

INTEGRITY ACTION:
ANNUAL REPORT
AND FINANCIAL
STATEMENTS

THE YEAR TO 30 SEPTEMBER 2012



Company registration number: 4884328
(England and Wales)

Charity registration number: 1120927

ANNUAL REPORT

Page 1

FINANCIAL POLICIES AND FINANCIAL POSITION

Page 16

AUDITOR'S REPORT

Page 18





Integrity Action seeks to identify ways of making integrity work in some of the world's most challenging settings. We are an organisation with an active network of committed NGOs, universities and policy makers, working closely with governments, media organisations, businesses and their peers.

Since its inception in 2003, Integrity Action has experienced impressive growth and considerable success. In 2010 we decided to take stock of progress to date and conduct an internal strategic review. This evaluation process led to a period of consolidation that has given us a clearer vision and strengthened our organisational capacity. We are now ready for further growth.

During 2012, we renamed from Tiri to Integrity Action, which offers a clearer, more concise and memorable notion and vision as to what we stand for and what we offer.

Herein, the Trustees present their statutory report and the financial statements of Integrity Action for the year ended 30 September 2012. The financial statements comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005. The Objects and the Powers of Integrity Action are set out in more detail in the Memorandum of Association as amended in September 2012.

WHAT WE DO

Background

Integrity Action was founded by Fredrik Galtung and Jeremy Pope, who both played major roles in anti-corruption awareness raising, standard setting, promoting integrity and transparency from the early 1990s. With the encouragement and support of others, Integrity Action was established out of the recognition that awareness raising, and general advocacy had moved on to the determined reduction and control of corruption by the application of practical knowledge and skills. The time had arrived for a broad-based global movement against corruption and for integrity in both business and government, with the high degree of professionalism needed to address the challenges of implementing reform.

Anti-corruption initiatives are an essential aspect of sound governance, but this focus alone is too narrow to sustain institutional reform, and it can sometimes have negative, unintended consequences. Top-down, macro governance gains, such as fairer elections and enhancements in the rule of law, only rarely produce tangible, short-term benefits, especially to weak and disenfranchised populations. So we believe positive integrity measures are needed. These antidotes must be found, jointly developed and implemented.

At Integrity Action, we believe that integrity offers one of the largest opportunities for improvements in sustainable and equitable development. For its partners, Integrity Action provides opportunities for collaborative learning, project implementation, sharing of experiences and joint advocacy at a level that few organisations in our field can achieve on their own.

Integrity Action has set itself a goal through to 2021 to deliver sustainable, scalable, high impact-responses to concrete integrity problems that can only be achieved through a collaborative partnership informed by independently verifiable evidence.

Special acknowledgment and thanks go to Integrity Action's donors:

Ford Foundations, Kemitraan, Open Society Foundations

Governments of Netherlands, Norway, UK, USA

UNDEF, UNDP, World Bank,

Christian Michelsen Institute, Malaysian Commonwealth Studies Centre, Siemens

“I know from personal experience that the guardians also need guarding. Self regulation does not work when the stakes are high. Integrity Action is playing a critical and leading role in finding innovative ways to empower citizens and NGOs to play this role in ways that are socially constructive.”

Elizabeth Filkin, former UK parliamentary commissioner for standards, Integrity Action trustee

Public Benefit

When setting the objectives and planning the work of the charity for the year, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees consider that all of the aims and objectives detailed in this report are there in order to benefit the public. The trustees believe that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

How Integrity Action is Funded

Integrity Action has to date secured over GBP 12 million in direct funding, in addition to more than GBP 30 million of in-kind and matching contributions in its first nine years of operation. Integrity Action receives support from some of the world's most sophisticated and demanding charitable foundations, government bodies and corporations in the world. Integrity Action's FY2013 budget is GBP 2.2 million, of which 86% is allocated to programmes.

Systematic work in this field requires high levels of dedication, competence, institutional backing, and commensurate financial resources. Our target is to secure funding for our work as well as to develop innovative financing methods that will support the whole sector. As we have done before, we will aim to match our funding target on at least a 2:1 basis with additional matching grants provided directly to our partners and sub-grantees.

Management

Integrity Action is a UK-registered charity. Fredrik Galtung, the CEO and co-founder of Integrity Action, has been working in the transparency, accountability and anti-corruption fields for 19 years. Joy Saunders, Integrity Action's COO, joined from JP Morgan, where she was Vice President, and held previous positions with PWC. She has extensive experience of the business and charity sector. Integrity Action's 35 staff come from over 20 nationalities reflecting the diversity of our partners and beneficiaries. Special acknowledgment and thanks go to Rickie Sankar who resigned as a trustee in June 2012. Rickie provided invaluable strategic support and advice to the organisation since its inception in 2003.

COMMUNITY MONITORING IMPROVES THE DELIVERY OF PROJECTS IN LIBERIA

After decades of brutal conflict in Liberia, the people want to see stability, peace and an end to corruption. However, as in many post-war countries, corruption, poor governance and lack of accountability are tough to tackle. The mismanagement of aid and the weak capacity of local government means resources do not always reach those who need them most.

Jasper Cumme is an inspiring integrity leader in Liberia committed to community empowerment and greater accountability in the development process. He works tirelessly to improve the lives of communities by leading the monitoring of development projects under the Poverty Reduction Strategy. Integrity Action have provided training and support to Jasper.

Two years into the implementation of the Liberian government's four-year Lift Liberia Poverty Reduction Strategy, Jasper noticed a major gap between the promises and the delivery on the ground, especially in the rural areas where social services were inadequate and attempts at improvements are slow.

To redress this, Jasper joined representatives from eight like-minded civil society organisations to form the Poverty Reduction Strategy Tracking Network (PRSTN), which Integrity Action supports. Jasper works directly with community members, mobilising them to design, plan, implement and evaluate development initiatives. Thanks to their collaborative approach, the Ministry of Justice has offered the PRSTN a permanent seat on the Human Rights Reporting subcommittee, and the United Nations are using their gender-sensitive data in their programmes. The PRSTN is seeing results, not only in the effective delivery of services but also, in the invitation from government to further engage and enhance its monitoring and evaluation framework. The PRSTN, from the community to the national level, is committed to working with all partners to lift Liberia out of poverty.

Integrity

We define organisational integrity as the set of characteristics that improves trustworthiness to stakeholders. In our approach, institutionalizing integrity requires the alignment of Accountability, "Enabling stakeholders to check that we do what we say we do"; Corruption control, "Doing it without corruption"; Competence, "Doing it well"; and Ethicality, "Doing it with honour and public purpose".

