In March 2025, TISL, in collaboration with the Ministry of Mass Media, conducted a capacity-building programme titled *"Implementation of RTI and Overcoming Practical Challenges"* for Information Officers attached to public authorities under the Western Provincial Council. The training sought to deepen participants' understanding of the Right to Information Act while addressing practical challenges in its implementation. By strengthening institutional capacity to process and respond to information requests in line with legal requirements, the programme contributed to improving transparency, accountability, and operational efficiency within public institutions. The sessions were facilitated by a former Director General of the RTI Commission, who provided in-depth insights into the objectives and application of the RTI Act, and a Legal Officer at the Centre for Law and Democracy, Canada, who contributed comparative perspectives on international best practices, landmark RTI jurisprudence, and approaches to effective management of information requests. These inputs enriched participants' understanding of both domestic legal obligations and global standards in information governance.

In partnership with the Western Provincial Ministry of Education, Information, and Designated Officers were capacitated on RTI implementation and proactive disclosure practices. Similar training was extended to public officials at the Buttala Divisional Secretariat, with a specific focus on strengthening proactive disclosure and improving compliance with transparency obligations. These interventions were designed to reinforce institutional integrity by equipping public officials with a comprehensive understanding of the RTI framework and its role in promoting accountable governance. The programmes emphasised strengthening the ability of officers to manage information requests effectively while embedding ethical administrative practices grounded in openness, responsiveness, and accountability. By enhancing these

competencies, the initiatives contributed to reducing vulnerabilities to bribery and corruption and fostering a culture of integrity within public service delivery. Collectively, these efforts contribute to enhance accountability, ethical public service, and citizen-centered governance, while reinforcing the role of public officials as custodians of public trust.

As part of its broader efforts to strengthen institutional accountability, TISL also implemented a collaborative advocacy intervention in Trincomalee and Vavuniya focusing on complex land governance challenges. Facilitated with the expertise of a former Land Commissioner General, the initiative brought together public officials and community members to engage in dialogue and collaborative problem-solving on land-related issues that are often shaped by historical, social, and legal complexities.

These interventions moved beyond procedural considerations by encouraging public officials to apply principles of transparency, ethical responsibility, and accountability in decision-making processes related to land governance. TISL's engagement included equipping officials with the knowledge and ethical orientation required to address land-related concerns in a fair and transparent manner, while also creating a platform for affected communities to directly engage with authorities. This facilitated dialogue enabled stakeholders to explore potential redress mechanisms, contributed to addressing longstanding issues, and strengthened institutional responsiveness in tackling underlying governance challenges.

Recognising its commitment to advancing integrity in public administration, TISL was invited by the Sri Lanka Institute of Development Administration (SLIDA) to contribute to a training module on Anti-Corruption and Integrity Tools for executive-level public officers. Conducted in collaboration with officials from the Commission to Investigate Allegations of Bribery or Corruption (CIABOC) and the Attorney General's Department, this initiative formed part of the broader implementation of the National Action Plan on Anti-Corruption. Through this engagement, TISL contributed to strengthening the capacity of approximately 150 public officials to promote ethical governance, integrity systems, and anti-corruption practices within the public sector.



A discussion with public officers preventive land corruption action plan and an awareness-raising session on anti corruption act - Trincomalee



Training for information officers and the designated officers on proactive disclosure - Rathmalana



Training for information officers and the designated officers on proactive disclosure - Buttala

# PRIVATE SECTOR

## CULTIVATING A CULTURE OF CLEAN BUSINESS

### TRANSPARENCY AS A COMPETITIVE ADVANTAGE

Globally, the private sector is recognised both as a powerful enabler of economic development and, where integrity safeguards are weak, as an active contributor to corruption risks. In Sri Lanka, however, private sector engagement in anti-corruption discourse remained limited for many years, with the fight against corruption often seen primarily as a public sector responsibility. The enactment of the Anti-Corruption Act No. 09 of 2023 marked an important shift in this landscape, creating renewed space to recognise the role of businesses in preventing bribery, strengthening internal accountability, and promoting ethical conduct.

Against this backdrop, TISL's private sector work has focused on bringing businesses more meaningfully into Sri Lanka's anti-corruption reform agenda. Through awareness-building, technical support, and collaborative engagement, TISL has worked to encourage companies to move beyond basic compliance and to strengthen their internal controls, governance systems, and ethical business practices. This approach positions the private sector not only as a stakeholder subject to anti-corruption obligations, but also as a partner in building a cleaner, fairer, and more accountable business environment.



# BUSINESS FOR INTEGRITY: THE RETURN ON INVESTMENT OF TRUST

In 2025, TISL continued to shift private sector engagement on anti-corruption from a narrow focus on the “cost of compliance” towards a broader understanding of the “Return on Investment of Trust”. This approach positioned transparency, anti-corruption compliance and ethical business conduct not as administrative burdens, but as drivers of business value, investor confidence, risk management and long-term competitiveness.

Embedding ethical business practices enables companies to strengthen their credibility in both local and international markets. In this context, the value of trust can outweigh the cost of compliance, encouraging businesses to take more active steps to build systems grounded in transparency, accountability and integrity. TISL played an important role in supporting this shift by conducting tailored training and awareness sessions for different levels of corporate structures, helping businesses better understand the complexity of corruption risks and the importance of internal safeguards. Through these engagements, TISL supported companies to strengthen policies, compliance frameworks and institutional practices that help protect businesses from corruption-related risks while promoting a culture of integrity.

TISL also engaged companies seeking to contribute more meaningfully to society through collaborative initiatives that go beyond conventional corporate social responsibility. These efforts connected private sector commitments on anti-bribery, anti-corruption and governance with broader

Environmental, Social and Governance priorities. By supporting free legal aid, civic education and anti-corruption tools for communities most affected by governance failures, these partnerships enabled companies to make a tangible contribution to reducing systemic corruption, improving access to justice and strengthening social accountability where it is most needed.

A key milestone in 2025 was the launch of a first-of-its-kind business integrity initiative between TISL and Hatton National Bank PLC under “Business at the Frontline: Investing in Integrity.” This comprehensive collaboration integrated HNB’s Creating Shared Value framework with targeted anti-corruption compliance objectives, aligning the bank’s social impact portfolio with national governance and anti-corruption priorities through TISL’s guidance and technical support. The initiative demonstrated how financial institutions can act as important partners in strengthening Sri Lanka’s transparency and accountability landscape, while also contributing to stronger community access to rights, remedies and accountability mechanisms.

This collaboration helped reinforce the private sector’s responsibility not only to prevent corruption within business operations, but also to contribute to a wider integrity ecosystem. It provides a scalable model for other financial institutions and private sector actors seeking to build responsible, transparent and corruption-resistant business environments.



*Signing of the agreement between TISL and HNB for the “Business at the Frontline: Investing in Integrity” project.*

# THE BUSINESS INTEGRITY CLUB (BIC)

**TISL's flagship initiative promoting peer-to-peer accountability among corporate leaders.**

The Business Integrity Club (BIC), introduced under TISL's Private Sector Pillar, is a first-of-its-kind initiative aimed at fostering collective action among private sector entities in Sri Lanka. Initiated by TISL in 2024, the BIC marked an important milestone in national business integrity efforts by creating a platform for companies to come together to identify, discuss and address corruption risks that are specific to the private sector.

TISL built the initiative from the ground up, engaging like-minded institutions, including the Basel Institute on Governance, for collaboration, mentorship and technical guidance. The BIC was designed to promote integrity, transparency and accountability through joint initiatives, shared standards and sector-wide engagement. It brings together leading companies committed to corruption-free business practices and ethical conduct, encouraging the private sector to take greater ownership of building a cleaner and more accountable business environment.

Over the past year, companies have shown increased interest in leading and sustaining the initiative, reflecting a shift in how the private sector approaches compliance and integrity. Rather than viewing anti-corruption measures as a burden, participating companies have increasingly recognised them as essential to long-term success, resilience and credibility. In this sense, the BIC has become an important step towards building an independent and sustainable integrity ecosystem within Sri Lanka's private sector.

Since its establishment, the BIC has served as a peer-learning platform where companies exchange practical strategies for preventing bribery and corruption across different levels of their organisations. This has enabled participating businesses to develop a shared understanding of sector-specific challenges, identify emerging risk factors early, and strengthen internal safeguards before problems escalate. By encouraging proactive thinking and collective problem-solving, the initiative supports individual companies while also strengthening the broader business environment.

The BIC brings together companies from diverse sectors on a quarterly basis, creating space to discuss common and sector-specific challenges, share policies and mechanisms already implemented, and identify best practices that can be adapted across industries. This peer-to-peer model fosters accountability among Sri Lanka's corporate leaders and enables the private sector to speak with a more unified voice against systemic corruption in the marketplace. By supporting collaboration across industries, the BIC contributes to a wider culture of integrity, compliance and responsible business conduct in line with Sri Lanka's evolving anti-corruption legal framework.



