

ANNUAL REPORT 2018

MISSION

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

VISION

A NATION THAT UPHOLDS INTEGRITY

PURPOSE

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

ANNUAL REPORT 2018

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CHAIRPERSON'S MESSAGE

The constitutional upheaval witnessed in October 2018 reminded us Sri Lankans of the risk corruption poses to our democratic society. The alleged attempts to dismiss a government duly elected by the people, whatever its shortfalls, by executive action assisted by 'horse trading' over members of parliament with offers of money and positions was quite alarming. Fortunately, the strong build up of community consciousness, support and action against these undemocratic actions began the process of rectifying the upheaval. This fight back by some small parties, parliamentarians, citizens and finally the judiciary gave hope that there is light at the end of the long tunnel that represents our societies' continued struggle against the bane of corruption.

This year again I am proud to say that TISL has continued to be part of this struggle in taking the lead, showing the way, walking along with others, providing information and analysis and acknowledging public officials fighting the good fight. The work has ranged from critical analysis and policy advocacy on the National Audit Bill to taking leadership in Right to Information citizen advocacy across the country. It's extremely heartening to note that TISL is recognized as the organization which ordinary citizens, in the Sinhala and Tamil speaking peripheries feel comfortable in approaching on matters relating to their Right to Information. Similarly, TISL has maintained an encouraging balance of holding authority to account through the filing of complaints, whilst also collaborating to ensure governance challenges are addressed where state knowledge gaps emerge. Championing integrity has been underscored by the inspiring Integrity Idol campaign, which has encouraged public participation and echoes a positive message at a time of nationwide instability.

The team at TISL led by Executive Director Asoka Obeyesekere has grown not only in size but in stature and inspires the confidence of being able to handle diverse challenges and performing multiple roles. Whether it's acting as a corruption watch dog while continuing to engage government or fulfilling donor program requirements while engaging communities the young team continues to demonstrate creative excellence in outlook and approach.

Finally I would like to acknowledge the efforts made by our Board and Members, who have been committed to improving TISL's governance structures, to best equip us for the challenges in the years ahead. In passing resolutions to increase the membership and appointing an ethics committee we envisage engaging more young members from diverse gender, social, economic and geographic backgrounds with a passion for fighting corruption while reaffirming our commitment to ensuring internal transparency and accountability. The organization has benefited by two distinguished additions to the board of directors in Prof. Pavithra Kailasapathy and Prof. Camena Guneratne. We would also like to acknowledge the efforts of Ms. Sheila Richards, who headed the governance committee, and who has left the Board after several years of service, all of which have been underscored by her immense commitment.

While continuing to make progress towards increasing public engagement in the fight against corruption TISL foresees political changes in the future that will challenge us in new ways. Irrespective of these changes TISL remains resolute in its commitment to working with people and its partners to fighting corruption.



SCC Elankovan
Chairperson

EXECUTIVE DIRECTOR'S MESSAGE

2018 has marked a year of steady progress for TISL, with efforts taken to deepen existing institutional expertise, coupled with new areas of work emanating from our anti-corruption and governance focused mandate.

The programme of work has gone from strength to strength, as witnessed through the evolving leadership of TISL in advocacy on the Right to Information. This has seen TISL convene a network of partner civil society organisations as RTI Hubs, ensuring that TISL's expertise links with the communities of our partners, with over a thousand citizen RTI requests facilitated and countless impact stories to recall. TISL has also established itself as a leading public interest RTI requestor and the landmark decision of the RTI Commission in ordering disclosure of the Prime Minister's Asset Declaration has been an important first step in TISL working to ensure greater transparency of elected representatives.

Following the political instability of October 2018, TISL also took leadership in officially filing complaints with CIABOC on allegations of MP bribery, with detailed supporting evidence. This was an important initiative which ensured TISL transcended the public outrage, to ensuring the official state accountability mechanisms were engaged. Similarly, through the Programme for the Protection of Public Resources, we have filed complaints connected to state procurement malpractices, with follow up due in 2019.

In contrast with the negativity surrounding the souring political culture in the country, TISL sought to counter the sentiment through the crowning of the first Integrity Idol, an award to recognise state officials who do their jobs diligently and with integrity with the aim to "name and fame". Importantly the Integrity Idol was decided through public participation, with over ten thousand votes cast via an innovative SMS platform.

The knowledge aspects of TISL's work were also highlighted by the legislative brief on the National Audit Bill, which was a key tool used by MPs in Parliament to inform and suggest amendments to strengthen the Bill. Similarly, the collaboration between state and civil society in developing the 2nd Open Government Partnership National Action Plan facilitated the forging of stronger ties, which will be an asset to future civil society advocacy, even if the space for engagement with government retreats.

TISL's contribution to the media, across Sinhala, Tamil and English has witnessed staff members regularly addressing electronic and print media on areas of their expertise across a partisan media space. This decentralisation has strengthened TISL's technical contributions, which in turn has proven invaluable in underscoring our objectivity.

Institutionally TISL has strengthened itself through the implementation of a new remuneration strategy for staff, which seeks to ensure sustainability, whilst also rewarding performance. This strategy has been implemented as a result of prudent financial planning over the duration of the current strategic plan.

Despite the uncertainty surrounding Sri Lanka's political future, with the governance mandate of the government in tatters, TISL will look to build on progress made and will seek to continuously mobilise the expertise of staff and the membership to take forward our efforts to combat corruption. Together with the management of TISL, I take this opportunity to thank all our members and other stakeholders for their continued and unstinted support over the past year and I look forward to collaborating closely in 2019.



S.C. Asoka Obeyesekere
Executive Director

RESEARCH AND POLICY

LEGISLATIVE ADVOCACY ON THE NATIONAL AUDIT BILL



Following the long-awaited tabling of the National Audit Bill, TISL was able to study its contents in detail and after filing a Supreme Court Challenge on the constitutional conformity of the Bill, TISL set upon drafting a legislative brief that would act as a guide to the Bill for Parliamentarians. The legislative brief was the first brief that was conceptualised and completely developed in house, coupling the skills within the Research and Policy team and the vast body of public finance expertise within the TISL membership. The legislative brief was sent to all two hundred and twenty-five members of parliament and the key contents were individually presented to senior party officials, both in the government and opposition.

The legislative brief took the unique step of providing a trilingual background to the legislative history of the Bill and its past iterations. It also provided key recommendations for amendments to be made at the committee stage of the Bill, similar to the legislative brief produced for the Right to Information Act in 2016. The brief provided the specific words that should be added and removed, with the four focus areas being on: surcharging power, appeal processes, investigative power of the Auditor General and disclosure of information. On this occasion only one of the recommendations was incorporated into the National Audit Act, but the contribution of TISL was officially recorded on the Hansard, as parliamentarians were actively using it as a resource during the Bill debate.

TRACKING GOVERNMENT ANTI-CORRUPTION PLEDGES

Stemming from the bold commitments made by President Sirisena at the 2016 Anti-Corruption Summit held in London, TISL launched an online tracker system in 2018 to monitor and create awareness of the progress towards pledge implementation. The three pledges that are tracked through the online platform are the implementation measures to domestically recognise the United Nations Convention against Corruption (UNCAC), the steps taken to tackle grand corruption and money laundering, and the progress towards establishing a victims and witness protection system.

These broad pledges are further broken down into a total of 47 sub-pledges which provide a unique view of the status of these pledges.

The tracker can be viewed at:

www.tracker.tisrilanka.org/pledges

The screenshot shows the 'CHOOSE A PLEDGE TO EXPLORE' section of the TISL Tracker website. It features three main pledge categories, each with a progress indicator and a 'READ PLEDGE' button.

