

Annual Report

AND FINANCIAL STATEMENTS



Financial year
2021/2022

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What we do

People everywhere need and deserve decent public services and infrastructure – and a prominent voice in how they are delivered.

Integrity Action exists to make this happen. We work directly with citizens, helping them secure quality local projects and essential services, including education, health, waste management, water and infrastructure.

Working with communities, civil society, development organisations, private businesses and governments, we build relationships and create incentives for effective project and service delivery. By developing trust among everyone involved, our collaborative and inclusive approach enables people to identify problems and find solutions together. Since our foundation in 2003, Integrity Action has become a recognised global voice in the fields of social accountability, civic technology and open government.

To date, with our support, citizens have monitored over \$1 billion-worth of projects and solved over 67% of the problems they've encountered.



HOW WE WORK

Integrity Action ensures that projects and services genuinely meet citizens' needs – as identified and expressed by communities themselves.

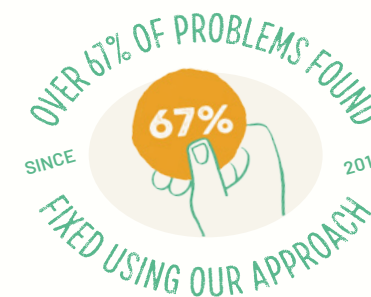
We achieve this by creating tools and methods that community members use to understand what they are promised, identify problems and voice their feedback, and then constructively collaborate with those responsible to fix problems. We also design digital applications, ensuring problems and fixes are captured efficiently and are accessible in real time, and data is easily converted into knowledge. This means that both community-level and strategic problems can be effectively resolved.

We always work in partnerships. By integrating our methodology and tools with the expertise, insights and commitment of community and national organisations, international NGOs, government actors and researchers, we create tangible results that last.

We are a proud contributor to global understanding of the transformational value of citizen-led accountability in democratic development. Our practical and citizen-powered insights and knowledge are regularly used by experts in the transparency and accountability community, and have been applied in over 20 countries.

HOW WE MAKE A DIFFERENCE

Integrity Action remains consistently focused on results that make direct, tangible improvements in citizens' lives. Since 2013, we have helped citizens identify almost 10,000 problems in the delivery of infrastructure and services that they deserve and expect – and ensured solutions to over two thirds of them. We have inspired and supported governments, businesses and non-profit organisations to improve their approach to accountability and participation, placing citizens' voices centrally in decision-making processes.



Welcome note

FROM GAIL KLINTWORTH

CHAIR



2022 has undoubtedly played its part in building what is so far a decade of discontent and upheaval. The beginning of the year recorded one of the lowest rates of citizen trust in those who lead them, with suspicion of governments and global media in particular at exceptionally high levels.¹ This lack of trust is especially acute among lower-income citizens who are most affected by the economic hardship caused by the seismic events on the global stage – Covid-19, war, extreme weather conditions, indebted states and political instability.

In this context, Integrity Action's role has become even more critical, because we carry out vital and painstaking work to build trust and accountability where citizens need governments and local authorities to step up and deliver. We tackle the systemic change needed in delivery systems by enabling local citizens and their service providers to build the capacity to ensure services and products are delivered to appropriate standards.

Multiple evaluations show the improvements delivered through our work. For the SHINE and VOICE initiatives, evaluations highlight how each has empowered citizens to hold authorities

It is deeply rewarding that our partners – whether local NGOs, citizens, government officials or funders – acknowledge that our work is needed and valuable. In the coming year, we will explore new strategic options and welcome more partnerships, as we aim to expand our impact. In a world where the “cycle of distrust threatens social stability”,² we remain deeply grateful to all our current partners and staff for their continued commitment to our critical work.

A handwritten signature in dark ink that reads "Gail Klintworth".

Gail Klintworth
Chair, Integrity Action's Board of Trustees

accountable and strengthened relationships between citizens and duty-bearers.

In addition, we extract critical lessons, apply them to our programmes and share them more broadly – one of the keys to our impact. We have produced valuable knowledge for the field, which other practitioners can pick up and use immediately. Our insights include the role of technology and connectivity in enabling young people to play a constructive, active part in shaping their communities (see page 10).

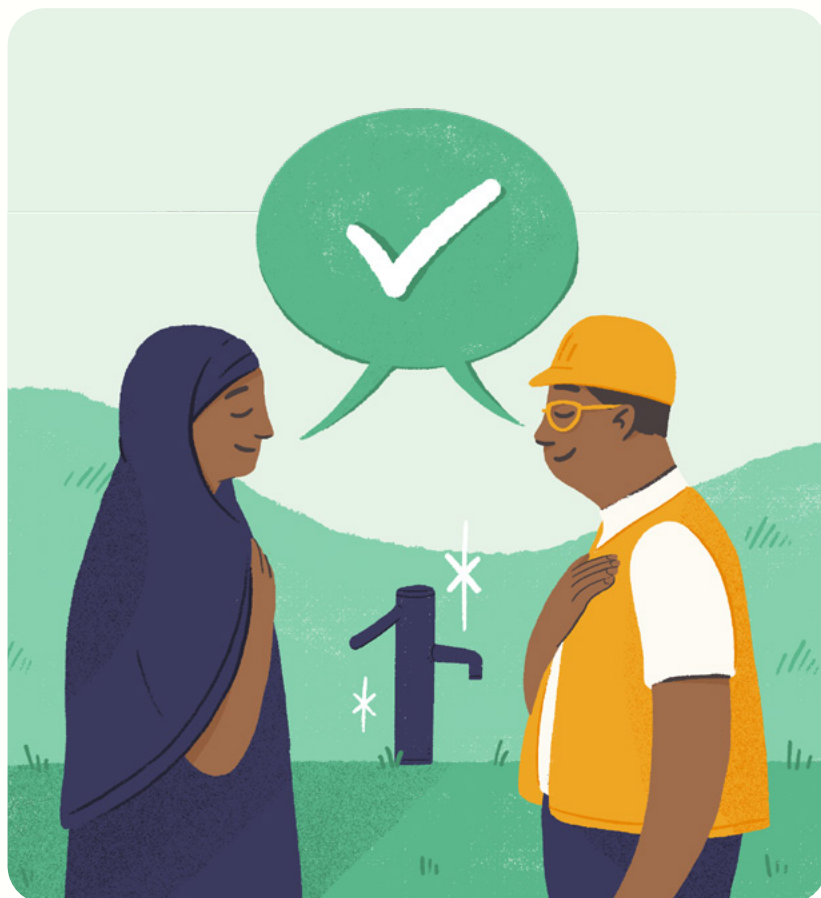
The world of international development is also doubling down on local impact, with power and funding gradually being shifted to organisations based in the places where the work takes place. Since all our activities are delivered through local partners, this local-impact approach has always been fundamental in the design of our work. We are ensuring that we reinforce this collaborative approach as a way to put the localisation agenda into action. An example is our partnership with the Public Affairs Research Institute and the South African Local Government Association to co-create a citizen monitoring methodology in South Africa.