*Anti-Bribery and Corruption (ABC) training session conducted for the LB - Board of Finance*

# POLITICAL SECTOR

## REGULATING THE COST OF DEMOCRACY

### LEVELLING THE PLAYING FIELD THROUGH LEGISLATIVE RIGOR

TISL's Political Sector is committed to advancing transparency, accountability, and good governance within Sri Lanka's political landscape, while contributing to the broader fight against corruption. Through collaboration with civil society organizations, independent commissions, public institutions, and political stakeholders, the sector works to strengthen democratic values and foster an enabling environment in which citizens can actively participate in promoting a more accountable and transparent political culture. Advocacy efforts to promote clean and transparent elections continued to serve as a core area of work, focusing on advancing robust legal reforms for regulating campaign finance. These efforts also focus on empowering voters to make informed democratic choices and increasing public awareness on the importance of transparency and integrity in political financing.

Beyond campaign finance reform advocacy, the Political Sector initiated a programme to monitor, document, and report critical changes affecting the enabling environment for civil society in Sri Lanka, including both positive and negative changes within the civic space. The Project further supports civil society responses to emerging challenges and opportunities, while proactively engaging with legal and policy developments that may impact the ability of civil society organizations to operate effectively and independently.

#### **Strengthening Political Finance Transparency under Sri Lanka's Regulation of Election Expenditure Act No. 03 of 2023**

In 2025, TISL continued to advance its mission of strengthening democratic integrity through a series of advocacy, research, and public engagement initiatives focused on campaign finance reform and political accountability. Central to these efforts was a critical review of Sri Lanka's Regulation of Election Expenditure Act No. 03 of 2023 (REEA), which identified key gaps in the existing legal framework and proposed reforms aligned with international standards on political finance integrity and transparency. To complement this process, TISL engaged in inclusive consultations with a diverse range of stakeholders, including public officials, independent commissions, journalists, private sector representatives, civil society organizations, and political parties. These consultations informed the development of a comprehensive advocacy tool, the Legislative Brief, that reflected practical implementation challenges, stakeholder concerns, and recommendations for reform.

Recognizing the importance of public awareness and participation, TISL also developed and disseminated a trilingual animated video in English, Sinhala, and Tamil outlining the key provisions of the REEA and related compliance obligations. The video contributed to improving public understanding of campaign finance regulations and encouraging greater accountability among both citizens and political actors. Collectively, these initiatives strengthened public discourse on campaign finance reform while reinforcing TISL's role as a leading advocate for transparency and accountability in governance.

Complementing its advocacy efforts, TISL commissioned three major research studies aimed at strengthening Sri Lanka's campaign finance framework and promoting more equitable political participation. The first study, Campaign Finance Challenges Faced by Women Candidates in Minority Communities in Sri Lanka, examines the financial, social, and institutional barriers faced by women from marginalized communities in entering politics.

The second study, Campaign Finance Best Practice Guide for the Private Sector in Sri Lanka, provides pragmatic recommendations and standards for responsible political contributions by corporate entities. Given the significant role of the private sector in campaign financing, the study aims to emphasize the importance of ethical funding practices, transparency, and safeguards against undue influence in the political process.

The third study analyzes the financial returns submitted by candidates during the 2024 Presidential and Parliamentary Elections, assessing compliance with disclosure obligations, and identifying existing gaps in transparency and reporting practices. Together, these research initiatives provide an evidence base to lobby and influence future policy reforms and advocacy aimed at strengthening accountability, transparency, and inclusivity within Sri Lanka's political finance regime.



*Stakeholder consultation with representatives of political parties regarding reforms to the Regulation of Election Expenditure Act*



*Stakeholder discussions with representatives from the public sector, private sector and CSOs on the Regulation of Election Expenditure Act*

# MONITORING EMERGING TRENDS IN THE ENABLING ENVIRONMENT FOR CIVIL SOCIETY

Monitoring and highlighting critical challenges and emerging trends in the enabling environment for civil society in Sri Lanka, with a focus on addressing deterioration and advancing opportunities for meaningful reform and sustainable improvement.

Through this initiative, TISL strengthened its monitoring and response mechanisms relating to trends and events affecting the enabling environment for civil society in Sri Lanka. The programme focused on identifying and responding to both positive and negative shifts in the civic space, while contributing to broader structural and systemic conditions necessary for an enabling environment for civil society.

Grounded in six core principles, TISL commenced reporting under the Early Warning Mechanism (EWM) system, documenting developments that impact civil society and democratic participation. These reports capture both improvements and deteriorations within the civic space, while periodic “Snapshots” provide concise overviews of significant trends and events observed during a defined period. Progress and regression across the six principles are measured against established benchmarks and are further assessed through the annual Country Focus Report (CFR), which offers a comprehensive analysis of the state of civil society over the course of the year.

During the pilot year in 2025, TISL published eight EWM reports and two Snapshot reports. In parallel, work on the CFR which was carried out throughout the reporting period was published in early 2026. A key component of the CFR process was the convening of an Expert Panel Discussion comprising carefully selected civil society representatives from diverse backgrounds. The panel contributed to the scoring of the six principles and provided expert insights that informed the development of the report.

In addition, in an extension of this programme, TISL’s Political Sector participated in a Regional Learning Exchange for Asia and the Pacific – 2025, held in Bangkok, Thailand. The five-day programme brought together member organizations implementing the project and focused on strengthening capacities in data collection, analysis, and the strategic use of evidence for advocacy. The exchange emphasized peer learning, knowledge sharing, and collaborative problem-solving through experience-based discussions and collective engagement. The programme was organized alongside International Civil Society Week 2025, enabling TISL to engage in a range of regional discussions on civic space and governance.

# HOLDING POLITICIANS TO ACCOUNT – CONTRIBUTION TO THE FIRST BI-ANNUAL REPORT ON MONITORING THE GOVERNMENT’S MANIFESTO

TISL, in its capacity as a co-convenor of the March 12 Movement (M12), contributed to the development of the First Bi-Annual Report (November 2024–May 2025) on Monitoring the Implementation of the Government’s Manifesto. The report presents the initial findings of an independent monitoring process assessing the implementation of the Government’s national development manifesto, A Thriving Nation, A Beautiful Life, which was endorsed by the public through the Presidential Election (September 2024) and Parliamentary Election (November 2024), and subsequently adopted as the national development policy for the next five years.

In line with its longstanding commitment to promoting democratic accountability and good governance, TISL collaborated in the design and implementation of this third-party monitoring initiative together with PAFFREL and other partners of the March 12 Movement. The initiative aimed to provide a constructive, evidence-based assessment of the outputs, outcomes, and broader impact of the policy’s implementation.

Through this collective effort, the Movement seek to promote transparency, strengthen institutional learning, and foster a culture of accountability in governance, ensuring that the commitments outlined in the manifesto translate into meaningful and tangible benefits for the people of Sri Lanka.





At the EUSEE Regional Exchange Asia Pacific 2025, in Bangkok, Thailand



The International Civil Society Week 2025, held in Bangkok, Thailand

# ADVOCACY & RESEARCH

## THE TRANSITION FROM "LAW ON THE BOOKS" TO "LAW IN ACTION"

TISL's Advocacy and Research Team work at the point where law, policy, institutions and public accountability meet. In 2025, the team focused on ensuring that Sri Lanka's post-crisis anti-corruption reforms did not remain as paper commitments, but were translated into stronger legal frameworks, more transparent governance systems, and meaningful enforcement. The team's work during the year was anchored in three connected areas. First, it used policy advocacy and public interest litigation to improve the legislative landscape. Second, it used strategic litigation to push legal accountability for governance failures, demonstrating how cases can produce outcomes that go beyond individual disputes and strengthen standards of institutional and corporate accountability. Third, it continued to advocate for the proper implementation of reforms, through the launch of TISL's GAP Tracker.

Across these areas, the Advocacy and Research Team's contribution lay not only in identifying legal gaps, but in connecting those gaps to their real governance outcomes. By combining legal analysis, research, public interest litigation and reform monitoring, TISL helped push the national conversation from the passage of new laws towards the harder question of whether those policies are accessible, enforceable and capable of restoring public trust.

Improving the Legislative Landscape: Impact of Bill Challenges and Reform Advocacy

Using policy advocacy, technical analysis and public interest litigation to strengthen Sri Lanka's anti-corruption legal framework.

In 2025, TISL's Advocacy and Research Team contributed to improving Sri Lanka's legislative framework by engaging with key anti-corruption reforms at the stage where legal design matters most. The team approached Bill challenges as a test to whether proposed laws were fit for purpose, aligned with constitutional protections and capable of supporting real accountability.