Pledge Category	Status	Articles/Indicators	Completed	Underway	Incomplete
UN CONVENTION AGAINST CORRUPTION	Underway	39 Articles	8	25	6
GRAND CORRUPTION & MONEY LAUNDERING	Underway	3 Indicators	0	2	1
VICTIMS & WITNESSES PROTECTION	Underway	4 Indicators	0	1	3

EMPOWERING STAKEHOLDERS OF THE VICTIM AND WITNESS PROTECTION (VWP) ACT

Given the absence of a whistleblower protection law in Sri Lanka, TISL identified the VWP Act as a key tool to protect citizens who actively fear reprisals for the knowledge they hold. In advocating for the full implementation of the Act while creating awareness of its provisions, TISL has forged a close relationship with the National Authority for Victims and Witness Protection, who requested copies of TISL's publicity material to be disseminated to all district secretariats, Grama Niladhari offices and other public offices. This includes all 498 Police Stations in the country. Furthermore, upon TISL's request, the Authority has included a session on bribery and corruption to all training programmes conducted by them for relevant officials and stakeholders.

TISL is also in the process of developing a social media campaign in collaboration with the Phoenix Ogilvy public relations team which will be implemented in 2019. The campaign will highlight the rights and entitlements available to the public through the VWP Act.

Our online campaign can be viewed at:

www.tisrilanka.org/vwp



CIVIL SOCIETY REPORT ON SDG 16

Parallel to Sri Lanka's first Voluntary National Review (VNR) of the Sustainable Development Goals (SDG), TISL compiled a civil society report on the anti-corruption targets of the SDG Goal 16 which was presented at the UN Headquarters during the High-Level Political Forum in July. The report, titled "Policy, SDGs & Fighting Corruption for the People" focuses on targets within Goal 16 relating to the fight against corruption including the status of illicit financial flows, bribery & corruption, strong institutions and Right to Information (RTI). The report recognised several positive steps taken by the state to improve Sri Lanka's performance in achieving Goal 16 including the Right to Information Act, the prioritisation of asset recovery and introduction of laws to prevent money laundering. It also identified several shortcomings in monitoring progress on anti-corruption measures

and made several recommendations including the development of indicators to measure progress against corruption, introducing election campaign finance regulations with a disclosure framework and expenditure limitations, the adoption of the Proceeds of Crime Act and ensuring that public authorities comply with the proactive disclosure mechanisms outlined in the Right to Information Act.

At the High-Level Political Forum TISL had the opportunity of presenting instances of collaborative action between State and civil society in furthering the governance agenda. TISL was also able to highlight the absence of anti-corruption reporting in the VNR and the inadequate measures in the country to capture data relating to bribery and corruption.



ENGAGING
ANTI-CORRUPTION
INSTITUTIONS

DRIVING ACCOUNTABILITY THROUGH COMPLAINTS

Expanding on the work done by the Shelter for Integrity and the Programme for the Protection of Public Resources (PPPR) over the years, TISL sought to directly engage with the Commission to Investigate Allegations of Bribery or Corruption (CIABOC) in an effort to ensure that corruption is reported and accountability is demanded. Complaints were filed on a range of issues brought to light by PPPR's network of district observers, ranging from improper school admission in the North Western Province to irregularities in local infrastructure development in the Northern and Eastern Provinces. As a result of the political instability of October 2018, there were many allegations of attempted bribery of

Members of Parliament to secure a parliamentary majority. In one such instance, TISL compiled audio evidence of telephone conversations that had been released to the media and lesser known recordings which had come into our possession. Using this evidence TISL lodged a formal complaint at CIABOC and was subsequently requested to provide a detailed statement to assist the investigation. This matter is still pending and TISL will follow up with CIABOC to urge action and restore public faith in anti-corruption institutions.



ELECTORAL INTEGRITY

TISL's Program for the Protection of Public Resources (PPPR) observed the election period ahead of the 2018 Local Government Election to minimise the abuse of public resources during election campaigning and to take action on complaints received. This is the first occasion in which TISL observed a local government election. The Local Government Election was particularly significant for two reasons, firstly it was held under a new hybrid electoral system, secondly a 25% quota was introduced to enhance women's representation in local government.

The PPPR trained and deployed 25 District Observers in each administrative district to gather and report back incidents of public property misuse. Furthermore, 10 teams were deployed to cover 10 districts on the day of the election to report back on any issues faced within the polling stations and within the relevant districts.

A total of 167 complaints were recorded by PPPR between 9th January to 15th February 2018. A majority of the complaints were reported from the North Western province (27) followed by the Southern (26) and Eastern Provinces. The majority of incidents (88%) had some relevance to the misuse of public resources either, through the use of state vehicles, buildings, using state sponsored development projects and grants for election purposes. A small number of complaints about election violence and election law violations that were reported to TISL were forwarded to the relevant authorities.

61 complaints were submitted to the respective district Election Commission offices. A majority of the incidents conveyed to the Commission were from the category 'use of state buildings, facilities and equipment for election purposes'. PPPR has received written responses to complaints submitted to the Election Commission and of the 61 complaints lodged, PPPR was able to prevent misappropriation in 29 cases.

DEVELOPING THE PROCEEDS OF CRIME LEGAL FRAMEWORK

In line with Sri Lanka's commitment to implement the UN Convention Against Corruption (UNCAC) and the pledges made at the 2016 Anti-Corruption Summit in London, the country initiated the process of introducing legislation enabling asset recovery, which sought to introduce amongst other things tools such as non-conviction based asset forfeiture, which could be used in cases such as those involving drug trafficking.

TISL was an instrumental partner in developing the legal framework for the proposed Proceeds of Crime Act. As the sole civil society representative on the drafting committee which included representatives of law enforcement institutions including the Attorney General's Department, CIABOC and the Financial Intelligence Unit of the Central Bank of Sri Lanka, TISL was able to

provide an important alternative non-state perspective. Given our unique position, the chapter was also able to draw on international expertise through the global TI network to incorporate international best practices in the legal framework for the Proceeds of Crime Act.

The completed legal framework was presented to the Presidential Secretariat for submission to the Cabinet of Ministers later in the year. In 2019 TISL will continue to advocate for the adoption of the Proceeds of Crime Act, and work to raise public awareness and build on the body of knowledge within civil society on the implications of such legislation.

OPEN GOVERNMENT PARTNERSHIP

OPEN GOVERNMENT PARTNERSHIP



Since becoming a signatory to the Open Government Partnership (OGP) in 2015, TISL has been at the centre of driving the implementation of the OGP commitments as the OGP Civil Society Organisation (CSO) Secretariat. 2018 has witnessed an ever-increasing commitment across civil society to the concept of open governance, in particular the application of the OGP values of transparency, accountability and public participation.

The 1st National Action Plan of the OGP concluded in 2018 and saw the development of the 2nd National Action Plan. The activities arising from the first National Action Plan (NAP), resulted in the significant engagement of a broad diversity of civil society organisations. By providing additional resources to the CSO partners leading OGP commitments, TISL was able to sustain civil society interest in the OGP and implement several innovative activities focusing on the thematic areas of the commitments.

One of the key challenges faced during the implementation of the 1st National Action Plan was the inadequate ministerial leadership and ownership extended by the Ministry of Foreign Affairs. Before commencing the development of the 2nd National Action

Plan, TISL along with the CSO partners advocated for the transfer of the OGP Government Focal Point, which was assumed by the Presidential Secretariat. Since taking over, the Presidential Secretariat has shown leadership and guidance to the OGP process and worked in partnership with civil society stakeholders to develop the 2nd National Action Plan.