Vision

Our vision is for a just and equitable world, where citizens are empowered and integrity is central to vibrant societies.

Mission

Integrity Action's mission is to empower citizens to act with and demand integrity, actively taking part in building institutions to promote a state that is open, accountable and responsive to their needs and expectations. Without integrity, measures to safeguard human rights, and the environment, strengthen democracy, promote social equity and reduce poverty are compromised.

Objectives

To achieve our vision and mission we have defined four overarching strategic objectives to which we have aligned our programmes and our budgeting priorities:

1. Deliver **high impact, locally-driven, scalable responses** to concrete integrity challenges through collaborative partnerships, local problem solving, capacity development and the mobilisation of a critical mass of integrity builders.
2. Conduct **action learning** by gathering empirical evidence, supporting policy research, peer exchanges and independent evaluation, sharing tools and knowledge widely through networks of civil society organisations, universities, training institutions and media partners.
3. **Engage** with policy makers, citizens and institutional leaders, accessing information and **advocating** for policies and practices, accessing information and setting new integrity standards, where needed.
4. Strengthen our partners and Integrity Action as vibrant organisations that are **fit for purpose and growth**.

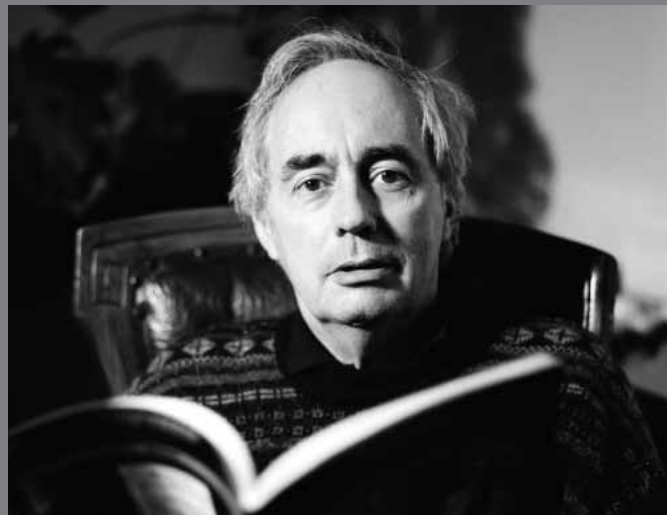
Programme Scope

Through our programmes we facilitate and support collaborative, locally-focused interaction between different stakeholder constituencies to develop practical, effective and scalable solutions to identified challenges that promote integrity in public and private sector governance, particularly in relation to the management and allocation of public resources.

We emphasise the transformative role of the citizen in integrity building, promoting an approach that empowers citizens to take an active part in 'building the state from below' gradually gaining entitlements and compelling the state to open and respond to their active participation. A fuller description of our approach is contained in Integrity Action's Theory of Change. Our programmes work with complementary, constituent components of an integrity building agenda, namely:

- The **individual** (the Education programme)
- The **community** (the Post-War Reconstruction, Pro-Poor Integrity, and aspects of the Education programmes)
- Public, private and third sector **organisations** (the Education, Post-War Reconstruction, Pro-Poor Integrity, and Workplace programmes)
- **Electoral and judicial systems** as key aspects of the constitutional framework (the Democratic Governance and Education programmes)

Because we are seen to provide tangible programmatic benefits at these different levels, we are able to play a bridging role, both top-down and bottom-up, bringing together key constituencies to build integrity more effectively. The commitment to work collaboratively with state institutions is therefore another important premise for our work.



JEREMY POPE – IN MEMORIAM

With a sad and heavy heart we notify you that Jeremy Pope, co-founder of Integrity Action passed away this summer. He was one of the pillars, greatest innovators and forces for good in the international integrity and anti-corruption movements.

Jeremy's work in advancing integrity and curbing corruption inspired thousands of people around the world to take up the fight against corruption and to find lasting solutions to these seemingly intractable problems. Jeremy authored the Sourcebook that introduced the concept of the National Integrity System to the world. This was a seminal publication that was eventually published in over 20 languages.

Jeremy's work on anti-corruption and pro-integrity, came after earlier chapters in his life: he was a civil rights and environmental lawyer in New Zealand; at the Commonwealth Secretariat he had a key role in efforts to abolish the death penalty, physical punishments of prisoners, and torture in several jurisdictions; he was a leading force in the international sports boycott of Apartheid South Africa; and one of the major innovators in international elections monitoring before that business existed.

Jeremy, your death was sudden. It came far too early, and you were still involved in many on-going projects. People around the world who had a profound appreciation and admiration for you will miss you. Aloha.

INTEGRITY EDUCATION NETWORK (STARTED IN 2004)

We facilitate the largest academic network worldwide focused on empowering universities and national training institutes to teach practical and skills-building integrity courses to prepare future leaders for professional and public life.

- Our education network has 335 universities and national training institutes and some 900 affiliated academics in 60 countries. Over 22,000 students in China, and 9,950 students and professionals elsewhere received integrity education last year.
- Integrity Action hosts a global library of documents, curricula, case studies, and literature on corruption and integrity, some of which have been translated into Arabic, Chinese and other languages.
- Since 2004, we host a 10-day Integrity School, held annually at the Central European University in Budapest that has trained 500 integrity champions. The school has evolved into a leading, global venue for policy makers, donors, academics and practitioners to interact, share knowledge, experiences and motivate each other to spearhead integrity in their work situations. These training programmes are now also being offered in French and Arabic.

“The best short course I’ve been to in 20 years. Before the course, I knew what to say about corruption; after the course, I know what to do about corruption.”

Alf Persson, SIPU International

“These two weeks have transformed the way I view governance and integrity and equipped me with ideas and necessary practical skills to implement positive reforms in my organisation.”