A major development during the year was the approval of the Proceeds of Crime Act No. 05 of 2025 by Parliament on 8 April 2025. The Act filled a long-standing gap in Sri Lanka's asset recovery framework by introducing tools to recover illicit assets, for which TISL has been advocating for over a decade. TISL engaged closely with the legislative development process, including through submissions to the drafting committee, multiple iterations of technical legislative briefs, and direct advocacy meetings with key decision-makers, including the then Minister of Justice. TISL's recommendations drew on international standards and comparative practice, while also responding to Sri Lanka's institutional realities and enforcement gaps. The eventual enactment of the Proceeds

of Crime Act No. 05 of 2025 with significant recommendations of TISL's having been incorporated, therefore marked a significant step in strengthening Sri Lanka's anti-corruption and asset recovery framework.

TISL also intervened in relation to the Companies (Amendment) Bill, which introduced a beneficial ownership information register. On 19 June 2025, TISL filed a public interest petition before the Supreme Court challenging aspects of the Bill. While the introduction of a beneficial ownership register was a reform TISL had long called for, the draft Bill initially fell short of creating a sufficiently transparent and effective mechanism. TISL argued that restricting access to adequate and identifiable beneficial ownership information would make the register ineffective for its intended purpose and would undermine both equal protection and the right of access to information. Following the Supreme Court proceedings, the Attorney General submitted that amendments would be made to address the concerns raised. The resulting changes improved public access to beneficial ownership information, including access to full names, previous names, nationalities, countries of residence, business addresses and the nature and extent of beneficial ownership. The Companies (Amendment) Act No. 12 of 2025 was subsequently enacted in August 2025. This intervention demonstrated how public interest litigation can improve the legislative landscape before implementation begins, ensuring that a reform is not weakened at the point of design.

The team also challenged the National Audit (Amendment) Bill, filing a public interest petition in the Supreme Court on 22 July 2025. The National Audit Act is a core accountability framework because it empowers the Auditor-General to examine public institutions and hold public officers accountable. TISL raised concerns that the proposed amendments risked weakening this framework by removing negligence as a basis for surcharge, creating a Surcharge Review Committee without adequate safeguards for openness and accountability, and failing to provide clear timelines or sanctions where audit findings relating to fraud, corruption or misappropriation are not referred to law enforcement in a timely manner.

Taken together, these interventions show the broader impact of TISL's Bill challenges: they improved the legislative landscape by insisting that anti-corruption laws must be clear, fit for purpose, enforceable, transparent and constitutionally sound. The team's work helped prevent reforms from being reduced to symbolic compliance and instead pushed for laws that can support real accountability. In doing so, TISL contributed to a stronger legal architecture for Sri Lanka's recovery and governance reform agenda.

# STRATEGIC LITIGATION AND LEGAL ACCOUNTABILITY

## GOVERNANCE IMPACT BEYOND INDIVIDUAL CASES LITIGATION TO ESTABLISH ACCOUNTABILITY FOR PUBLIC HARM, INSTITUTIONAL FAILURE AND MISUSE OF PUBLIC TRUST

TISL's strategic litigation work in 2025 demonstrated that public interest cases can have an impact beyond the immediate outcome of an individual dispute. For TISL, litigation is not only a strategic mechanism for securing remedies in a specific case; it is also a tool for clarifying duties, strengthening governance standards and reinforcing the principle that abuse of public trust must carry consequences.

A landmark example was the Supreme Court's judgment delivered on 24 July 2025 in the Fundamental Rights petitions relating to the X-Press Pearl maritime disaster. TISL intervened in the case filed by the Centre for Environmental Justice, in the public interest, citing serious lapses in the discharge of public duties by relevant authorities before and after the disaster. The intervention raised broader questions of accountability for the governance failures that contributed to the scale of the disaster and affected the transparency, timeliness and adequacy of the response and compensation process. The Supreme Court held both public officials and authorities, and private entities responsible for causing a preventable environmental disaster. The Court found violations of Article 12(1) of the Constitution of these parties, as well as failures by the Attorney General relating to the institution of appropriate proceedings. These findings placed institutional conduct, statutory duty and public accountability at the centre of the judgment.

The X-Press Pearl Group was ordered to pay USD 1 billion in initial compensation to the Treasury within one year. The Court also established mechanisms for compensation and environmental restoration, required the Attorney General to

complete investigations, pursue prosecutions and report to Court periodically, and directed The Commission to Investigate Allegations of Bribery or Corruption to conduct a fresh bribery and corruption investigation in coordination with intelligence agencies.

The wider importance of the X-Press Pearl case lies in what it says about legal accountability in governance. The judgment connected environmental harm, corporate responsibility, public institutional failure and corruption risks within a single accountability framework. It affirmed that governance failures are not merely administrative shortcomings; where they result in public harm, loss to the state or denial of equal protection, they can attract constitutional and legal consequences. This is central to TISL's anti-corruption mandate because corruption is often enabled not only by direct bribery, but also by institutional neglect, arbitrary decision-making, lack of transparency and failures to enforce the law.

For the TISL's advocacy, the case therefore served as a demonstration of how litigation can help transform accountability norms. It moved the discussion beyond whether a particular institution acted poorly and towards a broader understanding of how public trust must be protected. By intervening in cases of national importance, TISL leveraged the judiciary to support governance outcomes that include compensation, investigation, institutional reform and continuing oversight. This strengthens the role of public interest litigation as a tool for practical justice and reinforces the idea that no public authority, private actor or institutional process should operate outside accountability.



## SUPREME COURT HOLDS STATE AND CORPORATE ACTORS ACCOUNTABLE IN **X-PRESS PEARL DISASTER AND AFTERMATH**

# CLOSING THE IMPLEMENTATION GAP

## FROM REFORM COMMITMENTS TO ENFORCEMENT

### PUSHING FOR MEANINGFUL IMPLEMENTATION OF ANTI-CORRUPTION REFORMS

Sri Lanka's post-crisis reform agenda has produced a significant number of laws, commitments and institutional reform measures. However, the Advocacy and Research Team's work in 2025 was guided by a clear understanding that legal and policy reform alone is insufficient. A law may be strong on paper, but ineffective in practice if implementing regulations are delayed, institutions lack capacity, public reporting is weak or enforcement bodies fail to exercise their powers. Closing this implementation gap was therefore a central part of TISL's work during the year.

A key area of continuing advocacy was the asset declaration regime introduced under the 2023 Anti-Corruption Act. TISL has consistently emphasized that asset declarations are only meaningful if they are implemented in a way that allows public scrutiny, protects legitimate privacy interests and enables detection of unexplained wealth or conflicts of interest. In 2025, the team continued to push for proper implementation of the regime, including attention to the practical systems, disclosure standards and institutional processes required for the framework to function as an accountability tool rather than a formal filing exercise.

This implementation focus was also connected to the broader Anti-Corruption Act. TISL's advocacy highlighted the need for administrative readiness, clear procedures, public communication and meaningful enforcement. The team's work kept attention on whether reforms were changing institutional behaviour, rather than simply expanding the volume of laws and regulations on the statute book.

Through the launch of TISL's GAP Tracker in 2025, the team continued to monitor governance and anti-corruption commitments linked to Sri Lanka's reform agenda, including commitments emerging from the IMF programme and the broader Government Action Plan. The GAP Tracker served as a practical tool for assessing whether commitments were completed, delayed, partially implemented or implemented in ways that fell short of their intended purpose. It also allowed TISL to translate complex reform milestones into accessible public information that could be used by citizens, media, civil society, development partners and state institutions.

The impact of the GAP Tracker lies in its ability to shift the reform conversation from promises to evidence. Rather than treating the publication of a law or policy as automatic progress, the Tracker asks whether deadlines were met, whether implementation was transparent, whether consultations were meaningful and whether reforms delivered the accountability outcomes they were intended to achieve. This approach helped strengthen public oversight of the recovery agenda and provided an evidence base for advocacy with both domestic institutions and international stakeholders.

In 2025, TISL therefore, positioned implementation as a core anti-corruption issue. This work connected the team's legislative advocacy, litigation and research functions into a single theory of change: reforms must be well designed, legally sound, publicly accessible, institutionally implemented and enforceable. By pushing for proper implementation of asset declarations, the Anti-Corruption Act, and IMF-linked governance commitments, TISL helped ensure that the national reform agenda remained focused on outcomes rather than announcements. TISL's Advocacy and Research work demonstrates the importance of moving beyond paper laws. Whether challenging weak provisions in proposed legislation, intervening in landmark litigation or tracking the implementation of reform commitments, the organisation's contribution was to insist that accountability must be measurable, enforceable and visible to the public. The work reinforced the principle that integrity requires more than passing laws; it requires institutions willing and able to apply them, citizens able to scrutinize them and legal systems capable of responding when public trust is breached.