¹ Edelman Trust Barometer 2022

² Edelman Trust Barometer 2022

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

Our Mission is to help build societies in which all citizens can – and do – successfully demand integrity from the institutions they rely on.



Key numbers

SINCE 2013

1,315

infrastructure
projects monitored

1,088

services
monitored

6,602

problems
fixed

9,900

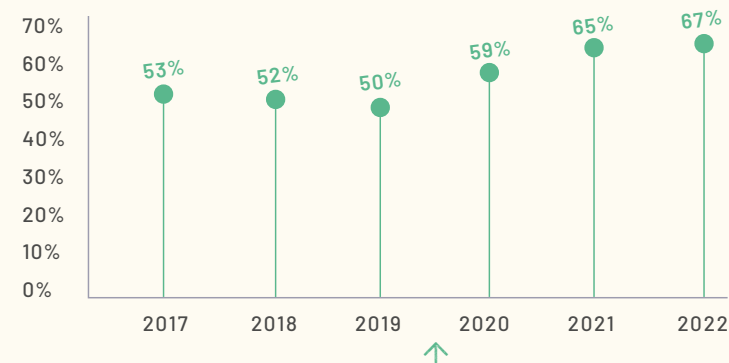
problems
found

FY2022

FIX RATE: **87%**



CUMULATIVE FIX RATE OVER TIME



Fix Rate improves with the launch of the current version of DevCheck in March 2019, with an enhanced approach that supports monitors both to solve problems and to report solutions more easily.

Meaningful collaboration with our partners

Partner organisations are integral to Integrity Action’s work to support social accountability, and we consciously strive to ensure our partnerships are genuinely collaborative and mutually beneficial. Whether our partners are national or international NGOs, community-based organisations or international foundations, their opinions and experiences of working with us matter. As well as co-creating initiatives and establishing ongoing channels for feedback within our working relationships, we carry out an annual survey to learn how our partners feel about collaborating with us, and what we could do more or less of to support their work.

OUR 2022 PARTNER SURVEY SHOWED THAT:

- Most respondents with whom we’ve designed a new programme this year felt that the process was co-owned by our organisations, with the developed approach blending Integrity Action’s methodology with theirs.
- Most agreed the shared design process had engaged actively and appropriately with all groups of people who would be affected by the programme.
- All respondents reported being satisfied with the partnership and with the value Integrity Action brings to their work, with 88% being “very satisfied”. Over 70% said our partnership had improved their organisational approaches to other programmes, citing equal collaboration and sharing of expertise.
- All respondents said our support over the past year had been helpful, with 75% saying “very helpful”. A recurrent theme was people finding us open and collaborative to work with, and all reported that we supply information clearly, accurately and when it is needed.

“Integrity Action adds value [to our organisation] as we complement each other’s work and build on existing expertise”

“We worked [together] on submitting a proposal. I like their sense of empathy, active listening and consensus building”

“The way the Integrity Action team respects each partner has helped us to develop the same respect with our other consortium partners, developing trust”

WE AIM TO:

- Build on the positive feedback around the support that we provide, addressing areas where partners felt we could do even more.



Partners see us as genuine collaborators and innovators, valuing our openness, experience and responsiveness

Year in review



What we achieved

Despite an increasingly challenging global context, Integrity Action has continued to deliver sustainable impact, in partnership with governments and local, national and international organisations.

READ MORE ABOUT OUR PARTNERS ON PAGE 6

Through the Integrity Clubs initiative, over 12,000 students from five countries successfully tackled local problems.



In Afghanistan, DR Congo, Kenya, Nepal and the Occupied Palestinian Territory, students aged 14 to 19 have worked with school management, teachers and local authorities to address issues from poor sanitation in schools to inaccessible public buildings. And the benefits spread further. Students report increased confidence, knowledge and skills, while the relationships they've built also mean many Integrity Clubs have received support to continue after Integrity Action's involvement has ended. In Nepal, government education officers have reached out to the Integrity Clubs and invited the students to inform them directly of issues that need resolving. The clubs' success has inspired additional communities and schools to adopt the approach – for example, in Kenya's Tana River County and Okhaldhunga district in Nepal.

We are continuously learning from evaluations and feeding this into what we design and do.



Independent external evaluators have helped us to understand and learn from both positive results and challenges. This learning is now incorporated in our programme design and implementation, leading to strengthened tangible impact in communities. Recommendations from an evaluation of our VOICE programme in Kenya shaped the design of the programme this year, building on aspects that proved most impactful, such as raising community awareness of how to engage with government, and ensuring community members' involvement in selecting project monitors. The evaluation also highlighted areas where we should support our partners to do more, such as conducting advocacy with mid-level government officials to inform policies and laws – suggestions our partner KYGC included in its current implementation plan.