The 2nd NAP, which received Cabinet approval in January 2019, was created following a consultative process. This included public consultations in all 9 provinces with the participation of state and non-state actors and a series of trilingual advertisements inviting input and recommendations from the public. Thereafter the NAP was developed through a series of collaborative meetings where state and civil society partners jointly formulated the relevant commitments and milestones. The development of the 2nd NAP has seen TISL convene 24 CSOs, with the co-creation of 14 ambitious commitments focusing on areas such as anti-corruption, rights of the disabled, disaster management and women's empowerment. It is also aligned with the Action Plan for Human Rights to strengthen buy-in from relevant Ministries.

As a result of TISL's contribution to the OGP platform, TISL's Senior Manager Programmes and RTI Manager were invited as panelists to the OGP Asia Pacific Regional Meeting held in South Korea. This provided

a unique opportunity to share Sri Lanka's OGP experience in a global platform and highlight the starred commitment within the first National Action Plan on Right to Information.



RIGHT TO INFORMATION

RIGHT TO INFORMATION

Empowering citizens through the exercise of their Right to Information (RTI) has been a cornerstone of TISL's activity since the passage of the RTI Act in 2016.

TISL has now established itself as an authority on the RTI Act, with impact ranging from greater RTI awareness through the island-wide RTI Van campaigns to citizen RTI facilitation through an ever expanding RTI Hub model. The RTI Hubs, which are district level facilitation centres have given TISL an RTI presence in six districts, through

TISL offices and TISL partner CSOs. This network will further expand in 2019. In carrying forward our work on RTI, TISL will continue to develop the synergy between the RTI team and the Shelter for Integrity offices which receive citizen corruption complaints. TISL will also look to continue and deepen the RTI Town Halls which have been pioneering citizen and state discussion forums, allowing for local level information flows to be established, with the intention of opening government to its citizens.





It is through TISL's grassroots approach to RTI that we have built experience in interacting with public authorities island wide and deepened institutional knowledge in advocating for clients before the RTI Commission. TISL has also spearheaded landmark public interest cases, such as the Prime Ministers Asset Disclosure Case (Order of the RTI Commission, Transparency International Sri Lanka vs. Presidential Secretariat RTIC/6/2017). This case marks an important step in TISL establishing itself as a knowledge centre in RTI jurisprudence, which will be further tested before the appellate courts in 2019.



Further bolstering the public engagement on RTI, TISL launched the award winning www.RTIWatch.lk, which was recognised as the best Non-Profit Website in Sri Lanka at the 2018 Bestweb.lk award ceremony. In addition to providing a useful citizen guide to RTI, it includes a summary of key RTI decisions and serves as a repository of all public interest RTI's filed by TISL and their respective responses. It is through this spirit of information sharing that TISL will advocate for proactive disclosure in public authorities during 2019.

IMPACT STORY

“
The RTI Act enables a powerful check to be exercised on even potential corruption as this would deter those otherwise enticed to amass public wealth for themselves.
”

Order of the RTI Commission,
Transparency International Sri Lanka vs.
Presidential Secretariat
RTIC/6/2017

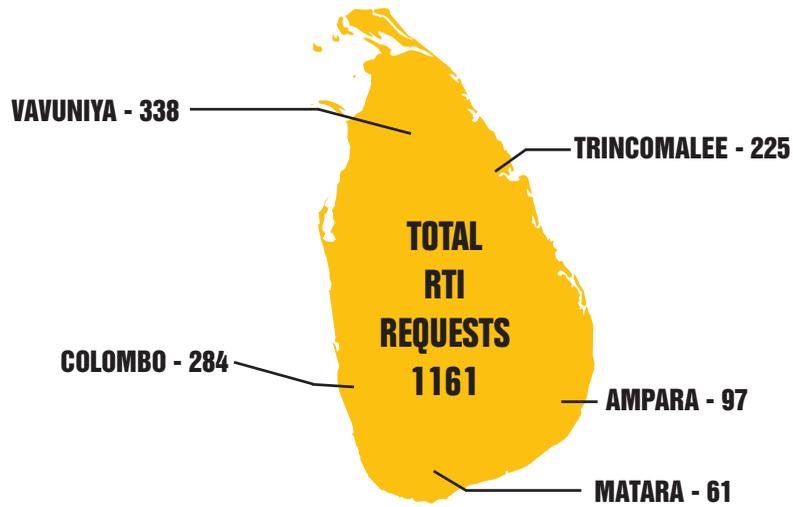
MP Asset Declarations: RTI and Proactive Disclosure

In February 2017 TISL requested the Prime Minister's Asset Declaration under the Right to Information Act. The Presidential Secretariat, the official repository of the Prime Minister's asset declaration, refused to provide the information. Following a long-running hearing before the RTI Commission, in December 2018 the Commission provided a landmark order, instructing the Presidential Secretariat to provide TISL with the Prime Minister's Asset Declaration. The RTI Commission in their decision noted that “the RTI Act enables a powerful check to be exercised on even potential corruption as this would deter those otherwise enticed to amass public wealth for themselves”. This matter has been subsequently appealed by the Presidential Secretariat to the Court of Appeal, marking the first instance where the Court will exercise its jurisdiction on the Right to Information.

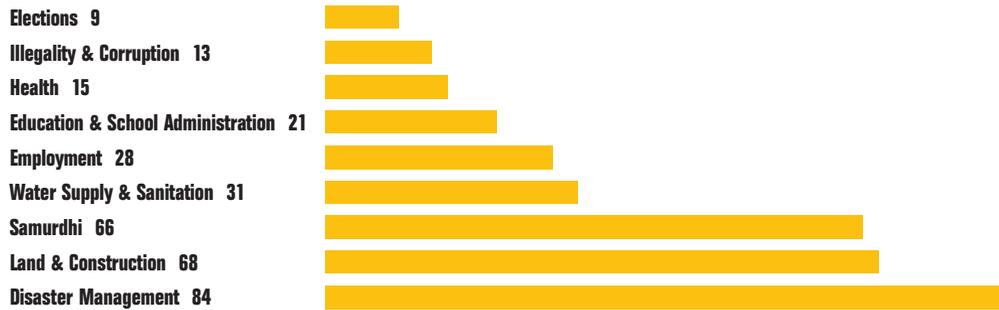
Concurrently, TISL launched a campaign to encourage MPs to unilaterally disclose their asset declarations to the public, thereby normalising the public scrutiny of personal finances of elected public representatives. This campaign mounts a significant challenge to the prevailing political culture in Sri Lanka and the results of this campaign will be assessed in 2019.



RTI REQUESTS FACILITATED BY RTI HUBS



AREAS MOST REQUESTED



OUTREACH



**79 TRAININGS,
2,590 CITIZENS TRAINED**



**RTI VAN - 23 DESTINATIONS IN 2 DISTRICTS,
1947 DOCKETS DISSEMINATED
151 RTI REQUESTS FACILITATED**



**STREET DRAMA
23 LOCATIONS – 5 DISTRICTS**

SHELTER FOR INTEGRITY

SHELTER FOR INTEGRITY

TISL's Shelter for Integrity serves as a bridge between citizens and state institutions advocating for changes in policy and providing a platform for citizens to openly discuss experiences of corruption. Through the centers located in Colombo, Matara and Vavuniya, TISL conducts anti-corruption awareness programs and free mobile legal clinics to provide the public with much needed information on grievance redress mechanisms and to support them in their actions against corruption.