*Advocacy and Research Media Engagements*



*Advocacy and Research Team in Australia for training on the ICRA Tool*



*Advocacy and Research Team, discussions with CIABOC in the lead up to COSPII*

# CIVIL SOCIETY PARALLEL REPORT ON SRI LANKA'S IMPLEMENTATION OF THE UNCAC

In 2025, the Advocacy and Research Team developed and launched the Civil Society Parallel Report on Sri Lanka's Implementation of the United Nations Convention against Corruption (UNCAC), with the support of the UNCAC Coalition. The report provided an independent civil society assessment of Sri Lanka's implementation of Chapter II on Preventive Measures and Chapter V on Asset Recovery, examining both legal reforms and the practical gaps that continue to affect enforcement.

Drawing on legal analysis, desk research, and key informant interviews, the report recognised important reforms such as the Anti-Corruption Act No. 09 of 2023 and the Regulation of Election Expenditure Act No. 03 of 2023, while highlighting that legislative progress must be matched by effective

implementation. It identified gaps relating to access to information, public procurement, anti-money laundering frameworks, asset recovery, political financing, inter-agency coordination in financial crime investigations, and the capacity of key oversight institutions.

The report set out 15 priority recommendations to strengthen Sri Lanka's alignment with UNCAC standards. Its launch created a platform for dialogue among public institutions, civil society, development partners and international stakeholders, reinforcing TISL's role in connecting Sri Lanka's anti-corruption reform agenda with international obligations and independent civil society oversight.



# COMMUNICATION & SOCIAL MEDIA

## THE WATCHDOG'S VOICE: STRENGTHENING INSTITUTIONAL INTEGRITY THROUGH STRATEGIC MEDIA

In 2025, TISL's primary focus was to capture the actual impact of governance reforms, ensuring issues of vital national importance remained firmly in the public eye. Crucially, despite severe funding setbacks, the organization successfully kept critical anti-corruption dialogue alive. Within this framework, TISL's Communications Team focused on making complex governance issues easy for the public to understand. This helps citizens stay informed and take evidence-backed action.

By adopting a trilingual and non-partisan methodology, the Communication Team served as a primary conduit for transparency by systematically stimulating public discourse on grand corruption, exposing systemic accountability failures, and identifying emerging integrity risks within the state. This strategic approach fulfilled a vital public information need and strengthened TISL's reputation as a knowledge hub on anti corruption.



# SOCIAL MEDIA AS TOOL OF PUBLIC AWARENESS

Our digital strategy focused on simplifying complex laws for everyday citizens. We executed targeted social media campaigns to demystify the core principles of the Proceeds of Crime Act, and newly enacted Beneficial Ownership framework. Both laws are important enactments of law in the anti corruption arsenal, one providing for the recovery of stolen assets.

In 2025, the Communications Team tapped into the power of YouTube podcasting, creating a dynamic space to discuss pressing governance issues and significantly boost engagement with the general public. The inaugural session featured a critical analysis of existing election expenditure regulation laws in Sri Lanka, conducted in conversation with Mr. Eran Wickramaratne. This venture marked a significant evolution in our communication strategy which is planned to be continued in 2026.

Having successfully established a presence on YouTube Shorts and TikTok, we are currently finalizing plans to utilize these high-engagement platforms more systematically in 2026 to further our mission.



Money & Politics: Sri Lanka's Campaign Finance Journey

Transparency International Sri Lanka

## From promise to partial reality – Reviving transparency for accountability and good governance

**BY DHENNI DIAS**

It is a common sight to see a politician in a white shirt and dark trousers, standing at a podium, addressing a crowd. The politician's words are often met with a mix of skepticism and hope. The politician's words are often met with a mix of skepticism and hope. The politician's words are often met with a mix of skepticism and hope.

**Accessibility data**

Access to information is a key element of transparency. It is a key element of transparency. It is a key element of transparency. It is a key element of transparency. It is a key element of transparency.

**Embodied transparency**

The role of the public is a key element of transparency. It is a key element of transparency. It is a key element of transparency. It is a key element of transparency. It is a key element of transparency.

# EXTERNAL MEDIA ENGAGEMENTS

TISL has consistently functioned as a pivotal stakeholder in collaborating with Sri Lanka's mainstream media channels and print outlets to promote anti-corruption measures and governance accountability. Reinforcing this role in 2025, TISL served as a primary resource contributor to national dialogues surrounding bribery, corruption, accountability, and transparency.

Specifically, during the programs (mass and digital media discussions) concerning the Proceeds of Crime Act and the Anti-Corruption Act, we were able to engage the public through a simplified yet analytical breakdown of these complex legal frameworks. Furthermore, in response to the national disaster situation in late 2025, we utilized radio and social media to broadcast specialized programs emphasizing the necessity of equitable and transparent aid management. The fact that TISL is granted such airtime at no cost is a testament to the institutional credibility we have established with media organizations and our steadfast commitment to political impartiality.

Beyond reactive engagement, TISL maintains a proactive stance; rather than awaiting invitations, we monitor emerging irregularities in governance or corruption and take the initiative to alert the media via press releases. A critical focal point of this advocacy has been highlighting how the Public Financial Management Act potentially compromises the financial independence of the Commission to Investigate Allegations of Bribery or Corruption (CIABOC).

The successful public dissemination of these issues, framed with high news value, is largely attributed to the rigorous findings and contributions of our Research and Advocacy Team. Ultimately, by fostering these close media relations, our objective is to bridge the information gap for demographics with limited social media access, ensuring they are informed and integrated into the broader anti-corruption movement.



## SOCIAL MEDIA AS TOOL OF PUBLIC AWARENESS

In addition to policy-level work, the organization actively promoted its institutional brand by highlighting key achievements across various departments. A major milestone was the recognition at the SLIM Digis Awards, where TISL won Gold for Digital Heroism and Silver for Best Use of Moment Marketing for a campaign mobilizing public opposition against substandard medicine procurement. Beyond awards, we showcased the tangible successes of citizens utilizing the Right to Information (RTI) through our Shelter for Integrity and reported on the progress of the Integrity Business Group within the private sector. High-level international engagement also played a vital role in 2025, notably during the September visit of François Valérian, Chair of Transparency International. His meetings with the Secretary to the President and the Director General of CIABOC, coupled with a national television interview, served to amplify our message while simultaneously building the internal capacity of our team through global collaboration.



TI Chair - François Valérian meeting TISL staff

## THE ANALYTICS

Compared to 2024, the data reflects a sharp decline in growth metrics. This shift is primarily attributed to a substantial USAID funding cut at the beginning of 2025, which fundamentally altered the operational landscape. In response, the communication team demonstrated remarkable resilience by rapidly pivoting to organic reach and transitioning to in-house product development. By deliberately building internal capacities, the team successfully navigated these budget constraints and adapted to the evolving media environment.

To meet this challenge, the Communications Team actively expanded its technical and creative capacities. By establishing weekly syncs and review sessions with the Program Team, they successfully identified emerging trends, streamlined workflows, and ensured all media productions were delivered on time. Moving into 2026, the team will leverage this strategic foundation to boost their digital visibility and foster more interactive public engagement.



TI Chair - François Valérian meeting Deputy General to the CIABOC



TI Chair - François Valérian meeting secretary to the President

# TISL DIGITAL MEDIA METRICS

 41K Followers

 4.3K Followers

 1.9K Followers

 2.5K Followers


 72 Followers

 1.3K Subscribers



## WHY IS IT IMPORTANT FOR A BENEFICIAL OWNER'S DETAILS TO BE MADE PUBLIC?

The purpose of a Beneficial Ownership Register is to reveal the real individuals who own or control companies, **preventing the misuse of anonymous entities for corruption, money laundering, and other illicit activities.** Therefore, it is important that the Registrar of Companies (ROC) provides public access to this register.



**TRANSPARENCY INTERNATIONAL SRI LANKA**  
A nation that rebuilds integrity

## Today is the International Anti - Corruption Day

This year, Anti-Corruption Day is commemorated under the theme, **Youth, Stand United Against Corruption.**

**A heartfelt salute to the Sri Lankan youth who, even at this very moment, stand united to rebuild our nation!**

**You are the driving force building a nation where integrity is the foundation!**



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## NATIONAL ANTI-CORRUPTION ACTION PLAN- SRI LANKA



## TISL APPOINTED TO THE NATIONAL STEERING COMMITTEE (NSC)

# STAFF DEVELOPMENT & WELLBEING

Despite financial challenges, TISL continued to prioritise staff development and wellbeing throughout 2025, recognising its committed team as the organisation's greatest asset. As an advocacy organisation, TISL's impact and effectiveness are closely linked to the knowledge, skills, and wellbeing of its staff. During the year, staff members were provided with opportunities to participate in a range of local and international trainings, conferences, workshops, and regional forums aimed at strengthening professional capacity, institutional learning, and regional collaboration.

The year was also one of the most challenging periods for the organisation, as significant reductions in USAID funding had a direct impact on TISL's operations and staff. The funding cuts resulted in difficult but necessary measures, including a reduction of nearly half of the workforce and the scaling down of several activities and programmes. Despite these challenges, TISL remained committed to supporting staff wellbeing, maintaining team morale, and continuing opportunities for professional growth and engagement.