We inspired and supported partners to strengthen their practices for safeguarding people.



In line with our Gender and Social Justice commitments, we worked with partners to enhance their safeguarding processes, sharing resources and delivering well-received training sessions to seven organisations. "It was a useful session and it probed us to think about how to apply this internally," reported staff from PARI in South Africa, which has since developed its own safeguarding policy and processes as a result. In Kenya, KYGC also developed its own policy, and we are supporting CESPAD and NIA to develop safeguarding processes for their social accountability work.



Integrity Action continues to generate valuable global knowledge on citizen-centred accountability, and interest in our research remains high.

We published a number of learning and research reports with key insights, including on how to build trust between citizens and governments, the types of information most helpful to citizens successfully demanding accountability, guidance for establishing Integrity Clubs in schools, and the role of technology in social accountability initiatives that focus on young people (more on page 10).



Demand for our work is expanding among governments, civil society partners and a growing number of businesses across the world.

We have supported several regional and central governments seeking to include technology-based citizen feedback facilities in their education and healthcare provision. Civil society peers have asked for our guidance on integrating citizen-centred accountability into new programmes, especially those addressing the climate crisis. And as corporate environmental, social and governance (ESG) commitments become increasingly important, businesses have engaged with us wanting to place citizen voices at the centre of their ESG practice.



Our programmes were instrumental in enabling partners to gain new opportunities.

In Kenya, for example, Damaris Aswa's community work within our SHINE programme made her a stand-out nominee for the Democracy Moves Advisory Board and for selection as a member of the Catalyst 2030 movement. Her experience managing SHINE was also one of the key reasons she won an IREX fellowship in the United States. "The Kenyan Catalyst 2030 chapter was recently launched and we want to involve more changemakers, for the benefit of our entire society," she explains. "Part of the reason I'll be in the USA as a grassroots changemaker is to gain more knowledge and exchange ideas with other fellows, so I can come back to continue supporting school Integrity Clubs in Kenya."



We extended our work to include reform of accountability systems.

As part of the Open Government Partnership's support to 50 civil society organisations and local governments, we have provided mentorship on how to develop and embed effective citizen-led accountability mechanisms. In South Africa, we entered a partnership with PARI to strengthen local government accountability and pilot citizen monitoring approaches.

Thank you to our funders

Integrity Action's work to improve citizens' lives would not be possible without the crucial support of our funders. This year we thank the following existing and new funders for their contribution to our work:

AGA KHAN FOUNDATION

EUROPEAN COMMISSION

FOREIGN AND COMMONWEALTH DEVELOPMENT OFFICE (FCDO)

NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION (NORAD)

PUBLIC AFFAIRS RESEARCH INSTITUTE (PARI)

SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY (SIDA)

USAID

WILLIAM AND FLORA HEWLETT FOUNDATION

What we learned



Throughout this year, Integrity Action continued to produce cutting-edge insights for the transparency and accountability community. Our research reports and learning papers distil highly practical findings and guidance from our long experience of programming in citizen-centred accountability, which can help inform the work of others in the field.

We continually seek new approaches to enhance our learning – for example, developing a process in which a group of staff members dig quickly but meaningfully into a particular topic and share findings with the wider team. This ensures we remain in step with the latest research. This year, our team explored trust between citizens and duty-bearers and how it can best be built. The process enabled us to spark ideas for reframing our work, particularly around what it might look like if we call for trustworthy government alongside accountable government. We are looking forward to applying this approach to further themes in the coming year.

KEY LEARNING OUTPUTS THIS YEAR INCLUDE:

Information is power! But what information?

From allocated budgets to complaints mechanisms, information plays a vital role in helping citizens demand the projects and services they're entitled to. Yet the types of information they most need for accountability are rarely discussed. Drawing on our programmes and research, we produced a [paper](#) identifying three core categories of information that enable citizens to make demands. Welcomed by a wide range of stakeholders, including the Africa Freedom of Information Centre, the paper highlights the need for information on what has been promised, what has been delivered and how citizens can give feedback. We are now working to help as many citizens as possible access these crucial types of information.

Enabling student-to-student guidance

We've seen repeatedly that the citizens who participate in our social accountability initiatives develop unique insight into what makes them work. At the end of the SHINE programme, which established school Integrity Clubs run by students in five countries, we produced a new [handbook](#) for anyone wanting to start a monitoring club in their school. Its strength lies in its first-hand content, generated largely by young people themselves in Nepal, Palestine and Kenya. The handbook shares the lessons they learned – from monitoring tips, to how to attract new members. We also commissioned an external evaluation of the SHINE programme, which captured further valuable lessons to inform future accountability programming.

Tech! What is it good for?

When digital tools for social accountability first appeared, they generated widespread optimism about what technology can achieve – followed by scepticism. To understand the real picture, we produced a [learning paper](#) that captures our experience in enabling citizens to use technology to monitor projects and services. One of the first balanced assessments, the paper draws on the Development Alternative programme and other initiatives focused on youth as agents of change. It shows that technology can strengthen accountability and advocacy processes targeted at public projects and services – but it can't replace them. Widely praised, including by the World Bank's Global Anti-Corruption Lead, the paper and its accompanying infographic highlight ways technology can add value, alongside recommendations to mitigate potential risks and limitations. (See page 11 for a summary infographic.)