In 2018, the Shelter for Integrity expanded its scope by identifying significant public interest cases that can be supported by TISL. To this end two cases were identified. The first involves TISL's public interest litigation on condominium development, based on complaints brought by several residents' associations in the greater Colombo area. Condominium developments are taking

place in urban centres across the country in clear violation of rules and regulations, with allegations of corruption. TISL will be filing a case on this matter in the Court of Appeal in 2019.

The second case involved a whistleblower at a college medical dispensary. The whistleblower had lodged a complaint regarding financial mismanagement at the Commission to Investigate Allegations of Bribery or Corruption (CIABOC). However, the information regarding the complaint had reached his supervisor, pointing to a possible leak from within CIABOC. The whistleblower was consequently suspended from his job based on several frivolous charges. TISL is currently assisting the whistleblower in preparing for his case before the Labour Tribunal.



IMPACT STORY

Alleged Abuse of Power in Tennis Selections for the 2018 Asian Games

In July 2018, the Shelter for Integrity brought to the attention of the Minister of Sports, a potential incident of abuse of power, as per a complaint we had received regarding the selections process for the tennis squad for the Asian Games 2018. Key among the many questions regarding the selection process was the inclusion in the final squad, of a player who did not participate in the trials as admitted to by the Sri Lanka Tennis Association, which conducted the trials. Media reporting confirmed that the individual in question had been selected to the squad, at the expense of an individual who had been selected through the trials. Whilst TISL's intervention in the matter brought public attention to potential abuse of power due to conflicts of interest in sport administration, the matter was also taken up in court where the parties involved had reached a settlement.



TISL flags potential abuse of power in tennis selections for Asian Games 2018

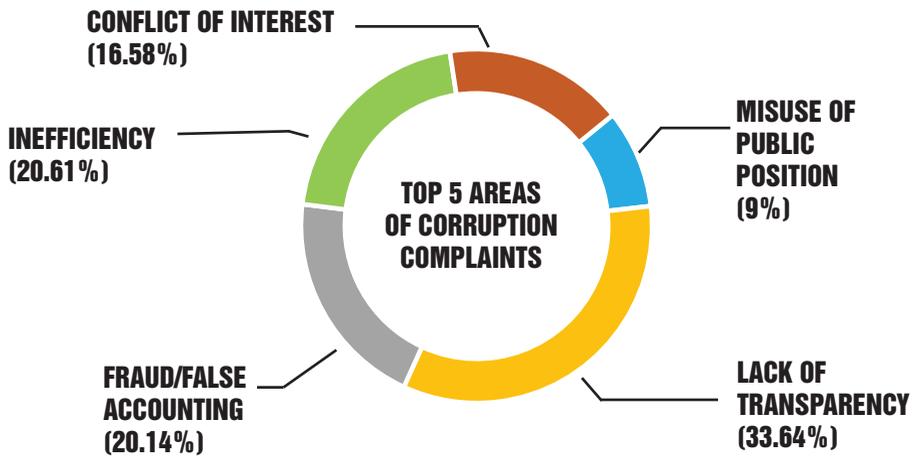
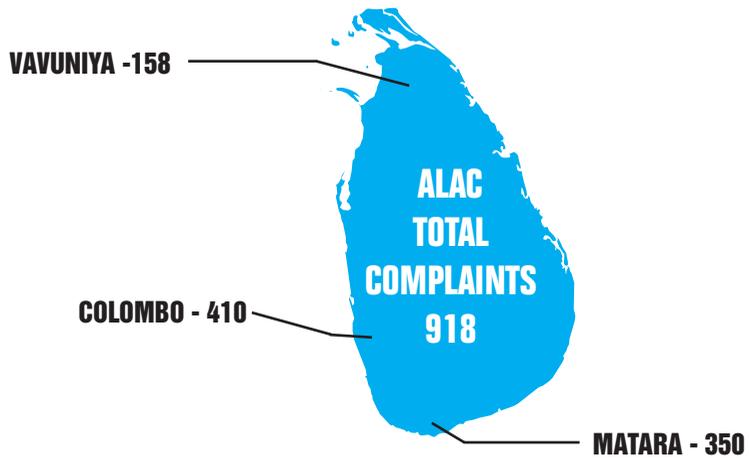
Comments / 171 Views / Thursday, 2 August 2018 00:00 [Tweet](#) [Facebook](#)

The Transparency International Sri Lanka (TISL) yesterday alleged there was a potential abuse of power in the selection of national tennis players for the Asian Games 2018.

In a statement on 24 July, TISL Transparency International Sri Lanka's Advocacy and Legal Advice Centre brought to the attention of Sports Minister Faiszer Mustapha a potential incident of abuse of power, as per a complaint received regarding the selections process for the tennis squad for the Asian Games 2018. Media reports published on 30 July announcing the selection of the squad appear to confirm that no preventative action has been taken in this matter.

Key among the many questions regarding the selection process is the inclusion in the final squad of a player who did not participate in the trials.

COMPLAINTS RECEIVED BY SHELTER FOR INTEGRITY OFFICES



INTEGRITY

IDOL

INTEGRITY IDOL

Integrity Idol is a global campaign aiming to champion the concept of integrity by “naming and faming” bureaucrats as positive role models. It is an initiative created by Accountability Lab, which was launched in Nepal in 2014, and thereafter implemented in Liberia, Pakistan, Mali and South Africa.

TISL was the first third party organisation to take on this international campaign. Integrity Idol 2018 was launched in June with a nation-wide campaign that was a combination of print, electronic and social media advertising calling for nominations. The Integrity Idol process includes a nomination period, a reviewing process and the selection of the top 5 candidates who were given publicity among the general public, before a public vote for the winner. The key element that differentiates Integrity Idol from the previously conducted National Integrity Awards is the shift in focus to public participation throughout the entire process.

Integrity Idol 2018 received over 300 nominations across 22 districts in the country. The extensive nomination form requires evidence of examples of the nominee’s integrity in public service and the consent of the nominee to participate in the campaign. Thereafter, the Integrity Idol team at TISL carried out rigorous background checks and a long list of nominees was then submitted to the panel of five judges who commenced the arduous task of selecting a shortlist of 5 idols after reviewing the nominations and conducting in-person interviews. Once the judges had shortlisted the 5 idols, informational videos detailing the work carried out by the selected nominees were produced and disseminated with the support of our media partner, NewsFirst, and social media. Through the SMS platform devised by the telecommunications partner, Dialog Axiata PLC, the public were provided a 10-day period to vote for their preferred idol. The 2018 idols received over 10,000 votes.



The finale was held in November at Stein Studios in Ratmalana, with the presence of our Chief Guest, Deshamanya Dr. Radhika Coomaraswamy. The event featured a variety of performances in the form of an original Tamil language street drama adapted for the stage and a short one-man skit on the use of Right to Information in Sri Lanka. Mr. P. Karunarathna Bandara emerged as the winner of Integrity Idol 2018 polling the highest number of votes. Mr. Bandara is the Divisional Education Director for the Thambuttegama Division who time and again has withstood political pressure when asked to carry out activities that violated department regulations. He was subsequently

transferred but uncompromising on his principles, Mr. Bandara took the matter to the Supreme Court where the court ruled in his favour.



TISL IN THE MEDIA

TISL IN THE MEDIA

2018 was an eventful year for TISL and this was well captured in our engagement with the media. Whilst improving on our reach in the traditional print and broadcast media, TISL also made great strides in expanding our reach on social media platforms. Growth in TISL's social media audience and in the number of publications and media houses carrying TISL content represented a significant expansion in audience numbers and engagement.