Prof. Wijayanto, Vice Rector of Paramadina University, Indonesia



INDONESIAN INTEGRITY EDUCATION NETWORK (I-IEN)

The main goal of our Integrity Education Network (IEN) is to create a critical mass of professionals in each region who are educated and empowered to practice their professions with integrity. In order to do this, IEN offers its university partners training in integrity-focused curriculum development (full courses or modules), interactive and student-centred teaching methods, and supplies them with academic and practical resources in a variety of media. We started working in Indonesia in 2009 where we now have 101 university and training institute partners. As a result of our and others’ work in the country, the Government of Indonesia through the Ministry of Education and the anti-corruption agency, KPK, decided in 2012 to implement a national strategy on integrity education through a mandatory university curriculum on anti-corruption. This means that Indonesia has become one of the first countries to implement a compulsory anti-corruption course in all higher education institutions. Integrity Action is acknowledged as one of the three contributors in the Anti-Corruption curriculum teaching module which is being rolled out to all universities across Indonesia. We are very proud of this achievement and the close working arrangement we are developing with government ministries in Indonesia. The Council on Higher Education (Dikti) is currently providing training of trainer sessions for 500 university faculty to support this strategy in 2012. Over the next couple of years they aim to reach all of Indonesia’s 3,500 universities, thereby providing tens of millions of students and their immediate families and relations with insights into professional integrity and strategies and experiences for improving integrity in society.

NETWORK FOR INTEGRITY IN RECONSTRUCTION (STARTED IN 2005)

According to the World Bank, fragile states are home to 14% of the world's population and up to 33% of the world's poorest people. A third of all aid to developing countries goes to fragile and conflict affected states. In the context of post war reconstruction the threat of a potential return to violence is high, state capacities and responsiveness are weak and aid is often abundant. High levels of aid often create opportunities for the misuse of resources that breed resentment and reduce state actors' incentive to deliver public goods.

The Integrity Action-led Network for Integrity in Reconstruction (NIR) is a unique network of civil society organisations in post-war settings engaging communities to monitor critical projects and services and advocate for more accountable reconstruction that delivers to their needs. NIR provides organisational support, tools and training, strengthens multi-stakeholder learning and governance, and acts as a policy platform for integrity reform. Across post-war societies, we share a common vision of empowering communities to actively take part in (re)building institutions to promote accountability and effectiveness in aid and the post-war state. Some key achievements:

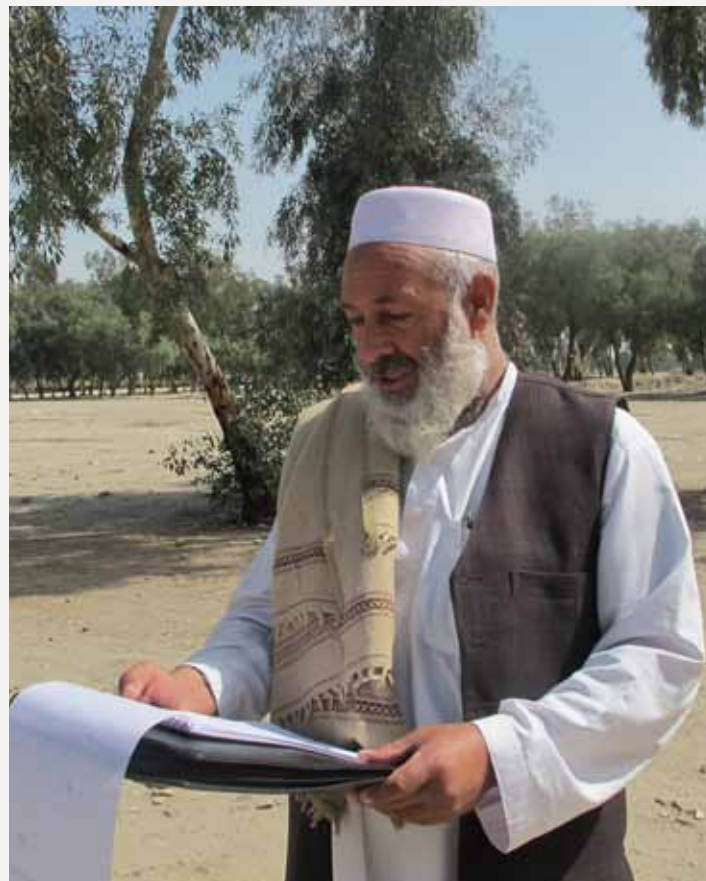
- 1,400 community monitors trained in Afghanistan, Democratic Republic of Congo (DRC), Liberia, Nepal, Palestine, and Timor Leste to oversee 160 reconstruction projects worth £30 million.
- In Afghanistan, constructive engagement led to improvements in 61% of cases where community monitors detected serious deficiencies.
- In Eastern Democratic Republic of Congo, community monitors have ensured effective delivery of medicines and water pumps, and continue to engage authorities in monitoring roads, schools and the upcoming elections.
- In Liberia, a network of organisations works with communities in monitoring the Liberia Poverty Reduction Strategy. As a result of their work, the government has agreed to integrate community feedback in its monitoring and evaluation of the strategy.
- In Palestine, the Teacher Creativity Centre has worked with 560 teachers and students in 15 schools to monitor water and waste management projects, and improve municipal policies and procedures.
- In Timor Leste 101,660 people benefited from improved delivery of infrastructure, such as schools, roads, clinics and housing.

“As human rights activists, we often want to confront the government to demand justice. If it were not for the integrity approach of building trust and credibility, I would be a dead man.”

Floribert Kazingufu Kasirusiru, Foundation Chirezi, DRC

“NIR represents the cutting edge of the field of integrity and corruption in post-war reconstruction.”

Liz Hart, former USAID Senior Anti-Corruption Advisor and Director of the U4 Anti-Corruption Resource Centre





INTEGRITY WATCH AFGHANISTAN

In 2005 Integrity Action gave Integrity Watch Afghanistan its first grant, which enabled the organization to get off the ground. It is now the leading NGO in its sector in Afghanistan. In Afghanistan, between 2002 and 2009, US\$35 billion of aid was pledged. However, reportedly only one fifth has been delivered. Due to corruption at all levels and weak governance, public resources have failed to reach poor communities.

Razia Husseini volunteers for Integrity Watch Afghanistan (IWA), an Afghan-led organisation that fights corruption through building the long-term capacities of communities to demand accountability and participation in decision-making. Razia trained to be a community monitor through the IWA and Integrity Action partnership project. When Razia visits a school building or any other project, she completes a checklist, which ensures that agreed plans are precisely implemented; good quality materials are used; and money does not fall into the wrong hands. She inspects buildings, budgets, takes photographs, engages with the contractors and local government and shares her findings to bring change. She, along with IWA and Integrity Action, ensures that local government and contractors follow up on agreed actions. Razia's dedication and that of IWA staff and monitors is paying off. In Afghanistan, we have seen that constructive engagement by our trained community monitors has led to improvements in 61% of cases where serious deficiencies were detected. As a result of our work, aid can reach the intended beneficiaries.