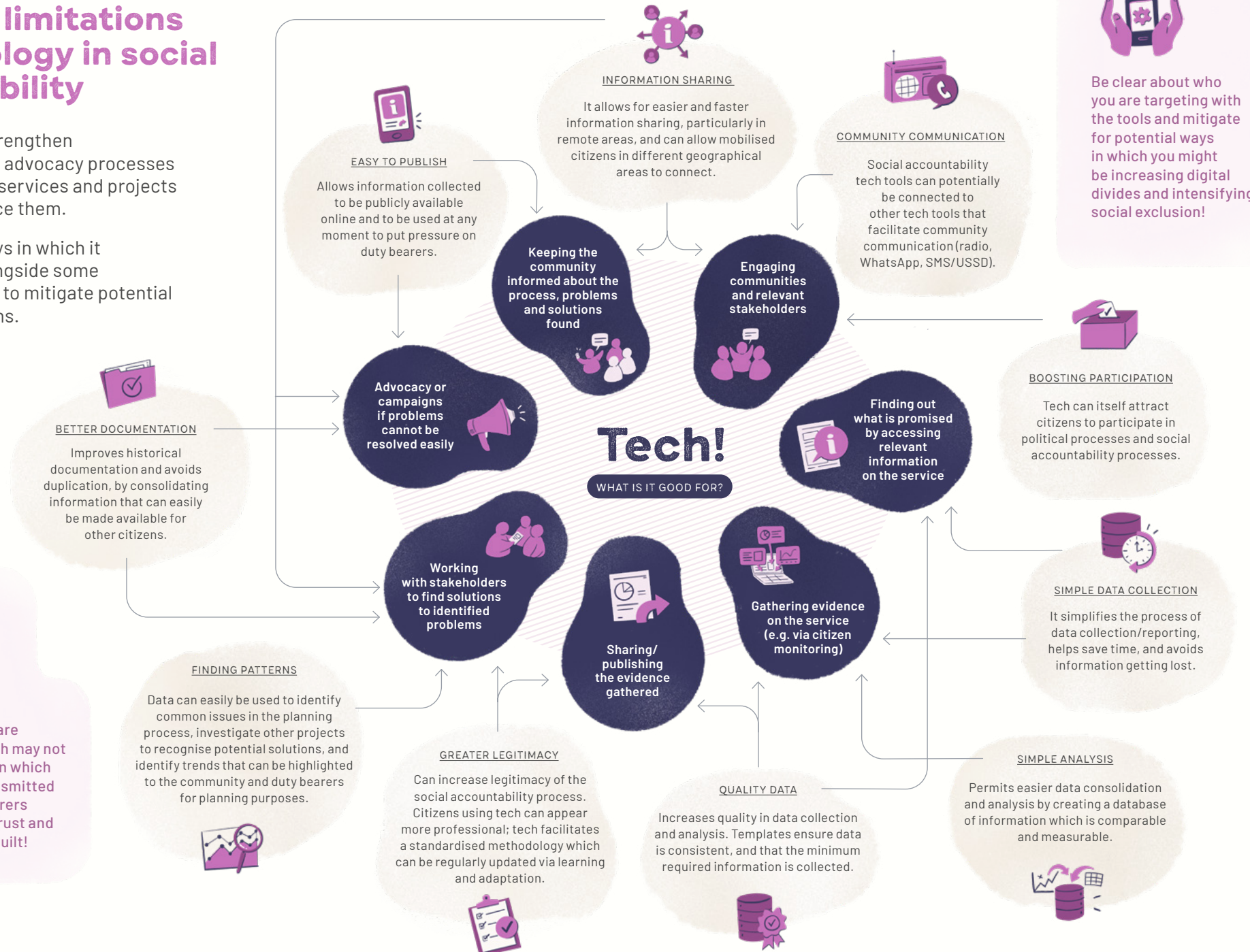
Understanding the data needs of government

To achieve our impact, we know we can't work only with the citizens who use infrastructure and services. Our Theory of Change is clear that to improve the way services and projects are delivered, we must also work with the people responsible. To deepen our understanding of how data collected by community members can be useful to local government, we commissioned [research](#) in Kenya. The findings demonstrate authorities' willingness to collaborate with citizens to identify the projects and services people most need, and ensure they are delivered to communities' satisfaction – evidence that will underpin our future work with duty-bearers to promote accountability.

Uses and limitations of technology in social accountability

Technology can strengthen accountability and advocacy processes targeted at public services and projects – but it can't replace them.

Here are some ways in which it can add value, alongside some recommendations to mitigate potential risks and limitations.



Stories from our work



Youth-led local solutions driving reform

Involving young people helps ensure development projects meet current and future community needs. That's why we've focused our efforts on youth-led accountability - which has helped improve projects and services for citizens across Uganda.

Implementers or activists. That's how young people are commonly viewed in development processes, which often replicate existing power structures and exclude youth from decision-making. Where they are consulted, it's usually over a narrow range of issues, such as education, sexual and reproductive health, or sport. Yet young people, a majority in many countries where we work, have a right to influence issues that affect their lives.

Our response was to co-create Development Alternative, an approach to strengthen development processes through youth-led accountability. The approach trained young people to take the lead on monitoring local livelihood projects, assessing what has been delivered and gathering feedback from the local community, and sharing their findings using the DevCheck app. It brings together youth monitors and project stakeholders to collaborate to ensure that projects are being delivered as promised.

In Uganda's Karamoja region, for example, youth-led monitoring identified and solved payment problems undermining local livelihoods and a major infrastructure initiative. The government-funded Kamera Access Road project was designed to connect four villages, and backed by a World Bank programme to create local community jobs in infrastructure development. Over 100 people were contracted to build the road, but during regular monitoring visits, two youth monitors found work had ground to a halt. Talking to the community, they discovered that workers had been paid for less time than they had worked, as a biometric machine used to ensure the right employees received the right wages had broken, preventing payment. Fearing they were labouring for free, people stopped working, delaying construction for several weeks.

The monitors took these concerns to project staff, who relayed them to their headquarters. Although staff had already reported the problem, it was only after the youth monitors presented the workers' concerns that officials ordered repair of the biometric machine. People soon received payment and road construction resumed. "Once we were paid, people could pay for food and bills for their families and some started small businesses," reported one worker. As well as benefitting from the flow of income, communities also enjoyed use of the new road as it lengthened.