With the support of donors and partners like TI staff members were able to benefit from several key international and regional engagements including the Asia Pacific Integrity School and Forum held at Griffith University in Brisbane, Australia, the 11th Session of the Conference of the States Parties to the United Nations Convention against Corruption (CoSPII) in Qatar, and specialized trainings on Household Corruption Surveys and research methodology in Bangladesh, the Infrastructure Corruption Risk Assessment Tool (ICRAT) in Australia, and safeguarding and sexual corruption prevention at Uppsala University in Sweden. Staff members also

received opportunities to showcase TISL's impactful work and continue advocacy efforts through engagements in Indonesia, Spain, and the United States.

Staff members also participated in the STRONGG Phase II Review Meeting and the Transparency International Indo-Pacific Regional Meeting held in Colombo, Sri Lanka, which was co-hosted by TISL. The forum provided an important platform for TISL to present its work, share experiences and lessons learned, and engage with peer chapters across the region. TISL's contributions and ongoing advocacy efforts received positive recognition and appreciation from representatives of the Transparency International Secretariat and fellow chapters, reaffirming the organisation's role in advancing anti-corruption initiatives in the region. The sessions also enabled valuable discussions on advocacy strategies, emerging corruption challenges, and collaborative regional approaches.

Alongside professional development initiatives, TISL continued to foster staff wellbeing and team spirit through the celebration of cultural and religious events, including Thai Pongal, Sinhala and Tamil New Year, Vesak, and Ramadan. These occasions brought staff together through traditional food, festive decorations, cultural activities, and shared celebrations that reflected the organisation's commitment to diversity, inclusion, and cultural harmony. The year-end staff gathering also provided an opportunity for reflection, appreciation, and strengthening camaraderie among team members following a challenging year.



# 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.

## 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.

## 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 (SAMSN); 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.

## Leo 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 2025**

**Australian Government Department of Foreign Affairs And Trade  
Common Wealth foundation  
European Union  
Foundation Open Society Policy Center  
Global Affairs Canada  
Internews  
Journalism Development Network- Global Anti-Corruption Consortium  
New Zealand Ministry of Foreign Affairs and Trade  
PACT, Inc  
The Asia Foundation  
The Center for International Private Enterprise  
The Center for Law and Democracy  
Transparency International Secretariat  
Transparency International-Australia  
United Nations Convention Against Corruption  
Westminster Foundation for Democracy**

# DIRECTORS' REPORT

To: The 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 2025.

## Financial Results

The Audited Financial Statements for the financial year ended 31st December 2025 are attached.

## Directors

The changes in the Directorate during the period under review and upto the date of this report are as follows. Mr. Senel Wanniarachchi ceased as a Director on 06.06.2025. Ms. Sharmini Boyle and Ms. Sashee De Mel were appointed with effect from 01.02.2026. Mr. Pulasthi Hewamanna ceased as a Director on 08.02.2026 upon completion of his nine year term, in accordance with Article 32 (5) of the Articles of Association. Mr. Sandun Thudugala resigned on 28.02.2026.

## Directors' Attendance in 2025

Name	Date of Appointment	Meetings held during tenure*	Meetings Attended
Mr. Pulasthi Hewamanna	08.02.2017	6	6
Mr. Sandun Thudugala	25.11.2020	6	2
Ms. Hana Ibrahim	20.01.2021	6	5
Mr. Farhaz Farouk	30.06.2021	6	5
Mr. Leo Fernando	01.03.2023	6	5
Mr. Senel Wannarachchi	Resigned on 06.06.2025	4	0

\*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, Ms. Hana Ibrahim is due to retire by rotation and has offered herself 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:

- that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 31 st December 2025 and of the income statement for the year ended 31 st December 2025;
- 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;
- 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. Farhaz Farouk (Head), Mr. Leo Fernando
Nomination	Ms. Sharmini Boyle, Ms. Sashee De Mel
Strategy, Fundraising & Media	Ms. Hana Ibrahim, Mr. Farhaz Farouk
Governance & Internal Ethics	Proposed to be appointed at the 148th Board Meeting

### Donations

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

### Auditors

A resolution to reappoint Messrs. Ernst & Young, Chartered Accountants, as Auditors of the Organization until the conclusion of the Twenty-Second Annual General Meeting and to authorize the Directors to determine their remuneration will be placed before the members at the Twenty-First 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

May 21, 2026

# FINANCIAL STATEMENTS



Ernst & Young  
Chartered Accountants  
Rotunda Towers  
No. 109, Galle Road  
P.O. Box 101  
Colombo 03, Sri Lanka

Tel: +94 11 246 3500  
Fax: +94 11 768 7869  
Email: eysl@lk.ey.com  
ey.com

NYR/KPS/DM

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TRANSPARENCY INTERNATIONAL SRI LANKA

### Report on the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Transparency International Sri Lanka, ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium -sized Entities (SLFRS for SMEs).

#### *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 are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Matter*

The Financial Statements of the Company for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 06 June 2025.

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

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for Small and Medium -sized Entities (SLFRS for SMEs), and for such internal controls as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board 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 Board 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.

(Contd...2/)

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage FCA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

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### ***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 SLAuS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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.

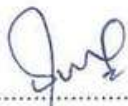
  
02 June 2026  
Colombo 

Transparency International Sri Lanka  
STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

ASSETS	Notes	2025 Rs.	2024 Rs.
<b>Non-Current Assets</b>			
Property, Plant and Equipment	8	5,596,558	4,361,698
Right-of-Use Asset	9	2,739,145	7,121,777
		<u>8,335,703</u>	<u>11,483,475</u>
<b>Current Assets</b>			
Other Receivables	11	2,610,201	6,766,741
Investments	12	41,956,420	39,396,538
Cash and Cash Equivalents	13.1	67,858,916	33,418,670
		<u>112,425,537</u>	<u>79,581,949</u>
<b>Total Assets</b>		<u>120,761,240</u>	<u>91,065,424</u>
<b>FUNDING AND LIABILITIES</b>			
<b>Accumulated Funds</b>			
Restricted Funds	14	35,712,599	(2,923,905)
Unrestricted Funds		67,521,025	63,070,128
Fixed Asset Grant Fund	15	5,605,937	4,361,400
		<u>108,839,561</u>	<u>64,507,623</u>
<b>Non-Current Liabilities</b>			
Retirement Benefit Obligation	16	4,069,235	5,860,562
Lease Liabilities	10	-	3,394,445
		<u>4,069,235</u>	<u>9,255,007</u>
<b>Current Liabilities</b>			
Accruals and Other Payables	17	4,190,198	4,796,344
Income Tax Payable	18.1	267,802	338,760
Lease Liabilities	10	3,394,445	5,036,305
Bank Overdraft	13.2	-	7,131,385
		<u>7,852,445</u>	<u>17,302,794</u>
<b>Total Funding and Liabilities</b>		<u>120,761,240</u>	<u>91,065,424</u>

I certify that the financial statements are in compliance with the requirements the of Companies Act No.7 of 2007.



Senior Manager - Finance and Operations

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board by,



Director



Director

The accounting policies and notes on pages 07 through 19 form an integral part of the Financial Statements.



Transparency International Sri Lanka  
**STATEMENT OF COMPREHENSIVE INCOME**  
Year ended 31 December 2025

	Notes	2025 Rs.	2024 Rs.
Incoming Resources	3	97,110,109	276,371,719
<b>Operating Expenditure</b>			
Project Expenditure	4	(61,431,152)	(221,309,110)
Administrative Expenditure	5	<u>(40,736,243)</u>	<u>(61,001,556)</u>
<b>Net Surplus / (Deficit) on Operating Activities</b>		(5,057,286)	(5,938,947)
Financial Income	6	5,356,870	5,866,850
Other Income	7	<u>4,684,951</u>	<u>11,931,923</u>
<b>Net Surplus / (Deficit) Before tax</b>		4,984,534	11,859,827
Income Tax Expenses	18	<u>(1,702,547)</u>	<u>(1,947,256)</u>
<b>Net Surplus / (Deficit) After Tax</b>		3,281,988	9,912,570
<b>Other Comprehensive Income</b>			
Actuarial (Loss) / Gain on Defined Benefit Plans	16	1,168,909	3,377,536
<b>Total Comprehensive Surplus / (Deficit) for the Year</b>		<u><u>4,450,897</u></u>	<u><u>13,290,106</u></u>

The accounting policies and notes on pages 07 through 19 form an integral part of the Financial Statements.