PRO-POOR INTEGRITY (STARTED IN 2008)

The programme identifies innovative ways of empowering civil society in seven countries in Africa, Asia and the Middle East to work collaboratively with state institutions to improve integrity in the delivery of essential services such as education, health, water, sanitation and social protection. Pro-Poor Integrity's major benefit is that it gives citizens a voice and processes for channeling and solving their grievances. The programme has seen:

- Improvements in the delivery of social protection in Kyrgyzstan's mountainous region;
- A modern community health centre built in Boboli district, Sierra Leone;
- More access to education for girls in Kabuli and Bushenyi districts of Uganda;
- Justice for abused girls in Kinango district, Kenya;
- Well-digging licenses issued to farmers, which had previously been blocked and a big improvement in solid waste collection in Nablus in the West Bank in Palestine.

“Only with the support of my fellow monitors I could voice my concerns and report corruption.”

Abu Ali, Jordan Valley, Palestine

“I will not rest until every one of the school children in my community goes back.”

Peter Majale, Taru village, Kenya

OUR PROGRAMMES

CONTINUED



WORKPLACE INTEGRITY (STARTED IN 2006)

We work with public, private and civil society organisations to strengthen organisation systems, embed business ethics and foster a culture of integrity. We build the capacity of professionals to recognise and implement effectively the ethics and integrity standards of their organisations in the context of relevant laws, institutions, values and work place norms.

- We developed *Integrity@Work™*; a competency-based series of film-based scenarios, piloted in Nigeria; and in Indonesia with KPK (the national anti-corruption agency) and the National Ombudsman's Office.
- We raised the institutional integrity of 20 Aga Khan Development Network institutions in eight countries in Africa and Asia.
- The programme supports grassroots activities, in particular through Pro-Poor Integrity.

DEMOCRATIC GOVERNANCE (STARTED IN 2003)

We empower citizens to assert their human rights through combining access to those in high positions of influence with citizen-led accountability to strengthen integrity in electoral and judicial processes.

- We support a gathering of electoral commissioners from around the world held annually in Cambridge, UK.
- In September 2011 we launched the Accra Principles for Electoral Justice in Accra, Ghana, in partnership with a newly constituted Electoral Integrity Group composed of leading electoral and judicial authorities from all major regions of the world. The principles have been piloted in Sierra Leone in the run-up to their 2012 elections.
- We started legal clinics in Palestine and Uganda with leading law schools and members of the judiciary to introduce practical approaches to legal integrity education.



“People in the Middle East know that holding an election is not enough to secure democracy. The process itself must also be seen to be just. The Accra Principles will provide invaluable guidance and support in this process, especially since they draw on a wealth of experience from developing and transition countries”

Dr Ammar Dwaik, former Chief Electoral Officer of the Palestinian Electoral Commission,

“We discovered that the Chairperson had no knowledge of the Local Council Court handbook. They had no training and have been running the courts in their own way. The people demanded that we should keep going back to train. They want this knowledge.”

Ariokol Esther Joyce, law student, Uganda Christian University

“We managed to mobilise local government resources for starting the school we always dreamt of. We only needed to learn how to do it.”

George Kisule, Buwanda village, Uganda

HIGHLIGHTS AND ACHIEVEMENTS OF FY2012



OBJECTIVE 1: DELIVER HIGH IMPACT, LOCALLY DRIVEN, SCALABLE RESPONSES

This year, we have continued to build our successful networks, working with local partners to increase integrity throughout the world. By the end of FY2012 we had networks totalling 351 formal partner institutions with 30 additional partners without formal agreements and 13 civil society organisations in Afghanistan, Haiti, Kenya, Kyrgyzstan, Palestine, Sierra Leone, South Sudan and Sudan.

Through these networks we have provided training and support to 990 scholars, 178 trainers, over 25,000 students, 2,243 citizen monitors and 378 change makers who are now active in over 26 countries.

These scholars have created their own context-specific integrity curricula and are teaching it to the next generation of leaders in higher education institutions around the world. We have also provided training to over 240 public servants in the last year. In China, with funding from the Ford Foundation, 291 public officials successfully completed the Certified Integrity Officer's course testing their understanding of ethics and supporting them in the workplace to put this into practice.

Our monitors are overseeing and providing integrity solutions to local challenges in ten countries enabling schools and health care centres to be built safely and according to plan, access to education for marginalised girls, improvements in waste and sanitation provision as well as ensuring quality materials are being used in construction projects in post-conflict environments. At least ten integrity challenges have been resolved as a result of our work in this area. We are pleased to report that in DRC, as a result of our network's monitoring of water projects, Regideso (a National Water Company) is now replacing pipes to improve the quality of water for 30,000 people. In Kenya, as a result of our pro-poor partners' social audits, ten girls were rescued from abusive situations. In total they are monitoring more than 250 projects worth over \$100m USD.

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HIGHLIGHTS AND ACHIEVEMENTS OF FY2012

CONTINUED



OBJECTIVE 2: CONDUCT ACTION LEARNING

This work on the ground is enhanced by our tools and methodology. Our flagship Integrity School in Budapest, held annually at the Central European University, is a key ingredient of our training. This year it was attended by 52 participants (34 female, 18 male) representing 25 countries. The course offered more in-depth study and analysis on Business Integrity in Emerging Markets, Strengthening Electoral Justice and Social Accountability. The participants are encouraged during the course to critically analyse the integrity challenges they face in day-to-day life and in collaboration with other students formulate solutions that they can apply when they return home. The success of this course led us to launch our first Francophone Integrity School in Senegal during September 2012, which was attended by 30 participants from 14 African countries. This school includes mentoring to the top participants on the course to help them apply their learning back in the real-world on projects they developed during the course.

These schools are supported by various workshops for academia, where we offer our partners training in integrity-focused curriculum development (full courses or modules), interactive and student-centred teaching methods. We also supply them with academic and practical resources in a variety of media. They are encouraged to bring their current curriculum and syllabus to our 'Teaching Integrity Workshop' (TIW), with the goal of improving and enhancing the curriculum with new integrity content, teaching methods and materials. This is supported by our Global Classroom Online Library which is an interactive website with a vast library of integrity materials that can be used by academics to support their teaching. Materials are in English, Chinese, Arabic and Russian.

A focus of the second half of the year has been to consolidate our knowledge internally so our Education, Pro-Poor and Integrity in Reconstruction teams are working more closely and consolidating

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tools to enable us to incorporate training in social accountability into our Curriculum Development Workshops. The aim is that academics include community-based activities as a requirement in their integrity courses. We believe this will provide students with practical experience in social accountability, which is crucial for preparing them to face integrity challenges and serve as integrity builders upon their graduation and entrance into the workforce. This will continue into FY2013 and beyond.