Similar examples also show the potential of youth-led accountability to solve problems and

strengthen relationships between communities and people responsible for development projects. For instance, when a Ugandan government loan scheme supporting local businesses failed to transfer funds, livelihoods were at risk, so monitors coordinated a meeting with a local official, and traders soon received their loan.

The approach empowers young people to engage beyond typical "youth" issues, and to channel community voices, so local elites don't control accountability processes. In this way, youth-led solutions help give more agency to communities so that they can ensure projects are delivered in an accountable way, identify problems and help shape meaningful solutions.



Citizens demand better public buildings and services in Kenya: a story in 5 charts

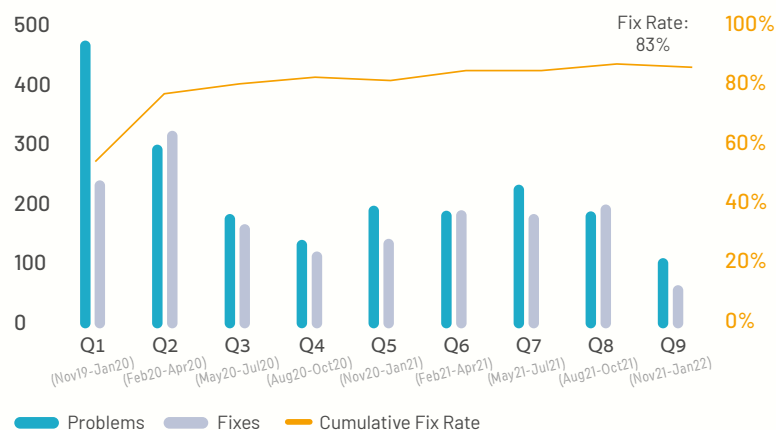
In Kwale, one of Kenya’s poorest counties, the construction of government-funded clinics, schools and water sources is regularly delayed or of low quality. But community monitors are changing this, working to ensure that projects deliver – with high levels of success.

This is the VOICE programme, run in partnership with two Kwale-based organisations, [KYGC](#) and [KCNRN](#). Kwale residents have monitored infrastructure projects and recorded their findings on our DevCheck app. The monitoring process has empowered citizens, solved construction problems and built trust between stakeholders – as well as generating valuable data. Here are five key messages that the data is telling us.

1. Monitors found numerous problems - and got most of them fixed

Key information generated through DevCheck concerns “problems” and “fixes”. Between November 2019 and January 2022, 125 citizens from Kwale in the VOICE programme monitored 168 projects and reported 2,001 problems, working hard with relevant stakeholders to achieve “fixes”. The data shows the volume of problems was highest at the beginning of the programme, with the percentage of problems solved rising quickly in the first six months. The decreasing number of new problems indicates that fixes tended to last, and perhaps suggests that project managers were more careful to avoid problems as time went on. Overall, monitoring led to more than 1,660 problems being remedied – a Fix Rate of 83%.

FIX RATE OVER PROGRAMME LIFETIME



FIX RATE AND FREQUENCY OF ALL INDIVIDUAL PROBLEMS



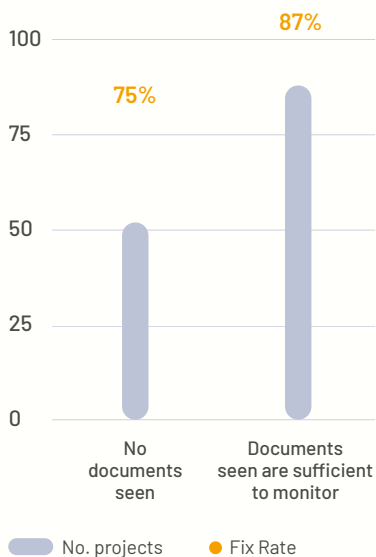
2. Lack of information – the hardest problem to fix

During each project visit, citizen monitors used DevCheck to assess possible problems via a checklist created in consultation with our partners and other stakeholders. For infrastructure projects, the most frequently reported problems were related to project delays. Monitors achieved Fix Rates of 80% or above for all categories of problem except for a lack of access to project documents. This shortage of information was not only a problem in itself, but may also have undermined citizen monitors’ effectiveness in dealing with other problems, as shown later.

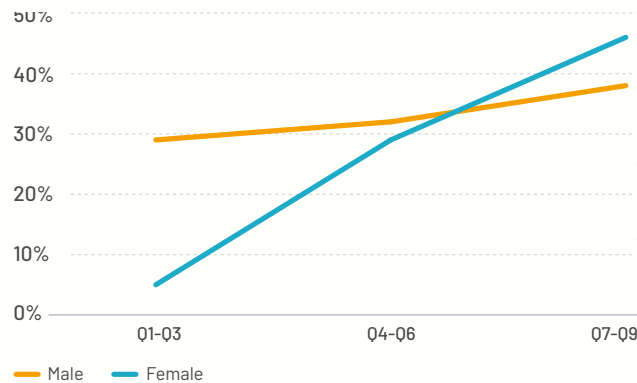
3. When monitors have project information, it's easier to solve problems

Not only was a lack of information the hardest type of problem to solve – it may also have made other problems harder to solve too. Monitors were able to access information for most projects within the VOICE programme, but for a third of infrastructure projects, key documents such as specifications, time-plans, contracts and budgets were unavailable – and the Fix Rate for problems in those projects was significantly lower than for those where information had been shared. This aligns with Integrity Action [research](#) which identified informed citizen action as a key enabler of successful problem-solving by citizen monitors.

ACCESS TO INFORMATION AND FIX RATE



% OF MONITORS REPORTING HAVING ORGANISED A COMMUNITY MEETING AS THEIR MEANS TO SOLVING A PROBLEM



4. Female monitors became more confident to participate and lead

When monitors log a “fix” in DevCheck, they can also report the most important activity they carried out to secure it. Half the VOICE citizen monitors are women (66 out of 125), and comparing their responses with those of the men is revealing. In Kwale County overall, women are much less likely than men to take on community leadership roles, and initially female monitors appeared far less keen or able to pursue public methods of problem solving. But the data shows a dramatic increase in women organising community forums over the course of VOICE, suggesting a boost in their confidence or ability to overcome cultural expectations.