Right to Know Day – Flooding the Airwaves

On International Right to Know Day in September 2018, TISL decided to optimise usage of the often-neglected radio medium to raise public awareness on RTI on prime morning drive time radio shows. This included the airing of radio commercials on 3 radio stations and also featured several TISL staff as guests on the morning radio shows of 4 popular national radio stations.



Anti-Corruption Day & Asset Declarations

Capitalising on the momentum brought about by the RTI commission's landmark decision to grant public access to the Prime Minister's Asset Declaration, TISL launched a newspaper and social media ad campaign in December 2018, calling on the public to demand access to their MPs Asset Declarations and calling on MPs themselves to take the initiative to disclose this information in public. This resulted in increased awareness among the public on the issue of secrecy surrounding public representatives' asset declarations and led to several MPs reaching out to TISL expressing their willingness to unilaterally make their asset declarations public in 2019.

PUBLIC SERVICE OR SELF SERVICE?

WHERE DOES YOUR MP STAND?

USE RTI TO REQUEST YOUR POLITICIANS' ASSET DECLARATION TODAY!

FOR RTI RELATED INQUIRIES: COX PHONE: 051-2605500
 TRANSPARENCY INTERNATIONAL SRI LANKA
 MAHMA 041-2230522
 WINDSURF 024-2227676

FOR COMPLAINTS RELATED TO ASSET DECLARATIONS: COMMISSION TO INVESTIGATE ALLEGATIONS OF BRIBERY OR CORRUPTION 1954

BOARD OF DIRECTORS

S.C.C. Elankovan (Chairperson)

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

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

Anushika Amarasinghe (Deputy Chairperson)

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

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

K. W. Janaranjana

An Attorney-at-Law, Mr. Janaranjana is a senior journalist who is presently Editor of the weekly newspaper 'Anidda'.

He was the founder member and CEO of the Rights Now Collective for Democracy and has previously served as both the assistant secretary and secretary of the Free Media Movement. Mr. Janaranjana is a lecturer of Law and currently serves as a Senior Lecturer at the Centre for Professional Studies (CFPS) Colombo. He holds a diploma in Communication from the University of Sri Jaywardenepura and is a member of the Bar Association of Sri Lanka.

Shyamala Gomez

Shyamala Gomez is a Human Rights Lawyer and a Women's Rights' Activist. She is the Executive Director of the Centre for Equality and Justice (CEJ), a local women's organisation based in Colombo. CEJ's mandate includes the promotion of gender equality. CEJ is the former FOKUS WOMEN, the Country Office for FOKUS, a women's organisation based in Oslo. Ms. Gomez served as the Country Director of FOKUS WOMEN from 2014 to December 2017. Ms. Gomez taught law at the Faculty of Law, University of Colombo for eight years and was also the Gender Advisor to the UN Office of the Resident Coordinator in Colombo from 2006 to 2011. She also ran the Women's Housing Rights Programme at the Centre on Housing Rights and Evictions for over five years.

She has written and published extensively in the areas of violence against women, masculinities, rights of migrant workers, reproductive rights, land rights of women, women, peace and security and more generally on women's rights. These publications include an article on 'Women in Post War Sri Lanka: Linking Policy to Reality' that was published in Gender, Violence and the State in Asia by Routledge Publications in July 2016. She also has a recent publication on conflict related sexual violence in Sri Lanka for UN WOMEN Asia Pacific.

Gehan Gunatilleke

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

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

T. Someswaran

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

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

Shreen Abdul Saroor

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

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

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

Pavithra Kailasapathy

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

Pavithra is an Associate member of Institute of Personnel Management Sri Lanka and was a member of the IPM Council in 2002/3. She was a Director of the Board of Women's Education and Research Centre, Colombo, and Step-by-Step Studio, Colombo. She was also the Treasurer for 3 ½ years in FUTA. Pavithra has conducted training for non-governmental organisations leaders and staff on personal development, organisation development and leadership development.

Tony Senewiratne

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

He was Executive Director of LEADS (Lanka Evangelical Alliance Development Service) 1991- 2000. Mr Senewiratne was instrumental in setting up ESCAPE – an organisation for the Protection and Rehabilitation of Sexually Abused Children. He also set up Y-Gro – a Youth Rehabilitation programme – Vocational training centre & Campsite and was its Director from inception. He has been a Director of the English Language Ministry and presently serves as the Treasurer of Y-Gro.

Pulasthi Hewamanna

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

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

As part of Pulasthi's commitment to continued professional development, he is pursuing a course of studies relating to Forensic Medicine, conducted by the Faculty of Medicine, University of Colombo.

Camena Guneratne

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

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

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

VOTE OF THANKS

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

YOU MAKE OUR WORK POSSIBLE.

A SPECIAL THANKS TO

**COFFEY INTERNATIONAL DEVELOPMENT
COMMONWEALTH FOUNDATION
DAI GLOBAL
DIAKONIA
JOHN KEELLS HOLDINGS
MFA NORWAY
MANAGEMENT SYSTEMS INTERNATIONAL
NEELAN TIRUCHELVAM TRUST
OPEN SOCIETY FOUNDATIONS
THE SWISS DEPARTMENT OF FOREIGN AFFAIRS
TI SECRETARIAT
TI UNITED KINGDOM
USAID**

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Transparency International Sri Lanka (Guarantee) Limited (“the company”), which comprise the Statement of Financial Position as at 31 December 2018, 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 2018, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Governmental Organization) (SL SoRP-NPO's [including NGO's]) issued by the Chartered Accountants of Sri Lanka.

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.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

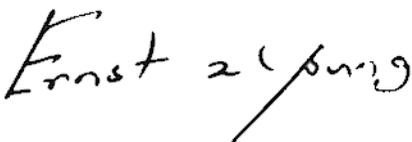
As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 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.



15 March 2019
Colombo

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

ASSETS	Note	2018	2017
		Rs.	Rs.
Non-Current Assets			
Plant & Equipment	5	791,513	418,920
		791,513	418,920
Current Assets			
Advance, Deposits and Other Receivable	7	5,125,448	4,481,818
Advance Given to Partner Organisation	8	-	5,001,687
Income Tax Receivable	15.2	238,071	-
Short Term Deposits	6	4,611,383	4,227,650
Cash & Bank Balances	18	67,088,554	81,626,927
		77,063,456	95,338,082
Total Assets		77,854,969	95,757,002
FUNDING & LIABILITIES			
Accumulated Funds			
Restricted Funds	9	42,142,534	64,176,167
Unrestricted Funds	10	30,423,207	25,143,814
Capital Grants	11	525,163	-
		73,090,904	89,319,981
Non-Current Liabilities			
Retirement Benefit Obligation	12	3,126,133	2,092,321
		3,126,133	2,092,321
Current Liabilities			
Payable and Accrued Expenses	13	1,637,933	3,843,979
Income Tax Payable	15.2	-	500,721
		1,637,933	4,344,700
Total Funding and Liabilities		77,854,969	95,757,002

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


Finance Manager

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


Director


Director

The accounting policies and notes on pages 39 through 50 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2018

	Note	2018	2017
		Rs.	Rs.
Incoming Resources	4	79,891,714	80,854,888
OPERATING EXPENDITURE			
Project Expenses	14	(68,166,800)	(68,740,054)
Administrative Expenses	17	(12,211,147)	(11,922,011)
Total Operating Expenditure		(80,377,948)	(80,662,065)
Net (Deficit) on Operating Activities		(486,234)	192,823
Revenue Earned from Other Activities	16	7,058,589	12,837,853
Net Surplus Before Tax		6,572,355	13,030,676
Income Tax Expenses	15.1	(1,292,962)	(1,534,723)
Net Surplus After Tax		5,279,393	11,495,953
Total Comprehensive surplus for the Year		5,279,393	11,495,953

The accounting policies and notes on pages 39 through 50 form an integral part of the financial statements.