As part of this focus of internal action learning, we have spent considerable effort on monitoring and evaluation efforts. To assist us in capturing the impact of our work we have designed and started to report against an organisation-wide monitoring and evaluation tool which enables us to measure the impact of our activities. This is augmented by various programme-specific ICT tools that capture the impact of our activities at an intervention level. These tools, which are published on our website, are innovative in the way that they include citizen feedback into transparency and accountability initiatives.

HIGHLIGHTS AND ACHIEVEMENTS OF FY2012

CONTINUED



OBJECTIVE 3: ENGAGE WITH POLICY MAKERS, CITIZENS AND LEADERS, ADVOCATING FOR POLICIES AND SETTING NEW INTEGRITY STANDARDS

Alongside our bottom-up citizen-led transparency and accountability initiatives, we have also worked alongside policy makers, international trend-setters and government leaders to positively influence pro-poor policies and advocate for greater transparency and standards in aid, government budgets, data, and service contracts. We are pleased with the positive influence we have had on water distribution and waste management policies in Palestine as well as improving standards on social protection, judicial reform and garbage collection in Kyrgyzstan.

Building upon the success of our local interventions we also continue to support the electoral justice community under the leadership of the National Electoral Commission in Sierra Leone to roll out the Accra Principles of Electoral Justice which promote an

inclusive and open approach to elections and are being adapted to the local context to ensure free and fair elections throughout 2012.

One of the major highlights during the year is the Indonesian Government's adoption of integrity education as a national standard for all its universities starting this year and their recognition of our role in implementing this; over 500 universities will be introducing relevant courses over the next academic year; with the remaining 3000 other the coming years.

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HIGHLIGHTS AND ACHIEVEMENTS OF FY2012

CONTINUED



OBJECTIVE 4: STRENGTHEN OUR PARTNERS AND OURSELVES AS VIBRANT ORGANISATIONS THAT ARE FIT FOR PURPOSE.

Significant progress has been made over the last 12 months in terms of consolidating and documenting policies and procedures and preparing Integrity Action for future growth. In 2010 we decided to take stock of progress to date and conduct an internal strategic review. This evaluation process led to a clearer vision and mission statement as well as highlighting that a period of consolidation was needed to strengthen our organisational capacity in order to make Integrity Action fit for purpose and growth. A key component of finalising this evaluation process was a re-naming of our organisation, in order to ensure our image correlates with the clear direction we are taking. In line with this evolution, Tiri has come to be known as Integrity Action, which offers a clearer, more concise and memorable notion and vision as to what we stand for and what we offer.

In line with this re-branding we have launched a new website and communication strategy which will make our literature more professional, recognisable and consistent.

We continue to support over 300 partners in various different ways in order to strengthen them to be vibrant organisations that are fit for purpose and growth. A highlight of this was the successful spin-off of Publish What You Fund, an international campaign on aid transparency, which played a key role in securing the aid transparency commitments of the Accra Agenda for Action and the International Aid Transparency Initiative. Publish What You Fund has spun off as a separate NGO to continue the campaign. Whilst we continue to work closely with them, they are operating as a successful independent NGO in their own right.

We are building up a library of case studies and robust evidence based indicators to demonstrate our impact. This feeds into our action learning as well as improving our approach to supporting our partners and networks.

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PUBLISH WHAT YOU FUND

In 2008, Integrity Action conceived and incubated the “Publish What You Fund” (PWYF) campaign on aid transparency. Publish What You Fund is an international campaign for aid transparency, which seeks a significant increase in the availability and accessibility of timely, comprehensive and comparable information on aid. Through this campaign, Publish What You Fund:

- Urges donors to disclose their aid information regularly and promptly, and in a standardised format that will be comparable with other countries and accessible to all.
- Supports greater disclosure of aid information in line with the International Aid Transparency Initiative (IATI) Standard
- Promotes the central importance of aid transparency within international discussions on aid effectiveness and freedom of information. The campaign for aid transparency focuses primarily on the EU, US and World Bank, as the world’s largest aid donors.
- Carries out research and monitoring to track the progress of aid transparency in donor countries.
- This campaign played a key role in securing the aid transparency commitments of the Accra Agenda for Action and the International Aid Transparency Initiative.

On 1st October 2011, we successfully spun off PWYF as a separate independent NGO to continue the campaign and through our work in post-war and other aid dependent countries we are working to ensure that citizen feedback mechanisms are established to improve the local accountability of aid.

INTEGRITY ACTION IN 2013

Our main aim this year is to link our Integrity Education Network (IEN), Pro-Poor Integrity (PPI) and Post-War Reconstruction (NIR) activities with in-depth country specific interventions using a top-down and bottom-up approach to connect national integrity projects with local integrity champions. To achieve this, we will combine our social accountability work (PPI and NIR) as formal elements in our tried and tested Integrity Schools. We believe this unique combination of practical education and action-based activities will foster high-impact, scalable, sustainable social change.

Our proposed regional initiatives, which we will incubate over the coming 4-5 years, and eventually spin off as free-standing NGOs, respond to the need to develop much stronger locally led, conceived, adapted and financed integrity solutions and to break the over-reliance on funding and ideas coming from developed countries:

An-Nazaha Al-Arabiyya

“Supporting a new generation of integrity builders”

The Arab Awakening has created a generational opportunity to successfully address some of the major calls for reform and to actively support those committed to change. “An-Nazaha,” which means integrity in Arabic, would be incubated as a new regional

NGO with a mission to identify, support and mentor a new generation of Arab integrity builders who can have a significant, positive impact in their communities and societies.

Integrity Africa – “Sustaining Africa’s growth through integrity”

During the last decade, Africa has experienced significant economic growth and an outstandingly quick recovery after the global financial crisis. Despite uncertainties in the years to come, much greater investment is expected, as the opportunities are abundant. The mission of Integrity Africa is to support integrity-building initiatives that would secure the foundations and the gains to be achieved from Africa’s growth in the coming decade. In the first year it will focus on an advocacy and pilot-testing of approaches that can make such work largely self-funding within Africa.

The process of empowerment in integrity reforms requires more than capacity building, mobilising resources and remote counseling. It needs solid partnerships capable of overcoming challenges. Our approach uses ingenuity, targeting communities with the dynamism and creativity of top universities and research centres to leverage other key stakeholders to embark on a collaborative process of transformation. Through sub-national community based organisations, the initiative will work with communities who identify local integrity challenges and are most likely to identify practical, cost-effective solutions.