“Being a monitor has prompted me into improving my communication skills, negotiation skills and self-esteem. Previously, I was not sure of my capability, but after the training my self-esteem grew and the rest is history. Most women and girls in the community view me as their mentor towards women’s empowerment.”

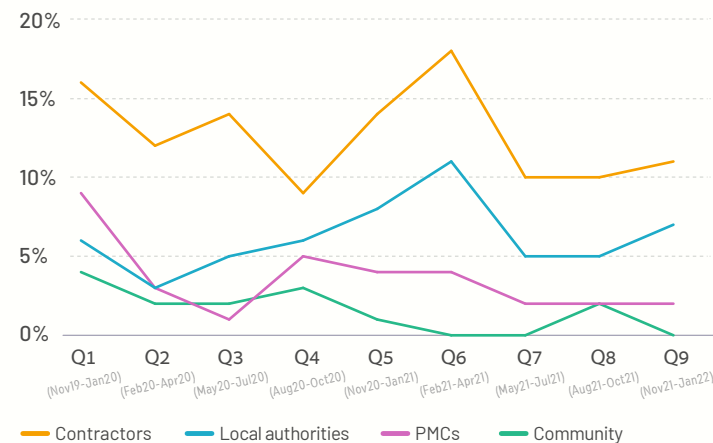
Uchi Chidunga, citizen monitor

5. Monitoring improved relationships – but it’s not straightforward

The independent evaluation of VOICE highlighted that the programme improved trust and relationships between citizen monitors and the duty-bearers responsible for projects, such as building contractors or local officials. This finding was supported by citizen monitors and duty-bearers themselves – but the data shows a more complicated picture.

DevCheck asked monitors to describe the engagement of different stakeholders on a four-point scale, from “very unhelpful” to “very helpful”. The results show contractors being consistently rated as the most unhelpful, although never more than 20% of them in any given quarter. There does appear to be a trend towards more helpful communities and community oversight structures (Project Management Committees or “PMCs”), from an already helpful starting point, but other perceptions fluctuated over time – telling us we have much to learn about this process.

MONITORS’ RATINGS OF ACTORS AS “UNHELPFUL” OR “VERY UNHELPFUL”, OVER PROGRAMME LIFETIME



Building bridges between communities and officials

INTEGRITY CLUBS IN PALESTINE

In Palestine, community-based Integrity Club members have promoted accountability and achieved change by taking citizens' voices to the authorities.

When a local authority project to resurface two major roads in Tulkarm, Palestine, was delayed by several months, people expressed their frustration freely on social media. Shops and businesses were facing losses, and drivers incurring higher fuel and repair costs. Many of the comments highlighted local officials' lack of communication with the community. In response, young people in Tulkarm's Integrity Club sought to bridge the gap.

The club is one of around 500 created under the SHINE initiative by our partner organisations in Afghanistan, DR Congo, Kenya, Nepal and Palestine. Clubs are mostly based in secondary schools, with student monitors helping to identify and solve integrity problems in their school. But in Palestine, the Integrity Clubs, supported by our partner PCPD, are community based. The members are still young students, but they focus on local projects rather than school issues, working directly with officials rather than school stakeholders – with unexpected benefits.

Spreading integrity: impacts beyond project level

In Tulkarm, Integrity Club members realised they could promote accountability by helping improve communications between citizens and officials. They identified ways to take people's voices to the authorities and relay official responses to the community. Club members compiled information about the road project, the reasons given for the delay, and its negative impact on the community, and presented their evidence to officials – creating a communications channel between the municipality and local people.

As a result, the authorities were able to see the full impact of the stalled project on citizens' lives – and they took action. Resurfacing resumed and the Integrity Club monitored progress, including via photos and videos posted on social media. Members also continued to try to improve communications between officials and citizens. Their success created a domino effect, boosting the reputation of Integrity Clubs in several locations across Palestine and enabling members to achieve impacts that extend far beyond the road.

Through Integrity Clubs, young Palestinians have been able to establish meaningful relationships with local government actors, supporting accountability and integrity. Members can easily book appointments with officials and meet with the mayor's office to discuss problems. As a result, authorities are paying more attention to public infrastructure, and young citizens are developing skills in communicating with government officials. This highlights the value of establishing not only youth clubs that monitor their own schools, but also those which monitor community projects.

And the benefits run deeper. As well as specific outcomes, such as safer construction sites,

Integrity Clubs are achieving cultural change. The young monitors, community members and local government officials all agree the municipality is more receptive to feedback from the public about issues with services. "Integrity Clubs have helped spread the culture of integrity and how to work on it with the people," acknowledges one mayor.



"The Integrity Club has the power and the push to make the municipality solve at least some of our problems"

Parent of club member

Empowering the next generation

Building these relationships with authorities and running events to drive cultural change have had a powerful effect on young people. This impact is particularly important in an occupied territory whose youth can feel highly alienated from their communities. Integrity Club members have reported an increase in their confidence, leadership and skills – with positive effects at home and within the community. "Through the Integrity Club, you promote values such as transparency and citizenship, implant them in yourself, and identify with them," explains one. Members have organised public sessions to discuss problems openly and collaboratively, and run an Integrity Day campaign, engaging parents, activists and community-based organisations – using drive and skills vital to their country's future.

Progress towards our goals



Progress towards strategic objectives

At Integrity Action we now take an adaptive approach to our organisational strategy, to ensure we are responding to crises and contextual shifts. During the 2022 financial year, our board approved adjustments to the strategy, while retaining its three core objectives: to achieve, amplify and convince.