STATEMENT OF CHANGES IN FUNDS

Year ended 31 December 2018

	Restricted Funds	Unrestricted Funds	Capital Grants	Results for the year	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 January 2017	78,762,833	13,365,079	348,596	-	92,476,508
Net Surplus for the Year	-	-	-	11,495,953	11,495,953
Balance Before Transfer to Reserves	78,762,833	13,365,079	348,596	11,495,953	103,972,461
Total Comprehensive Income for the Year	-	11,495,953	-	(11,495,953)	-
Funds Received During the Year	69,494,147	-	-	-	69,494,147
Adjustment Made During the Year	(3,225,925)	282,783	(348,596)	-	(3,291,738)
Funds Transferred to Statement of Comprehensive Income	(80,854,888)	-	-	-	(80,854,888)
Balance as at 31 December 2017	64,176,167	25,143,815	-	-	89,319,982
Net Surplus for the Year	-	-	-	5,279,393	5,279,393
Balance Before Transfer to Reserves	64,176,167	25,143,814	-	5,279,393	94,599,375
Total Comprehensive Income for the Year	-	5,279,393	-	(5,279,393)	-
Funds Received During the Year	80,400,197	-	-	-	80,400,197
Adjustment Made During the Year	(22,542,117)	-	-	-	(22,542,117)
Addition During the Year	-	-	700,218	-	700,218
Amortization of Capital Grant	-	-	(175,055)	-	(175,055)
Funds Transferred to Statement of Comprehensive Income	(79,891,714)	-	-	-	(79,891,714)
Balance as at 31 December 2018	42,142,534	30,423,207	525,163	-	73,090,905

The accounting policies and notes on pages 39 through 50 form an integral part of the financial statements.

CASH FLOW STATEMENT

Year ended 31 December 2018

	Note	2018	2017
Cash Flows From/(Used in) Operating Activities		Rs.	Rs.
Net Surplus before Taxation		6,572,355	13,030,676
Adjustments for			
Depreciation	5.2	338,610	162,623
Provision for Gratuity	12	1,033,812	328,552
Amortization of Capital Grant		(175,055)	(348,596)
Adjustments in Unrestricted Balance		-	282,783
Interest Income	16	(4,617,722)	(5,538,086)
Net cash flow before Working Capital Changes		3,151,999	7,917,952
Decrease/(Increase) in Receivables		4,358,053	1,418,322
Increase/(Decrease) in Payables		(2,205,824)	(2,899,673)
Cash Generated from Operations		5,304,008	6,436,601
Payment of Taxes		(2,031,754)	(1,908,589)
Payment of Gratuity		-	(482,380)
Net Cash From Operating Activities		3,272,474	4,045,632
Cash Flows From Investing Activities			
Purchase of Plant & Equipment	5	(11,203)	(340,858)
Investment on Short Term Deposits	6	(383,733)	(363,870)
Interest Income	16	4,617,722	5,538,086
Net Cash From Investing Activities		4,222,786	4,833,358
Cash Flows from/(Used in) Financing Activities			
Funds received from Donors and utilized	9	(22,033,633)	(14,586,666)
Net Cash (Used in) Financing Activities		(22,033,633)	(14,586,666)
Net (Decrease) in Cash and Cash Equivalents		(14,538,373)	(5,707,676)
Cash and Cash Equivalents at the Beginning of the Year	18	81,626,927	87,334,602
Cash and Cash Equivalents at the End of the Year	18	67,088,554	81,626,926

The accounting policies and notes on pages 39 through 50 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

1. CORPORATE INFORMATION

1.1 General

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

Transparency International Sri Lanka is domiciled in the Democratic Republic of Sri Lanka. The registered office and the principal place of the Company is located at No. 5/1 Elibank Road, Colombo 05. Its programs are carried out throughout the country.

1.2 Principle activities of the Company

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

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

1.3 Date of Authorization for Issue

The Financial Statements of the Company, for the year ended 31 December 2018 was authorized for issue in accordance with a resolution of the Board of Directors on 15 March 2019.

NOTES TO THE FINANCIAL STATEMENTS - Year ended 31 December 2018

2. BASIS OF PREPARATION

2.1 Basis of Preparation

The Financial Statements of Transparency International Sri Lanka have been prepared in accordance with the Sri Lanka Statement of Recommended Practice (SoRP) for Non-Governmental Organisations (NGOs) issued by the Institute of Chartered Accountants of Sri Lanka.

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

2.2 Comparative Information

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

2.3 Changes in Accounting Policies and Disclosures

The Accounting policies have been consistently applied, unless otherwise stated, and are consistent with those used in previous years, except for the changes in accounting policies specified by the Sri Lanka Statement of Recommended Practice (SoRP) for Non-Governmental Organisations (NGOs) issued by the Institute of Chartered Accountants of Sri Lanka.

2.4 Going Concern

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

2.5 Use of Estimates and Judgements

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Translation of Foreign Currency

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the Statement of Financial Position date and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any resulting exchange gains and losses are accounted for in the Statement of Comprehensive Income except for gains or losses relating to items adjusted through the Accumulated Fund which are reflected therein.

3.2 Taxation

Current Taxes

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

3.3 Accounting for the Receipts & Utilization of Funds

3.3.1 Funds

a) Unrestricted Funds

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

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

Contributions received from general public are recognized in the Statement of Comprehensive Income on a cash basis.

b) Restricted Funds

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - Year ended 31 December 2018

3.3.2 Grants and Subsidies

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

3.4 Receivables

Advances, Deposits and Other Receivables are stated at cost less impairment (if any).

3.5 Cash & Cash Equivalents

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

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

3.6 Valuation of Assets and their Measurement bases

3.6.1 Plant & Equipment

a) Cost

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

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

b) Depreciation

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

c) Donated Asset

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

3.7 Investments

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

3.8 Liability and Provisions

3.8.1 Retirement Benefit obligations

(a) Provisions

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

(b) Defined Benefit Plan- Gratuity

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

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

(c) Defined Contribution Plans

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

3.9 Statement of Comprehensive Income

3.9.1 Income Recognition

(a) Incoming Resources

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

(b) Revenue Earned from Other Activities

Interest earned is recognized on an accrual basis.

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

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

3.9.2 Expenditure Recognition

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

4.	INCOMING RESOURCES	2018	2017
		Rs.	Rs.
	Restricted Funding	79,891,714	80,854,888
		79,891,714	80,854,888

5.	PLANT & EQUIPMENT	Balance As at	Additions	Disposals	Balance As at
5.1	Gross Carrying Amounts	01.01.2018			31.12.2018
	At Cost	Rs.	Rs.	Rs.	Rs.
	Furniture & Fittings	1,702,984	10,985	-	1,713,969
	Office Equipments	4,588,405	210,318	-	4,798,723
	Computers	2,455,755	489,900	-	2,945,655
	Motor Vehicle	78,000	-	-	78,000
	Total Gross Carrying Amount	8,825,144	711,203	-	9,536,347

5.2	Depreciation	As at 01.01.2018	Charge for the Year	Disposals	As at 31.12.2018
	At Cost	Rs.	Rs.	Rs.	Rs.
	Furniture & Fittings	1,648,841	29,665	-	1,678,506
	Office Equipments	4,408,014	126,382	-	4,534,396
	Computers	2,271,369	182,563	-	2,453,932
	Motor Vehicle	78,000	-	-	78,000
	Total Depreciation	8,406,224	338,610	-	8,744,834

5.3	Net Book Values		As at 01.01.2018	As at 31.12.2018
			Rs.	Rs.
	Total Carrying Value of Plant & Equipment		418,920	791,513

5.4 During the financial year, the Company acquired Plant & Equipment to the aggregate value of Rs.711,203/- (2017: Rs. 340,858/-). Cash payment amounted to Rs. 10,985/- was incurred during the year (2017: Rs. 340,858 /-).