WAYS TO SUPPORT INTEGRITY ACTION



Special thanks and appreciation go to our existing donors and supporters. However, we are looking for further philanthropic investments and grants to underwrite Integrity Action’s work.

They enable Integrity Action to attract and retain brilliant policy experts, work on the ground in very difficult situations, conduct high level training and advocacy, and to increase the quality and influence of Integrity Action’s growing network. Ways to support us include:

- **Invest in a specific country or region** as Integrity Action seeks to strengthen and deepen its work in places like Palestine, Egypt, Afghanistan, Indonesia, India, and China. Dedicated funds will enable Integrity Action to scale up its work and plan programmes over a number of years.
- Support **scaling up for an existing, proven programme** like education, our work in post-war countries, with youth, to support pro-poor integrity and electoral justice.

- **Support a pilot project**, e.g. in political e-accountability, the gender dimensions of governance, to strengthen the integrity of the SME business environment, the governance of climate change, or effective monitoring of large-scale development projects.
- **Invest in advocacy**, including online resources, public debates, high-level private dialogues, policy analysis and white papers for policymakers.
- **Invest in research**, including integrity surveys, trend reports, comparative research, and monitoring and evaluation to assess the value for money of integrity work.
- **Support the “integrity builders initiative”**, which seeks 3 to 5-year commitments for upwards of 1,000 reformers across key countries.

FINANCIAL POLICIES AND FINANCIAL POSITION



RESERVES POLICY AND FINANCIAL POSITION

Reserves policy

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. Trustees are committed to generating sufficient reserves to support current organisational activities to meet the following requirements:

- Safeguard the charity's service commitment in the event of delays in receipt of grants or other income
- Provide a financial cushion against risk and future uncertainties
- Resource the research and development of services and initiatives

To this end, the Trustees have established a reserves policy that is reviewed annually to ensure that the appropriate levels of reserves are maintained. However, the Trustees are of the view that reserves should not be set too high, tying up funds which could and should be spent on charitable activities. In line with its duties as a service provider, the organisation aims to hold unrestricted reserves, excluding those tied up in tangible fixed assets, amounting to a minimum of three months' and a maximum of six months' expenditure. This is to minimise any disruption to beneficiaries should a source of income cease. On current expenditure, this is equivalent to a range between £520,000 and £1,040,000.

Financial position

The balance sheet shows total funds of £1,021,724 (2011 – £701,929). General funds or 'free reserves' of the charity at 30 September 2012 total £653,991 (2011 – £89,371).

The charity has guaranteed funding for its core operational and support activities to 31 May 2013. The charity is actively pursuing funding beyond this date and in the future with both existing and potential funders.

The trustees consider that the level of free reserves which is currently at just under 4 months has improved significantly and is adequate to meet core requirements and key programme activities over the coming period. The improvement is a result of a review and reanalysis of restricted funds together with a concerted effort to bolster 'free reserves' as noted above.

Also included in total funds is a restricted fund balance of £367,733 (2011 – £612,558). This balance will be used in the next accounting period, and its use restricted to specific purposes. Full details of these restricted funds can be found in note 10 to the accounts together with an analysis of movements in the year.

RISK MANAGEMENT

The trustees review organisational risks on a quarterly basis and the company's risk assessment register on an annual basis in order to manage the major risks to which the company is exposed, in particular those relating to the specific business and operational areas of the company and its finances. The review ensures that the trustees are aware of all business risks of the company and that they are satisfied that the control procedures are adequate to mitigate these risks.

THE COMPANY'S ASSETS

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts, and as at 30 September 2012 the net book value of fixed assets held by the company was £2,513 (2011 – £7,357).

FINANCIAL POLICIES AND FINANCIAL POSITION

CONTINUED



STATEMENT OF TRUSTEES' RESPONSIBILITIES

Each trustee has taken responsibility for monitoring the company's activities in specific operational areas and constant regard is had to the skills mix of the trustees to ensure that the board of trustees has all the necessary skills required to contribute fully to the company's development.

The trustees (who are also directors of Integrity Action for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board and signed on their behalf by:

Chair of the Audit Committee

Date: 25 January 2013

INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF INTEGRITY ACTION



AUDIT OPINION

We have audited the financial statements of Integrity Action for the year ended 30 September 2012 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial; and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Murtaza Jessa (Senior Statutory Auditor)

for and on behalf of haysmacintyre
Chartered Accountants and Statutory Auditors

Date: 25 January 2013

Fairfax House
15 Fulwood Place
London WC1V 6AY

FINANCIAL POLICIES AND FINANCIAL POSITION

CONTINUED



STATEMENT OF FINANCIAL ACTIVITIES YEAR TO 30 SEPTEMBER 2012

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
Investment income		180	200	380	
Incoming resources from charitable activities					
Grants	1		2,484,210	2,484,210	3,939,776
Total incoming resources		180	2,484,410	2,484,590	3,939,776
Resources expended					
Charitable expenditure					
Cost of charitable activities					
Democratic Governance			97,434	97,434	114,563
Education			385,457	385,457	480,032
Indonesia			361,016	361,016	527,544
Pro-poor Integrity			495,374	495,374	1,230,337
Post-War Reconstruction			227,181	227,181	205,934
Publish What You Fund			–	–	467,102
Workplace			(12,530)	(12,530)	59,872
Core		2,973	510,970	513,943	651,191
Governance costs			17,372	17,372	18,420
Total charitable expenditure		2,973	2,082,274	2,085,247	3,754,995
Total resources expended	2	2,973	2,082,274	2,085,247	3,754,995
Net incoming (outgoing) resources before transfers					
		(2,793)	402,136	399,343	184,781
Transfer between funds	9/10	567,413	(567,413)	–	–
Net income (expenditure) for the year		564,620	(165,277)	399,343	184,781
Fund balances at 1 October 2011		89,371	612,558	701,929	517,148
PWYF Spin Off			(79,548)	(79,548)	
Fund balances at 30 September 2012		653,991	367,733	1,021,724	701,929

There is no difference between the net movement in funds stated above and the historical cost equivalent.

The Publish What You Fund (PWYF) activities were spun off into an independent entity as at 1st October 2011. All of the other charity's activities derived from continuing operations during the above two financial periods.