Transparency International Sri Lanka  
**STATEMENT OF CHANGES IN RESERVES**  
Year ended 31 December 2025

	Restricted Funds Rs.	Unrestricted Funds Rs.	Fixed Asset Grant Fund Rs.	Total Rs.
<b>Balance as at 01 January 2024</b>	28,829,164	49,780,022	2,915,445	81,524,631
Net Surplus/ (Deficit) for the Year	-	13,290,106	-	13,290,106
Funds Received During the Year	251,990,183	-	-	251,990,183
Additions During the Year	-	-	5,282,101	5,282,101
Amortisation during the year	-	-	(3,836,146)	(3,836,146)
Funds Transferred to Statement of Comprehensive Income	(276,371,719)	-	-	(276,371,719)
Funds Transferred to Unrestricted Funds	(7,371,533)	-	-	(7,371,533)
<b>Balance as at 31 December 2024</b>	<u>(2,923,905)</u>	<u>63,070,128</u>	<u>4,361,400</u>	<u>64,507,623</u>
Net Surplus/ (Deficit) for the Year	-	4,450,897	-	4,450,897
Funds Received During the Year	142,545,406	-	-	142,545,406
Addition During the Year	-	-	5,753,362	5,753,362
Amortisation During the Year	-	-	(4,508,826)	(4,508,826)
Funds Returned During the Year	(6,579,440)	-	-	(6,579,440)
Funds Transferred to Statement of Comprehensive Income	(97,110,109)	-	-	(97,110,109)
Funds Transferred to Unrestricted Funds	(219,354)	-	-	(219,354)
<b>Balance as at 31 December 2025</b>	<u>35,712,599</u>	<u>67,521,025</u>	<u>5,605,937</u>	<u>108,839,561</u>

The accounting policies and notes on pages 07 through 19 form an integral part of the Financial Statements.



Transparency International Sri Lanka

STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 Rs.	2024 Rs.
<b>Cash flows from Operating Activities</b>			
Net Surplus / (Deficit) Before Income Tax		4,984,534	11,859,827
Adjustments for:			
Depreciation of Property, Plant and Equipment	8.2	4,508,745	3,836,088
Depreciation of Leased Assets	9.2	4,382,631	4,382,631
Gratuity Provision	16	1,329,631	2,358,466
Amortization of Fixed Asset Grant Fund	15	(4,508,826)	(3,836,146)
Interest on Leases	10	343,695	629,817
Interest Income	6	(5,700,565)	(6,496,667)
Fixed Asset Disposal (Gain)/Loss		9,757	-
		5,349,603	12,734,016
<b>Working Capital Changes</b>			
(Increase)/Decrease in Receivables		4,156,542	(700,578)
Increase/(Decrease) in Payables		(606,146)	511,947
Cash Generated from Operations		8,899,998	12,545,385
Income Tax Paid	18.1	(1,773,505)	(3,138,604)
Gratuity Paid	16	(1,952,050)	(1,100,000)
Net Cash From/(used in) Operating Activities		5,174,443	8,306,781
<b>Cash Flows From / (Used in) Investing Activities</b>			
Investments		(2,559,882)	(3,155,062)
Interest Income	6	5,700,565	6,496,667
Net Cash Generated from Investing Activities		3,140,683	3,341,605
<b>Cash flows from/(Used in) Financing Activities</b>			
Funds Received from Donors Unutilized/(Over Utilized) for Projects	14	38,636,504	(31,753,069)
Repayments of Leases	10	(5,380,000)	(5,140,000)
Net cash generated from financing activities		33,256,504	(36,893,069)
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		41,571,630	(25,244,682)
Cash and Cash Equivalents at the Beginning of the Year	13	26,287,286	51,531,969
<b>Cash and Cash Equivalents at the End of the Year</b>	13	67,858,916	26,287,286

The accounting policies and notes on pages 07 through 19 form an integral part of the Financial Statements.



**1. CORPORATE INFORMATION**

**1.1 General**

Transparency International Sri Lanka is a Company Limited by Guarantee and was incorporated on 23 March 2004 under the companies Act No. 17 of 1982. It was re-registered on 07 May 2009 under the Companies Act No. 07 of 2007.

The registered office of the Company is located at No. 366, Nawala Road, Nawala, Rajagiriya.

**1.2 Principal Activities and Nature of the Company**

Transparency International Sri Lanka is a national chapter of Transparency International (TI), The Leading global movement against corruption. Transparency International 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. Transparency International has an international secretariat in Berlin, Germany and more than 100 chapters worldwide.

Transparency International Sri Lanka 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 Transparency International with its own strategic directions and priorities.

**1.3 Date of Authorization for Issue**

The Financial Statements of the Company for the year ended 31 December 2025 was authorised by the Board of Directors on 02 June 2026.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 General Policies

#### 2.1.1 Basis of Preparation

The Statement of Financial Position as at 31 December 2025 and Statement of Comprehensive Income, Statement of Changes in Reserves and Statement of Cash Flows, together with Accounting Policies and Notes to the Financial Statements for the year then ended comply with the Sri Lanka Accounting Standards for Small and Medium -sized Entities (SLFRS for SMEs).

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

#### 2.1.2 Comparative Information

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### 2.1.3 Going Concern

The Financial Statements of the Company have been prepared on the assumption that the Company would be able to continue its operations in the foreseeable future. The Board of Directors of the Company has no intention either to liquidate or cease the operation in the near future.

#### 2.1.4 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. All differences are taken to the Statement of Comprehensive Income. 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.

#### 2.1.5 Taxation

##### Current Taxes

The Board of Directors of the Company is of the view that it does not come under the definition of a Non-Governmental Organizations (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%.

## 2.2 Accounting for the Receipt and Utilisation of Funds

### 2.2.1 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 the subsequent approval of the Donor.



**b) Restricted Funds**

Where grants are received for use in an identified project or activity, such funds are held in a restricted fund account and transferred to the Statement of Comprehensive Income account to match with expenses incurred in respect of that identified project. Unutilised funds are held in their respective fund accounts and included under Accumulated Funds 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 certainty that the balance will be received such amount is recognised through debtors in the Statement of Financial Position.

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

**c) Fixed Asset Grant Funds**

Where Plant & Equipment is purchased as a part of a project through restricted funds, if on conclusion of the project, the asset is not handed over to the beneficiary or returned to the original donor, the asset is valued on the conclusion of the project and brought into the Financial Statements under Plant and Equipment through a Donation Reserve. Depreciation provided on such assets will be charged against the reserve. For purpose of depreciation, the date of valuation for inclusion in the Financial Statements is considered to be the date of purchase.

**2.3 Valuation of Assets and their Measurement Bases**

**2.3.1 Plant and Equipment**

**a) Cost**

Plant and Equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met.

An item of Plant & Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (Calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the year the assets are derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate on an annual basis.

**b) Restoration Costs**

Expenditure incurred on repairs and maintenance of Plant and Equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

**c) Depreciation**

Depreciation is provided on a straight-line basis.



### 2.3.2 Receivables

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

### 2.3.3 Cash and Cash Equivalents

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

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

## 2.4 Liabilities and Provisions

### 2.4.1 Retirement Benefit Obligations

The company has both defined benefits and defined contribution plans. A defined contribution plan is an employee retirement benefit plan under which the company pays fixed contributions to a separate entity. Defined benefit plans define an amount of employee benefit that an employee will receive on retirement, based on the years of service and compensation.

#### a) Defined Benefit Plan – Gratuity

Gratuity is a defined benefit plan. The Company is liable to pay gratuity in terms of the relevant statute.

A defined benefit plan is post-employment benefits plan other than a defined contribution plans - Employees' Provident Fund and Employees' Trust Fund. The liability recognised in the Statement of Financial Position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated using the 'Projected Unit Credit method'. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

Provision has been made in the Financial Statements for retiring gratuities from the first year of service for all employees, in conformity with LKAS 19 - "Employee Benefits". Actuarial gain or losses are recognised in Other Comprehensive Income (OCI) in the period which it arises.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity payment to an employee arises only after the completion of 5 years of continued service.

Liability is not externally funded nor actuarially valued. The item is grouped under Non –Current Liabilities in the statement of financial position.

#### b) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.



## 2.5 Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments may also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## 2.5 Statement of Comprehensive Income

### 2.5.1 Income Recognition

#### a) Incoming Resources

Income realised from restricted funds is recognised in the Statement of Comprehensive Income only when there is certainty that all of the conditions for receipt of the 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.



Gifts and donations received in kind are recognised at valuation at the time that they are distributed to beneficiaries, or if received for resale with proceeds being used for the purpose of the Company at the point of such sale. Items not sold or distributed are inventoried but not recognised in the Financial Statements. All other income is recognised when the Company is legally entitled to the use of such funds and the amount can be quantified. This would include income receivable through fund raising activities and donations.

**b) Other Income**

Interest earned is recognised on an accrual basis. Other income is recognised on an accrual basis.

**2.5.2 Expenditure Recognition**

Expenses in carrying out the projects and other activities of the Company are recognised in the Statement of Comprehensive Income during the period 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.