5.5	The useful lives of the assets are estimated as follows;	2018	2017
	Furniture & Fittings	Over 4 Years	Over 4 Years
	Office Equipments	Over 4 Years	Over 4 Years
	Computers	Over 4 Years	Over 4 Years
	Motor Vehicle	Over 4 Years	Over 4 Years

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

6.	SHORT TERM DEPOSITS	2018	2017
		Rs.	Rs.
	Fixed Deposits	4,611,383	4,227,650
		4,611,383	4,227,650

7.	ADVANCES, DEPOSITS AND OTHER RECEIVABLES	2018	2017
		Rs.	Rs.
	Advance Given to Project Staff	971,919	98,698
	Deposits and Prepayments	3,920,163	3,850,461
	Other Receivables	233,366	532,659
		5,125,448	4,481,818

8.	Advances Given to Partner Organizations	2018	2017
	Advances Given to CAFEE	-	3,073,245
	Advances Given to Sarvodaya	-	1,928,442
		-	5,001,687

9.	RESTRICTED FUNDS	2018	2017
		Rs.	Rs.
	Balance at the Beginning of the Year	64,176,167	78,762,833
	Funds Received During the Year	80,400,197	69,494,147
	Funds Transferred to Statement of Comprehensive Income	(79,891,714)	(80,854,888)
	Adjustment Made During the Year	(22,542,117)	(3,225,925)
	Balance at the End of the Year	42,142,534	64,176,167

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

9. RESTRICTED FUNDS (Contd...)

9.1 Movements in Restricted Funds - 1 January to 31 December 2018

Name of Donor Organisation	Project
MFA Norway	Strong Democracy through Anti-Corruption, Open & Inclusive Governance
European Union	Election Monitoring
USAID / SPICE	Facilitating Civil Society Engagement in the Development and Monitoring
TI Secretariat - ACA	Effective and Accountable Governance
TI Secretariat	Effective and Accountable Governance for Sustainable Growth
Diakonia	Sri Lanka Democracy and Justice Programme
Open Society Foundation	Strengthening Democracy by Supporting Political Representation & Freedom of Expression
Commonwealth Foundation	Promoting Civic State Engagement to Support Effective Implementation of the Right to Information Act in Sri Lanka
The Asia Foundation	Sub-National Governance Programme
TI - Secretariat	Enabling Impact
Internews	Internews
EWMI	Advancing Transparency, Accountability and Countering Corruption in Sri Lanka
Open Society Foundation	Organizational Support and Advancing the Open Government Partnership in Sri Lanka 2017-2019
DAI	Supporting Democratic Governance through Strengthened Civil Society Collaboration
Swiss Embassy	Election Monitoring
TI - Secretariat	SDG Advocacy
Neelan Tiruchelvam Trust	Supporting Women's Voices through Transparent and Participatory Governance at the Local Level
SDG	Effective Monitoring of SDG 16 to support Democratic Governance and Accountability
TI UK	National Advocacy to Advance Sri Lanka's Anti-Corruption Summit Commitments
IDEA	Strengthened Civil Society Advocacy for Comprehensive Anti-Corruption Mechanisms
John Keells Holdings	Integrity Idol
Total for ongoing Project	

	Budget for the Period	(A) Balance as at 01.01.2018	(B) Received during the year	C=A+B Total available in current year	(D) Transferred to SOCI for the project cost	(E) Adjustment made during the year	F=C-D-E Balance as at 31.12.2018
	Rs.						
	26,840,043	12,338,569	16,360,000	28,698,569	23,055,937	-	5,642,632
	22,457,904	22,457,904	-	22,457,904	4,293,710	18,164,194	-
	6,787,711	1,045,764	-	1,045,764	-	-	1,045,764
	2,758,625	2,445,459	2,628,948	5,074,407	1,143,259	2,216,941	1,714,206
	5,973,129	3,824,799	5,563,505	9,388,304	5,412,374		3,975,930
	8,728,772	833,728	5,684,967	6,518,695	8,197,673	1,678,977	-
	16,196,210	2,511,160	-	2,511,160	582,855	1,366,137	562,169
	6,946,983	2,483,993	5,687,162	8,171,155	6,728,730	(1,678,977)	(236,553)
	3,732,585	613,004	96,518	709,522	149,634	-	559,888
	5,603,462	69,878	1,532,170	1,602,048	857,045	-	745,003
	-	794,845	-	794,845	-	794,845	-
	-	77,263	-	77,263	161,774		(84,511)
	20,562,941	14,925,051	20,008,125	34,933,176	16,937,959		17,995,217
	14,377,423	(245,250)	10,305,750	10,060,500	1,222,589		8,837,912
	972,865		973,170	973,170	973,170		-
	733,949		733,949	733,949	761,571		(27,622)
	5,132,330	-	1,463,109	1,463,109	1,002,173		460,936
	10,065,105	-	3,339,225	3,339,225	5,984,095		(2,644,870)
	18,000,000	-	3,873,600	3,873,600	1,711,266		2,162,334
	-		1,900,000	1,900,000	465,900		1,434,100
	250,000		250,000	250,000	250,000		-
	176,120,037	64,176,167	80,400,198	144,576,364	79,891,714	22,542,117	42,142,534

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

10. UNRESTRICTED FUNDS	2018	2017
	Rs.	Rs.
Balance at the Beginning of the Year	25,143,815	13,365,079
Adjustment Made During the Year	-	282,783
Total Comprehensive Income for the Year	5,279,393	11,495,953
Balance at the End of the Year	30,423,207	25,143,815

11. CAPITAL GRANTS	2018	2017
	Rs.	Rs.
Balance at the Beginning of the Year	-	348,596
Addition During the Year	700,218	-
Amortization During the Year	(175,055)	(348,596)
Balance at the End of the Year	525,163	-

12. RETIREMENT BENEFIT LIABILITY	2018	2017
	Rs.	Rs.
Balance at the Beginning of the Year	2,092,321	2,246,149
Charge for the Year	1,033,812	328,552
Payment Made During the Year	-	(482,380)
Balance at the End of the Year	3,126,133	2,092,321

13. PAYABLE AND ACCRUED EXPENSES	2018	2017
	Rs.	Rs.
EPF	628,398	267,351
Medical Insurance	330,425	220,098
Audit Fee	231,000	204,000
Printing Charges	147,050	90,014
PAYE	108,753	50,634
ETF	95,159	13,274
Salary Control	20,547	68,602
WHT Payable	7,600	-
Research Assisstant	-	29,900
Annual Lave	-	78,445
Payable to Programme	-	1,423,520
Gratuity Payable	-	153,016
Rates	-	80,314
Payable to PAFFREL	-	1,112,225
Others	69,000	52,586
	1,637,933	3,843,979

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

14.	PROJECT EXPENSES	2018	2017
		Rs.	Rs.
	Staff Cost (14.1)	17,172,136	19,072,411
	Direct Project Cost (14.1)	47,244,257	42,410,199
	Indirect Project Cost (14.1)	3,750,407	7,257,444
		68,166,800	68,740,054