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

FINANCIAL POLICIES AND FINANCIAL POSITION

CONTINUED



BALANCE SHEET 30 SEPTEMBER 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	6		2,513		7,357
Current assets					
Debtors	7	634,478		714,881	
Cash at bank and in hand		818,250		686,638	
		1,452,728		1,401,519	
Creditors: amounts falling due within one year	8	433,517		706,947	
			1,019,211		694,572
Total net assets			1,021,724		701,929
Represented by:					
Funds					
Unrestricted funds	9		653,991		89,371
Restricted funds	10		367,733		612,558
			1,021,724		701,929

Approved by the Board and signed on their behalf by:

Trustee

Date: 25 January 2013

Company Registration Number: 4884328

FINANCIAL POLICIES AND FINANCIAL POSITION

CONTINUED



PRINCIPAL ACCOUNTING POLICIES 30 SEPTEMBER 2012

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with the requirements of the Companies Act 2006.

Applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these financial statements.

INCOMING RESOURCES AND RESOURCES EXPENDED

Restricted income is recognised when receivable. All other income and non grant-making expenditure is recognised on an accruals basis as goods and services are delivered or performed. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants payable are recognised as expenditure when a binding commitment has been entered into.

TANGIBLE FIXED ASSETS

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised. Depreciation is at the following annual rates in order to write assets off over their estimated useful lives:

- Computer equipment 50% per annum based on cost
- Fixtures and Fittings 50% per annum based on cost

RESTRICTED FUNDS

Income received for purposes specified by the donor are shown as restricted fund income in the statement of financial activities. Expenditure for the purposes specified is applied to the relevant fund and any unexpended amount at the balance sheet date is carried forward within restricted funds.

CASH FLOW

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

ALLOCATION OF STAFF AND OVERHEAD COSTS

Staff and overhead costs are apportioned between projects according to the amount of time spent by each member of staff on each respective activity.

FINANCIAL POLICIES AND FINANCIAL POSITION

CONTINUED



NOTES TO THE FINANCIAL STATEMENTS 30 SEPTEMBER 2012

1 GRANTS RECEIVABLE

	2012 £	2011 £
Restricted		
Open Society Foundation (OSF)	1,002,334	1,464,186
Department for International Development (DFID)	547,830	1,225,641
Netherlands Ministry of Foreign Affairs (via Kemitraan)	472,937	505,013
Siemens Integrity Initiative	256,070	120,232
Hewlett Foundation	–	214,301
Ford Foundation	–	169,378
Norwegian Agency for Development Cooperation (NORAD)	127,782	142,068
United Nations Democracy Fund (UNDEF)	–	47,353
Chr. Michelsen Institute (CMI)	19,944	–
Malaysian Commonwealth Studies Centre	15,000	20,000
World Bank Institute	13,446	–
World Bank	9,854	–
Engineers Against Poverty	8,500	–
UNDP	7,007	–
PriceWaterhouse Coopers	3,506	9,648
ONE	–	5,000
CAFOD	–	4,000
Organisation for Economic Co-operation & Development (OECD)	–	3,738
NCC Management and Development	–	2,392
Save the Children	–	2,000
World Vision	–	1,924
Korea's Ministry of Finance	–	1,855
Deutsche Gesellschaft für Internationale Zusammenarbeit (GTZ)	–	1,047
Total grants	2,484,210	3,939,776

Core funding received from Open Society Foundation has remained the same for both financial years at \$1.3m USD. In 2011, money was donated in the form of two additional grants; the 'Publish What you Fund' and 'Special grant in support of Educational and Democratic Governance activities'.

At the end of financial year 2011, at DFID's request the Pro-Poor Integrity programme was scaled down from 7 to 4 countries with the aim of focusing on quality and depth of intervention rather than breadth of countries. The budget for expenditure was reduced accordingly.

FINANCIAL POLICIES AND FINANCIAL POSITION

CONTINUED



NOTES TO THE FINANCIAL STATEMENTS 30 SEPTEMBER 2012 CONTINUED

2 RESTRICTED RESOURCES EXPENDED

	Integrity Africa £	Education £	Indonesia £	Pro-poor integrity £	Post war recon- struction £	Workplace £	Core £	Governance £	2012 £	2011 £
Direct project costs										
Staff costs	45,112	154,047	20,054	137,191	82,794	–	287,981	–	727,179	1,121,799
Travel	38,568	159,863	101,092	45,589	36,206	–	46,917	–	428,235	497,620
Technical Assistance	4,877	26,567	106,401	8,693	9,070	(12,530)	72,825	–	215,903	345,437
Office Costs	781	3,021	9,484	2,038	804	–	10,591	–	26,719	30,420
IT	642	397	8,306	2,655	–	–	37,694	–	49,694	38,900
Publications	1,909	4,538	5,769	1,179	–	–	8,915	–	22,310	93,938
Rent	2,555	17,267	10,988	4,842	6,587	–	27,523	–	69,762	173,835
Other costs	2,990	6,894	(4,902)	1,659	2,503	–	18,524	17,372	45,040	294,153
Grants	–	12,863	103,824	291,528	89,217	–	–	–	497,432	1,158,893
Total expenditure	97,434	385,457	361,016	495,374	227,181	(12,530)	510,970	17,372	2,082,274	3,754,995

Included in the above are the following:

	2012 £	2011 £
Depreciation of tangible fixed assets (note 6)	9,431	19,085
Auditor's remuneration		
Audit		
Current year	10,620	11,700
Prior year	6,752	6,720
Other services	9,000	12,672

FINANCIAL POLICIES AND FINANCIAL POSITION

CONTINUED



NOTES TO THE FINANCIAL STATEMENTS 30 SEPTEMBER 2012 CONTINUED

3 STAFF COSTS

	2012 £	2011 £
Wages and salaries	630,607	932,193
Social security costs	41,888	85,660
Pension costs	31,224	42,086
Other staff costs	23,460	61,860
	727,179	1,121,799

The average number of employees throughout the year was:

	2012 Number	2011 Number
Project workers	28	25
Admin staff	1	3
	29	28

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2012 Number	2011 Number
£90,000 – £99,999	1	1
£80,000 – £89,999	–	–
£70,000 – £79,999	1	–
£60,000 – £69,999	–	2

The above higher paid employees received employer pension contributions of £8,550 (2011 – £6,325).

4 TRUSTEES' REMUNERATION

£361 (2011: £205) of expenses were reimbursed to two trustees (2011: one) during the year for travel and accommodation to attend educational workshops. No trustee received remuneration in respect of their role as trustee of the charity.