The Company has adopted the “Function of Expense” method to present fairly the elements of Company activities in its Statement of Comprehensive Income.



Transparency International Sri Lanka  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year ended 31 December 2025

<b>3. INCOMING RESOURCES</b>		<b>2025</b>	<b>2024</b>
		Rs.	Rs.
Restricted Funds		97,110,109	276,371,719
		<u>97,110,109</u>	<u>276,371,719</u>
<b>4. PROJECT EXPENDITURE</b>		<b>2025</b>	<b>2024</b>
		Rs.	Rs.
Staff Cost (Note 4.1)		37,866,310	52,995,819
Direct Project Cost (Note 4.1)		23,564,842	168,313,291
		<u>61,431,152</u>	<u>221,309,110</u>

**4.1 PROJECT EXPENDITURE**

Donor	Name of the Project	Year ended 31 December 2025		
		Staff Cost	Project Cost	Total
		Rs.	Rs.	Rs.
Bolstering Civil Society (BCS)	Leading the anti-corruption agenda towards good governance and socio-economic recovery	308,906	150,414	459,320
Clean Money in Elections (CME)	Increase the accountability of decision-makers for the transparency and equality of political finance	4,098,280	2,744,100	6,842,379
Foundation Open Society Policy Center - OSF (FOSI)	Promote good governance by addressing bribery & corruption, promoting transparency, and open government processes including through support to governance reforms for the benefit of the general public	13,204,300	1,513,989	14,718,289
Transparency International e.V. Secretariat - STRONGG (New)	Indo - Pacific partnership for strong, Transparent, Responsive and open Networks for Good Governance.	7,787,765	6,971,826	14,759,592
Internews Network	The Media and Civil Society Collaboration for Accountability.	1,414,792	483,843	1,898,636
EU System for an Enabling Environment for Civil Society (EU SEE)	Improve the capacity and ability of civil society partners	1,986,414	1,228,150	3,214,564
Journalism Development Network- Global Anti-Corruption Consortium (JDN- GACC)	Active Citizens for Transparent and Participatory Governance	6,941,533	6,440,925	13,382,459
UNCAC	UNCAC Parallel Report and Follow-up Advocacy	-	629,410	629,410
The Center for Law and Democracy - CLD	Empowering Women, Disadvantaged Groups, and Information Officers through the Right to Information (RTI)	565,419	1,688,358	2,253,778
Transparency International e.V. Secretariat - STRONGG - Sustainability	Organizational Sustainability Funding	1,218,367	185,881	1,404,249
Transparency International- Australia	Fiscal Transparency and Accountability Initiative	340,533	30,117	370,649
Regional Meeting		-	1,497,829	1,497,829
	<b>Total</b>	<b>37,866,310</b>	<b>23,564,842</b>	<b>61,431,152</b>



Transparency International Sri Lanka  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 December 2025

5. ADMINISTRATIVE EXPENDITURE	2025 Rs.	2024 Rs.
Salaries	19,277,644	30,487,781
Office rent	1,316,710	1,731,730
Security	1,510,750	1,771,472
Telephone / internet charges	626,415	869,622
Insurance	196,841	171,295
Electricity	572,151	1,257,523
Janitorial charges	1,227,420	1,676,227
Office maintenance	343,683	478,129
IT maintenance	419,659	1,160,453
Travelling	168,499	773,424
Staff welfare	694,775	2,014,795
Printing and stationery	142,675	432,080
Secretarial fees	342,275	212,872
Water rates	109,887	149,146
Equipment maintenance	514,456	449,323
Postage, stamps and courier charges	18,900	9,955
Board meeting expenses	12,700	15,280
Vehicle maintenance	23,952	80,852
Accounting package maintenance	213,266	254,481
Legal expenses	371,950	1,211,484
Stamp duty	-	44,176
Audit fees - external audit	1,076,192	1,202,020
Audit fees - internal audit	299,147	575,358
Tax consultancy	283,023	293,909
Depreciation	4,508,745	3,836,088
Bank charges	179,031	267,999
Depreciation buildings (right-of-use asset)	4,382,631	4,382,631
Retirement benefit obligations cost	1,329,631	2,358,466
Other Expenses	123,236	134,188
Project Audit	450,000	2,698,797
	<u>40,736,243</u>	<u>61,001,556</u>
6. FINANCIAL INCOME	2025 Rs.	2024 Rs.
Interest income	5,700,565	6,496,667
Interest expenses on lease liabilities	(343,695)	(629,817)
	<u>5,356,870</u>	<u>5,866,850</u>
7. OTHER INCOME	2025 Rs.	2024 Rs.
Funds Transferred from Restricted Funds	219,354	7,371,533
Amortisation of Fixed Asset Grant Fund	4,508,826	3,836,146
Sundry Income	(43,229)	724,244
	<u>4,684,951</u>	<u>11,931,923</u>



Transparency International Sri Lanka  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 December 2025

**8. PROPERTY, PLANT AND EQUIPMENTS**

8.1 At Cost	Balance as at 01 January			Balance as at 31 December
	2025 Rs.	Additions Rs.	Disposals Rs.	2025 Rs.
Furniture and Fittings	3,547,818	802,034	606,455	3,743,397
Motor Vehicles	363,750	-	-	363,750
Office Equipment	3,676,340	740,018	277,367	4,138,991
Computer Equipment	7,820,123	4,211,310	806,064	11,225,369
<b>Total Gross Carrying Amount</b>	<b>15,408,030</b>	<b>5,753,362</b>	<b>1,689,886</b>	<b>19,471,507</b>

8.2 Accumulated Depreciation	Balance as at 01 January			Balance as at 31 December
	2025 Rs.	Charge for the Year Rs.	Disposals Rs.	2025 Rs.
Furniture and Fittings	2,616,170	899,609	606,375	2,909,404
Motor Vehicles	363,750	-	-	363,750
Office Equipment	2,671,494	841,384	267,704	3,245,174
Computer Equipment	5,394,919	2,767,752	806,050	7,356,620
	<b>11,046,333</b>	<b>4,508,745</b>	<b>1,680,129</b>	<b>13,874,948</b>

8.3 Net Book Values	2025	2024
	Rs.	Rs.
Furniture and Fittings	833,993	931,648
Motor Vehicles	-	-
Office Equipment	893,817	1,004,846
Computer Equipment	3,868,749	2,425,204
	<b>5,596,558</b>	<b>4,361,698</b>

8.4 During the financial year, the Organization has acquired Property, Plant & Equipment to the aggregate value of Rs. 5,753,362/-(2024 - Rs.5,282,101/-).

**9. RIGHTS-OF-USE ASSETS**

9.1 At Cost	2025	2024
	Rs.	Rs.
Balance at the beginning of year	21,913,157	21,913,157
Addition During the Year	-	-
<b>Balance at the end of year</b>	<b>21,913,157</b>	<b>21,913,157</b>

9.2 Amortization	2025	2024
	Rs.	Rs.
Balance at the beginning of year	14,791,380	10,408,749
Amortization	4,382,631	4,382,631
<b>Balance at the end of year</b>	<b>19,174,012</b>	<b>14,791,380</b>
Carrying values at end of the Year	<b>2,739,145</b>	<b>7,121,777</b>



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10. LEASE LIABILITY	2025 Rs.	2024 Rs.
Non current	-	3,394,445
Current	3,394,445	5,036,305
	<u>3,394,445</u>	<u>8,430,751</u>
Balance at the Beginning of Year	8,430,751	12,940,933
Lease Repayments	(5,380,000)	(5,140,000)
Interest Expense	343,695	629,818
<b>Balance at the End of Year</b>	<u>3,394,446</u>	<u>8,430,751</u>
11. OTHER RECEIVABLES	2025 Rs.	2024 Rs.
Advance Given to Project Staff	338,148	185,202
Deposits and Prepayments	2,272,053	6,581,539
Receivable from Mr. T R U Priyankara	5,845,338	5,845,338
Provision for Impairment	(5,845,338)	(5,845,338)
	<u>2,610,201</u>	<u>6,766,741</u>
12. INVESTMENTS	2025 Rs.	2024 Rs.
Fixed deposits	41,956,420	39,396,538
	<u>41,956,420</u>	<u>39,396,538</u>
13. CASH AND CASH EQUIVALENTS	2025 Rs.	2024 Rs.
13.1 Favorable Cash & Cash Equivalents Balance		
Cash at Bank	67,767,870	32,942,650
Cash in Hand	91,047	476,020
	<u>67,858,916</u>	<u>33,418,670</u>
13.2 Unfavorable Cash & Cash Equivalents Balance		
Cash at Bank	-	(7,131,385)
	<u>-</u>	<u>(7,131,385)</u>
<b>Total Cash and Cash Equivalents for the Purpose of Statement of Cash Flows</b>	<u>67,858,916</u>	<u>26,287,286</u>



Transparency International Sri Lanka  
**NOTES TO THE FINANCIAL STATEMENTS**  
 Year ended 31 December 2025