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

14. PROJECT EXPENDITURE (Contd..)

14.1 Project Activity Summary For the year ended 31st December 2018

Activity/Project	Donor Organization	Total Amount Expended			Total Expenses
		Staff Cost	Direct Project COST	Indirect Project COST	
		Rs.	Rs.	Rs.	Rs.
Strong Democracy through Anti-Corruption, Open & Inclusive Governance	MFA Norway	4,616,655	11,682,632	7,594,492	23,055,937
Election Monitoring	European Union		4,293,710		4,293,710
Effective and Accountable Governance	TI Secretariat - ACA		1,196,900		1,196,900
Effective and Accountable Governance for Sustainable Growth	TI Secretariat	1,017,106	3,834,603	98,665	5,412,374
Sri Lanka Democracy and Justice Programme	Diakonia	3,112,161	4,291,822	794,114	8,198,098
Strengthening Democracy by Supporting Political Representation & Freedom of Expression	Open Society Foundation		582,855		582,855
Promoting Civic State Engagement to Support Effective Implementation of the Right to Information Act in Sri Lanka	Commonwealth Foundation	2,034,735	4,426,237	267,758	6,728,730
Sub-National Governance Programme	The Asia Foundation		149,634		149,634
Enabling Impact	TI - Secretariat	447,863	409,182		857,045
Advancing Transparency, Accountability and Countering Corruption in Sri Lanka	EWMI		161,774		161,774
Organizational Support and Advancing the Open Government Partnership in Sri Lanka 2017-2019	Open Society Foundation	5,680,287	9,783,914	1,469,757	16,937,959
Supporting Democratic Governance through Strengthened Civil Society Collaboration	DAI	977,316	66,553	178,720	1,222,589
Election Monitoring	Swiss Embassy		972,865		972,865
SDG Advocacy	TI - Secretariat		761,571		761,571
Supporting Women's Voices through Transparent and Participatory Governance at the Local Level	Neelan Tiruchelvam Trust	779,278	116,896	105,999	1,002,173
Effective Monitoring of SDG 16 to support Democratic Governance and Accountability	SDG	2,132,494	3,433,148	479,084	5,984,095
National Advocacy to Advance Sri Lanka's Anti-Corruption Summit Commitments	TI UK	956,396	398,560	356,310	1,711,266
Strengthened Civil Society Advocacy for Comprehensive Anti-Corruption Mechanisms	IDEA	34,500	431,400		465,900
Integrity Idol	John Keells Holdings		250,000		250,000
TOTAL PROGRAM EXPENSES		17,172,136	47,244,257	3,750,407	68,166,800
Administration Expenses		4,616,655		7,594,492	12,211,147
Total Expenses		21,788,792	47,244,257	11,344,899	80,377,948

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

15.	INCOME TAX EXPENSES		
	As per the Inland Revenue act No. 24th 2017. Company is liable for Income tax at 28% on Taxable Income.		
15.1	Current Income Tax	2018	2017
		Rs.	Rs.
	Current Income Tax Charge	1,292,962	1,534,723
	Income Tax Expense Reported in the Income Statement	1,292,962	1,534,723

15.2	Income Tax Payable /(Receivable)	2018	2017
		Rs.	Rs.
	Taxable Income	4,617,722	5,481,153
		4,617,722	5,481,153

	Tax Liability @ 28%	1,292,962	1,534,723
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Less:			
	Balance as at 01 January 2017	500,721	874,588
	WHT Paid on Interest	(296,153)	(579,665)
	Self Assessment Payments	(1,735,601)	(1,328,924)
	Balance Payable/(Receivable)	(238,071)	500,722

16.	REVENUE EARNED FROM OTHER ACTIVITIES	2018	2017
		Rs.	Rs.
	Interest Income	4,617,722	5,538,086
	Sundry Income	2,011,209	4,493,680
	Amounts Write Back	254,603	2,407,491
	Amortization of Capital Grant	175,055	348,596
	Donation	-	50,000
		7,058,589	12,837,853

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

17. ADMINISTRATIVE EXPENSES	2018	2017
	Rs.	Rs.
Salaries	4,616,655	6,834,209
Office Rent	1,037,280	633,316
Gratuity	1,033,812	328,558
Security	758,498	677,798
Exgratia Payment	600,000	203,130
Telephone/Internet Charges	477,827	443,628
Insurance	435,809	81,818
Electricity	430,002	234,665
Janitorial Charges	391,300	105,900
Depreciation	338,610	162,622
Office Maintenance	278,453	90,870
Audit Fees	231,000	204,000
IT Maintenance	228,557	76,761
Recruitment Cost	220,477	82,850
Travelling	144,874	139,318
AGM Expenses	138,932	176,119
Staff Welfare	136,321	141,722
Printing and Stationery	124,450	5,012
Secretarial Fees	116,368	118,235
News Papers	90,965	25,290
Amount Written - off	96,475	-
Rates	76,225	167,771
Tax Consultancy	71,854	65,321
Water Rates	39,759	27,447
Bank Charges	25,875	93,138
Meeting Expenses	21,610	6,520
Equipment Maintenance	19,210	-
Postage, Stamps and Courier Charges	8,975	4,809
Board Meeting Expenses	7,739	51,811
Fuel	6,990	3,000
Vehicle Maintenance	6,245	4,685
Legal Charges	-	283,740
Accounting Package Maintenance	-	143,355
Advertisement	-	132,600
Training	-	95,620
Miscellaneous Expenses	-	53,967
AMM 2017 Expense	-	22,407
	12,211,147	11,922,011

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

18	CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	2018	2017
	Components of Cash and Cash Equivalents	Rs.	Rs.
18.1	Favourable Cash & Cash Equivalent Balance		
	Balance at Bank	67,731,917	82,494,949
	Cash in Hand	94,566	87,794
		67,826,483	82,582,743
18.2	Unfavourable Cash & Cash Equivalents Balance		
	Balance at Bank	(737,929)	(955,816)
		(737,929)	(955,816)
		67,088,554	81,626,927
19.	CAPITAL COMMITMENTS		
	There are no capital commitments as at 31 December 2018.		
20.	CONTINGENT LIABILITIES		
20.1	The Company does not have significant contingent liabilities as at the 31 December 2018.		
21.	EVENTS OCCURRING AFTER THE STATEMENT OF FINANCE POSITION DATE		
	There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the Financial Statements.		
22.	RELATED PARTY DISCLOSURES		
22.1	Transactions with Key Management Personnel of the Organization		
	The key management personnel are the members of the senior management committee being responsible for project management, General management and implementation of policy decisions. None of these key personnel are members of the board of directors of the Company. No member of the Board of Directors receives any salary or other compensation.		
		2018	2017
a)	Key Management Personnel Compensation	Rs.	Rs.
	Short - Term Employee Benefits	9,594,924	7,456,850
		9,594,924	7,456,850

CORPORATE INFORMATION

NAME

Transparency International Sri Lanka
Company Registration No - GA 279

LEGAL STATUS

Company Limited by Guarantee incorporated in Sri Lanka

DATE OF INCORPORATION

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

REGISTERED OFFICE

No 5/1, Elibank Road, Colombo 5, Sri Lanka

Telephone : 011 4369781

Fax : 011 2 501 707

E-mail : tisl@tisrilanka.org

Web : www.tisrilanka.org

COMPANY SECRETARY

Charuni Gunawardana LLB (Hons) LLM

AUDITORS

Ernst & Young

Chartered Accountants

BANKERS

Commercial Bank of Ceylon PLC