We're proud to have made notable progress this year towards our strategic objectives, including:



ACHIEVE

Achieve results for citizens that maximise quality, sustainability and inclusivity

- Independent evaluations of our SHINE and VOICE programmes demonstrate the value of citizen-centred accountability in improving trust, empowerment and services.
- The Fix Rates of over 80% in our VOICE and M4FS programmes in Kenya and Ghana, and the rise in our overall Fix Rate since 2019, show that citizens are improving project and service delivery effectively.
- Programmes are better tailored to their context, improving the sustainability of their impact.
- Our evidence shows multiple examples of female monitors and monitors with disabilities being better empowered to make demands of the authorities.

AMPLIFY

Collaborate to amplify results, fuel innovation and embed citizen-centred accountability

- Recent partnerships provide exciting potential for embedding citizen-centred accountability – such as our new Compact programme in South Africa, which includes a collaboration with local government.
- As part of the Yetu initiative in Kenya, we collaborated with local networks of CSOs to develop sustainable models of monitoring using low-cost digital tools, supporting an approach to citizen-centred accountability that can be embedded within civil society.
- By enhancing the accessibility of monitoring data, we have generated insights valuable to duty-bearers, civil society and the accountability sector – amplifying our impact and expanding uptake of citizen-led approaches.

CONVINCE

Build a robust case for mainstreaming citizen-centred accountability

- Many of our partnerships are now geared towards mainstreaming citizen-centred accountability, with governments and other duty-bearers as much closer collaborators.
- Two external evaluations and various learning papers provide strong new evidence for our citizen-centred approach.
- Our ongoing research in Ghana is looking to establish whether citizen monitoring can save public funds, with a focus on infrastructure.
- We have worked with leading organisations in our field to build the case for a new pooled fund to support citizen accountability initiatives internationally.

DELIVERING ON OUR

Gender and Social Justice commitments

Last year we launched our new Gender and Social Justice approach, containing 24 commitments to our peers and, most importantly, the people we work with. The commitments span three areas of change – international development, our own programming, and our organisation, and we’ve worked hard in multiple ways during the past year to fulfil them.



INTERNATIONAL DEVELOPMENT

- We co-created all our new initiatives with our partners, ensuring we never adopt the role of lead or define partners simply as implementers.
- Our staff took part in multiple sector-wide power-shifting initiatives, including within Bond working groups. With staff as co-chairs on the Changing donor policy and practice, MEL, and Feedback and accountability groups, and on the Steering Committee of the Locally-led development group, we influenced the inclusion of localisation as a key topic of discussion. At the first Bond Power in Development Conference, we chaired a session on changes in leadership in the NGO sector and contributed our expertise and guidance to the development of the Bond publication “Becoming locally led as an anti-racist practice: a guide”.
- When invited to speak at events, we’ve given priority to our partners, to increase their visibility and promote their work, as we did at the Stanford Social Innovation Review event.

OUR PROGRAMMING

- In collaboration with our partners, we’ve shared learning from our initiatives and reported back to people who have generously given up time to provide us with information.
- When contracting evaluators, researchers and consultants, we value applicants based in or near the countries where an initiative took place, both to reduce emissions and decolonise advisory services.
- We’ve worked with partners to improve safeguarding mechanisms in our programmes, including by sharing resources and delivering introductory sessions and refresher training for seven organisations. When one safeguarding incident occurred, we worked with our partner to understand what had happened, and to ensure that the response was appropriate and the learning strengthened future safeguarding.

OUR ORGANISATION

- We recruited two new trustees, from Nigeria and the Philippines, who will support our work to shift power towards the countries where we promote citizen-centred accountability.
- To reflect current best practice and ensure staff feel supported in their work, we updated our HR policies. Through a participatory process with staff, we also enhanced a range of policies, including on the environment, flexible working, inclusion and health.

Safeguarding

Ensuring that our initiatives do no harm to the people we work with remains central to our work. Our approach to safeguarding centres on preventing incidents, mitigating risks and ensuring access to safeguarding reporting mechanisms. As we don't directly implement activities, we support our partners to develop a thorough understanding of safeguarding and put in place appropriate procedures.

This year, we've delivered safeguarding training and shared resources with seven partner organisations, two of which have developed their own safeguarding policies as a result. A further two are currently developing new safeguarding processes. We also delivered refresher training for our staff.

Safeguarding incidents reported in 2022

In FY 2021/22, Integrity Action received no reports of safeguarding incidents. One partner received a safeguarding report during the year, which was handled according to the partner's own procedures.



Restricted funds - Projects overview

Students Acting For Honesty, Integrity And Equality (SHINE)

In this five-year initiative, students identified and solved integrity problems in their schools and communities. Around 500 Integrity Clubs have been established in secondary schools in Afghanistan, DR Congo, Kenya, Nepal and Palestine. In the final year, implementation focused on building on successes in embedding the approach in Kenya and Nepal, and developing a Global Guidebook for setting up school-led social accountability initiatives.

The Development Alternative

This programme combines Integrity Action's approach to open citizen feedback with Restless Development's youth leadership and accountability model. In Madagascar and Uganda, youth monitors report on livelihoods and other projects, and engage with key powerholders to demand that projects are delivered as promised. In the closing year of the programme, we focused on learning, publishing a paper on the role of technology in youth-led, citizen-centred accountability initiatives.

Yetu Initiative – Increasing the self-reliance of Kenyan NGOS

The Yetu Initiative supports local Kenyan organisations to build a collective voice for their country's citizens that empowers them to solve their own problems and promote inclusive participation by women and young people. Our monitoring approach is integrated into the programme to give citizen monitors the tools to demand equitable local development. The initiative is supported by the Aga Khan Foundation and USAID.

Compact – Supporting public participation and planning in local government

This programme, implemented in partnership with PARI and SALGA, aims to enhance local government accountability in South Africa through strengthened participatory planning. With an approach informed by action research, the programme will support local communities to participate in processes to create Integrated Developed Plans, with particular emphasis on water and sanitation services.