Fredrik Galtung was appointed a trustee of Integrity Action on 4 September 2009. Fredrik Galtung remains the Chief Executive of Integrity Action, but is not remunerated in his role as a Trustee. During 2012, Fredrik was remunerated in his capacity as chief executive for the sum of £98,500 (2011: £98,500).

FINANCIAL POLICIES AND FINANCIAL POSITION

CONTINUED



NOTES TO THE FINANCIAL STATEMENTS 30 SEPTEMBER 2012 CONTINUED

5 TAXATION

Integrity Action is a registered charity. The charitable company is not subject to corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to charities.

6 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 October 2011	13,984	66,751	80,735
Additions in the year	855	4,116	4,971
Disposals in the year**	–	(12,589)	(12,589)
At 30 September 2012	14,839	58,278	73,117
Depreciation			
At 1 October 2011	12,006	61,372	73,378
Charge for year	2,378	7,053	9,431
Disposals in the year**	–	(12,205)	(12,205)
At 30 September 2012	14,384	56,220	70,604
Net book values			
At 30 September 2012	455	2,058	2,513
At 30 September 2011	1,978	5,379	7,357

**Includes Publish What You Fund Fixed Assets (fully depreciated at 30/09/2011): £ 11,821.

The company has a floating charge over its assets in favour of the bank in order to operate its credit card facility. At 30 September 2012, the facility was for £32,000 (2011 – £32,000).

7 DEBTORS

	2012 £	2011 £
Debtors and accrued income	619,150	714,881
Prepayments	15,328	–
	634,478	714,881

FINANCIAL POLICIES AND FINANCIAL POSITION

CONTINUED



NOTES TO THE FINANCIAL STATEMENTS 30 SEPTEMBER 2012 CONTINUED

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Expense creditors	351,889	633,500
Taxation and Social Services Benefits	6,463	14,429
Deferred Revenue	–	18,188
Accruals	75,165	40,830
	433,517	706,947

9 UNRESTRICTED FUNDS

	At 1 October 2011 £	Incoming resources £	Resources expended £	Transfers £	At 30 September 2012 £
General purposes	89,371	180	(2,973)	567,413	653,991

A transfer was made to unrestricted funds due to a reanalysis of income between restricted and unrestricted funds. This is largely as a result of a transfer of core overheads from projects relating to prior years.

10 RESTRICTED FUNDS

	At 1 October 2011 £	Incoming resources £	Resources expended £	Transfers out to PWYF £	Transfers £	At 30 September 2012 £
Democratic Governance	(24,600)	95,858	(97,434)	–	45,175	18,999
Education	76,195	449,428	(385,457)	–	(29,572)	110,594
Indonesia	(923)	472,937	(361,016)	–	(109,788)	1,210
Pro-Poor Integrity	–	548,030	(495,374)	–	(43,209)	9,447
Post-War Reconstruction	154,327	281,841	(227,181)	–	(92,157)	116,830
Publish What You Fund**	79,548	–	–	(79,548)	–	–
Workplace	26,829	–	12,530	–	(13,191)	26,168
Core funding	301,182	636,316	(528,342)	–	(324,671)	84,485
	612,558	2,484,410	(2,082,274)	(79,548)	(567,413)	367,733

**The Publish What You Fund programme was successfully spun off at 1st October 2011 and the balance of funds were transferred to the new organisation Publish What You Fund.

Democratic Governance: empowering citizens to assert their human rights, combining access to people in high positions of influence, with citizen-led accountability to strengthen integrity in electoral and judicial processes.

Education: addressing the capacity gap of reform by facilitating a growing global network of universities, business schools, and civil service training institutions providing evidence-based integrity courses. The educational programme includes activities in Indonesia.

Post-War Reconstruction: addressing the particular integrity and corruption challenges and opportunities of post-war reconstruction through civil society engagement.

FINANCIAL POLICIES AND FINANCIAL POSITION

CONTINUED



NOTES TO THE FINANCIAL STATEMENTS 30 SEPTEMBER 2012 CONTINUED

10 RESTRICTED FUNDS CONTINUED

Pro-Poor Integrity: an action-learning partnership to identify innovative ways of strengthening community engagement to promote integrity improvements in the delivery of health, education, water, sanitation and social protection services in seven countries in Africa, the Middle East and Asia.

Publish What You Fund: an international campaign for aid transparency, which seeks a significant increase in the availability and accessibility of timely, comprehensive and comparable information about aid. This was spun off at 1st October 2011 and so no financial information is included within the FY2012 accounts.

Workplace: building the capacity of professionals in the public, private and civil society sectors to recognise and implement effectively the ethics and integrity standards of their organisations in the context of relevant laws, institutions, values and workplace norms. This programme also includes activities in Indonesia.

Core funding – the Open Society Foundation (OSF) provides funding to support a number of existing or pending programme initiatives, the design and development of new programme initiatives as well as operational support.

11 ANALYSIS OF NET ASSETS OVER FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2012 £	Total funds 2011 £
Tangible fixed assets	–	2,513	2,513	7,357
Net current assets	653,991	365,220	1,019,211	694,572
	653,991	367,733	1,021,724	701,929

12 COMMITMENTS UNDER OPERATING LEASES

As at 30 September 2012 the company has annual commitments under non-cancellable operating leases as set out below:

	2012 Land and buildings £	2011 Land and buildings £
Operating leases which expire:		
Within one year	–	26,860
Between two and five years	14,400	–
	14,400	26,860

Trustees

Alan Barlow (appointed December 2012)
John Cutts
Elizabeth Filkin
Fredrik Galtung
Nilima Gulrajani (appointed December 2012)
Gordon Johnson
Andrew Karney
Arun Nanda (appointed December 2012)
Kevin Radley
Rickie Sankar* (resigned June 2012)
Rory Webster

*Rickie Sankar resigned from the board and audit committee in June 2012.

Audit Committee

Fredrik Galtung
Kevin Radley
Rory Webster

Registered office

Fairfax House, 15 Fulwood Place, London WC1V 6AY

Business office

First Floor, 364 City Road, London, EC1V 2PY

Auditor

haysmacintyre, Fairfax House, 15 Fulwood Place
London WC1V 6AY

Bankers

HSBC Bank, 60 Queen Victoria Street, London, EC4N 4TR

Company registration number: 4884328 (England and Wales)

Charity registration number: 1120927

FREDRIK GALTUNG

INTEGRITY ACTION'S CEO

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JOY SAUNDERS

INTEGRITY ACTION'S COO

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