**14. RESTRICTED FUNDS**

	2025 Rs.	2024 Rs.
Balance at the Beginning of the Year	(2,923,905)	28,829,164
Funds Received During the Year	142,545,406	251,990,183
Funds Returned During the Year	(6,579,440)	-
Funds Transferred to Statement of Comprehensive Income	(97,110,109)	(276,371,719)
Funds Transferred to Unrestricted Funds	(219,354)	(7,371,533)
	<u>35,712,599</u>	<u>(2,923,905)</u>

**14.1 Movements in Restricted Funds**

Name of Donor Organisations	Balance at the Beginning of the Year	Funds Received During the Year	Funds Returned During the Year	Funds Transferred to Statement of Comprehensive	Funds Transferred to Unrestricted Funds	Balance at the end of the year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	A	B	C	D	E	F = A + B - C - D - E
Bolstering Civil Society (BCS)	(2,149,871)	3,066,989	-	(889,973)	(27,145)	-
Clean Money in Elections (CME)	2,685,819	11,516,600	-	(10,515,211)	-	3,687,208
Westminster Foundation for Democracy (WFD)	(1,191,004)	1,221,885	-	-	(30,881)	-
Foundation Open Society Policy Center - OSF (FOSI)	(9,059,998)	38,219,700	-	(29,159,702)	-	-
Common Wealth foundation	(989,638)	1,014,200	-	-	(24,563)	-
The Center For International Private Enterprise (CIPE)	(2,474,358)	2,484,926	-	-	(10,568)	-
Transparency International e.V. Secretariat - STRONGG (New)	3,219,841	20,083,839	-	(20,056,877)	-	3,246,803
Inter News	8,298,330	-	(6,194,940)	(2,073,295)	(30,096)	-
The Asia Foundation - PPPR	(1,229,782)	1,233,530	-	-	(3,748)	-
Neelan Tiruchelvam Trust (NTT)	384,500	-	(384,500)	-	-	-
EU System for an Enabling Environment for Civil Society (EU SEE)	(417,744)	6,230,097	-	(4,020,215)	-	1,792,138
Journalism Development Network- Global Anti-Corruption Consortium (JDN-GACC)	-	22,083,050	-	(18,842,823)	-	3,240,227
UNCAC	-	689,620	-	(629,410)	-	60,210
The Center for Law and Democracy - CLD	-	2,521,438	-	(2,429,084)	(92,354)	-
Foundation Open Society Policy Center - OSF (NEW)	-	18,179,600	-	-	-	18,179,600
Transparency International e.V. Secretariat - STRONGG - Sustainability	-	6,543,150	-	(6,154,319)	-	388,831
Transparency International-Australia	-	5,781,542	-	(729,743)	-	5,051,798
Regional Meeting	-	1,675,241	-	(1,609,457)	-	65,784
<b>Total</b>	<b>(2,923,905)</b>	<b>142,545,406</b>	<b>(6,579,440)</b>	<b>(97,110,109)</b>	<b>(219,354)</b>	<b>35,712,599</b>



Transparency International Sri Lanka  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 December 2025

15. FIXED ASSET GRANT FUND	2025 Rs.	2024 Rs.
Balance at the Beginning of Year	4,361,400	2,915,445
Addition During the Year	5,753,362	5,282,101
Amortisation During the Year	(4,508,826)	(3,836,146)
Balance at the End of Year	<u>5,605,937</u>	<u>4,361,400</u>

16. RETIREMENT BENEFIT OBLIGATIONS	2025 Rs.	2024 Rs.
Balance at the Beginning of Year	5,860,562	7,979,632
Current Service Cost	920,662	1,736,454
Interest Cost	408,969	622,012
Actuarial Loss / (Gain)	(1,168,909)	(3,377,536)
Payment Made During the Year	(1,952,050)	(1,100,000)
Balance at the End of Year	<u>4,069,235</u>	<u>5,860,562</u>

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

Current service cost	920,662	1,736,454
Interest cost	408,969	622,012
Actuarial loss / (gain)	(1,168,909)	(3,377,536)

Principal assumptions made in ascertaining the retirement benefit obligations as at the reporting date are as follows;

Discount rate	11%	11%
Salary increment rate	4%	3%
Staff turnover factor	95%	29%
Retirement age	60 years	60 years

17. ACCRUALS AND OTHER PAYABLES	2025 Rs.	2024 Rs.
Employees Provident Fund	554,195	928,260
Employees Trust Fund	83,129	140,008
Advanced Personal Income Tax	198,265	787,568
Audit Fees	1,667,921	2,185,808
Salary control account	1,134,756	31,916
RTI hub	-	270,000
WHT	11,450	189,400
Others	270,725	27,500
Utilities	269,756	235,884
	<u>4,190,198</u>	<u>4,796,344</u>



Transparency International Sri Lanka  
**NOTES TO THE FINANCIAL STATEMENTS**  
 Year ended 31 December 2025

**18. INCOME TAX EXPENSES**

The Board of Directors of the Company is of the view that it does not come under the definition of a Non-Governmental Organization'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%.

	2025 Rs.	2024 Rs.
Taxable income	5,675,155	6,490,854
	<u>5,675,155</u>	<u>6,490,854</u>
Income tax at 30%	1,702,547	1,947,256
	<u>1,702,547</u>	<u>1,947,256</u>

**18.1 INCOME TAX PAYABLE**

	2025 Rs.	2024 Rs.
Opening Balance	338,760	1,530,108
Income Tax Expenses	1,702,547	1,947,256
Tax Paid During the Year	(1,177,901)	(2,814,061)
WHT (Final payment)	(595,604)	(324,543)
Balance at the end of year	<u>267,802</u>	<u>338,760</u>

**19. COMMITMENTS AND CONTINGENCIES**

**19.1 Contingent Liabilities**

The Company does not have Significant Contingent Liabilities as at the Statement of Financial Position date.

**20. TRANSACTION WITH MANAGEMENT PERSONNEL OF THE COMPANY**

Key Management of the company include senior management committee being responsible for project Management, General Management and implementation of policy decisions. No Board of Directors Receive any salaries or other compensations.

	2025 Rs.	2024 Rs.
Short-Term Employee Benefits	9,470,736	14,062,860
Retirement Benefit Obligations	714,648	533,904
	<u>10,185,384</u>	<u>14,596,764</u>

**21. EVENTS OCCURRING AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

There have been no material events occurring subsequent to the Statement of Financial Position date, that require adjustments to or disclosures in the financial statements.



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-First Annual General Meeting of Transparency International Sri Lanka will be held on Friday, 26th June 2026 at 5:00 p.m. as a hybrid meeting 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 31 st December 2025 with the report of the Auditors thereon.
2. To re-elect Ms. Hana Ibrahim who retires by rotation at the Annual General Meeting in terms of Article 32 (5) of the Articles of Association of TISL, as a Director.
3. To re-appoint Messrs. Ernst & Young, 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**  
May 21, 2026

## Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of him/her. A Proxy need not be a member of TISL. A Form of Proxy is enclosed for this purpose.
2. The completed Form of Proxy should be deposited at the registered office of the Organization, No. 366, Nawala Road, Nawala, Rajagiriya, Sri Lanka not less than 48 hours before the time appointed for the Meeting. A scanned copy of the signed Proxy Form may be emailed to the Company Secretary, [charuni@c-g-associates.com](mailto:charuni@c-g-associates.com).
3. Please bring your National Identity Card to the Meeting.
4. The Board of Directors has decided to make available the option of joining the AGM through an online virtual platform by using audio-visual tools in conformity with the applicable legal provisions. However, attending in person is strongly encouraged.
5. Members who are compelled to participate in the Annual General Meeting through the online platform are kindly requested to confirm their attendance to the email address [charuni@c-g-associates.com](mailto:charuni@c-g-associates.com) with the email subject title "TISL AGM 2026" 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:

- 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\*
- Ms. S.J. Boyle of Colombo or failing her\*
- Ms. S.L. De Mel of Colombo or failing her\*

..... 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  
 Twenty First Annual General Meeting of the Organization to be held on 26th June 2026 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 31 stDecember 2025 with the report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Ms. Hana Ibrahim 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.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-appoint Messrs. Ernst & Young, 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 Six.

.....  
 Signature

Notes: \*Please delete inappropriate word/s

# CORPORATE INFORMATION

## NAME

Transparency International Sri Lanka  
Company Registration No - GA 279

## LEGAL STATUS

Company Limited by Guarantee incorporated in Sri Lanka

## DATE OF INCORPORATION

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

## REGISTERED OFFICE

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

Telephone : 011 4369781

Fax : 011 2 865 777

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

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

## COMPANY SECRETARY

Charuni Gunawardana FCG

## AUDITORS

Ernst & Young

## BANKERS

Commercial Bank of Ceylon PLC

DFCC Bank PLC

National Savings Bank