Projects funded by unrestricted funds

Monitoring for financial savings (M4FS)*

This initiative aims to discover the value that citizen-centred accountability programmes can offer service providers in northern Ghana, by asking: "Does monitoring by citizens save public money?" Communities monitor the delivery of health and education infrastructure, comparing what was promised with what is being delivered, and engaging with those responsible to address any issues.

VOICE – From participation to open feedback in Kwale County, Kenya*

Citizens act as community monitors and check local services, reporting problems they identify using the DevCheck app. They work with key stakeholders to get issues addressed, and reporting Fixes through the app. The aim is to improve how county authorities and other duty-bearers listen and respond to citizens' concerns on services and infrastructure. The initiative is currently focused on embedding and sustaining successful aspects of the approach.

* These projects are financed by Integrity Action's core funding from SIDA and Hewlett

Financial review

The financial statements have been prepared in accordance with the accounting policies set out on pages 29 to 30 of the financial statements and comply with the charitable company’s Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Reserves Policy

We aim to hold sufficient reserves to:

- Cover essential investment to ensure our technology delivers programmatic and strategic added value;
- Ensure we can pursue sufficient communications activities to support our key Achieve, Amplify, Convince objectives
- Enable us to pursue strategic initiatives for which funding is difficult to raise;
- Meet our commitments in the event of delays in receipt of income;
- Enable us to complete existing contracts in a planned and orderly fashion should our sources of income cease abruptly; and
- Protect us against unplanned adverse events which affect either our ability to raise funds or require extra expenditure

Integrity Action’s reserves policy is reviewed on an annual basis as part of the overall risk management of the organisation. Reserves can only be spent with the explicit permission of the Board and on the advice of the Audit Committee.

In view of the greater level of uncertainty caused by shifts in our funding environment, while maintaining the approach that the reserves should not be set too high as this would tie up funds which could and should be spent on charitable activities, the Board has set the following reserves target:

Support for technological platform and communication objectives - £120k - £150k

Working capital requirements (30% of target project spend for following year) - £360k - £400k

6 months of fixed expenditure - £350k - £450k

Total target: £830k - £1m

The balance sheet shows unrestricted reserves of £871k (£24k increase in FY22) excluding the William and Flora Hewlett Foundation grant which is not allowed to be added to reserves (2022: £212k).

Total funds were £1.1m (2021: £1.2m) and included a restricted fund balance of £32k (2021: £99k). This restricted balance will be used in the next accounting period for specific programme-related purposes.

Income

The majority of our income comes from institutional donors and private foundations. It decreased by 16% this year from £1.13m to £721k. The decrease has been due to an especially challenging fundraising environment created initially by the COVID-19 outbreak, followed by the global economic downturn.

£52 093

USAID-AKF Yetu

£49 216

Restless Development (DFID AID Connect funding)

£79

Norwegian Agency for Development Cooperation (Norad)

£33 266

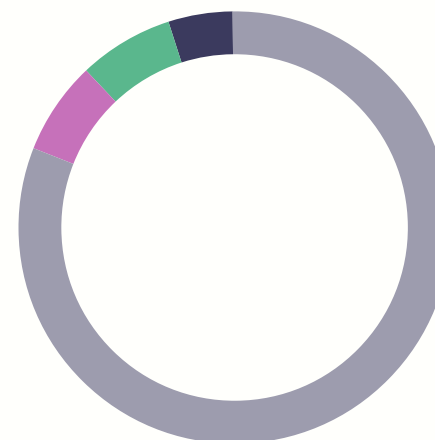
PARI

£584 237

Swedish International Development Cooperation Agency (Sida)

£16 41

Other



Fundraising policy

As noted above our funds come mainly from institutional donors and foundations. We do not raise funds from the general public. Our funding policy, which aligns with our organisation’s values, can be found on our website.

Expenditure

Our total expenditure of £820k (2021: £1.19m) was in line with plans for the projects already in progress at the start of the year.

Pay policy for senior staff

The Chief Executive Officer and the Trustees are the key management personnel of the charity. The Chief Executive Officer is in charge of directing, controlling, running and operating the charity on a day-to-day basis.

The total employee benefits of the key management personnel are included in Note 4 to the accounts.

Executive Pay is reviewed and set by the Remuneration Committee on an annual basis.

All trustees give their time freely and no trustee received remuneration in the year for this role. Details of trustees’ expenses and related party transactions are disclosed in Notes 5 and 13 to the accounts respectively.

Risk management

The Board has considered the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

A detailed strategic and operational risk register is updated by the senior management team ahead of each quarterly Board meeting. The risk register states the risk appetite for each risk, estimates the likelihood and impact of the risk, notes the changes since the last review, details the actions which have been taken to manage the risk and calculates a post-mitigation risk score. This ensures the Board effectively tracks significant risks and is assured the control procedures are adequate to manage these risks.

The key risks identified for the coming financial year are as follows:

RISK	MITIGATING MEASURES
<p><u>Sustaining Impact</u></p> <p>Integrity Action’s approach does not achieve level of sustainability or scalability that is expected by partners, peers and funders.</p>	<p>Continue to integrate learning and research findings to achieve more sustainable interventions. Ensure learning and research has widest reach and impact possible. Continue to work with organisations and coalitions to achieve systemic and transformational changes in countries and globally.</p>
<p><u>Technology</u></p> <p>Technology solutions fail to deliver sustainable and user-friendly solutions.</p>	<p>Continue to assess, review and utilise best technology tools for given programmes. Regularly assess usability with monitors, partners and other key stakeholders.</p>
<p><u>Funding</u></p> <p>We are unable to generate funding needed to deliver the objectives and to cover our overheads.</p>	<p>Scenario planning repeated on a periodical basis to maintain clarity of long-term view of the likely impact of fundraising. Use integrated FY Business plan + Development Plan + programmatic vision and monitor progress regularly (e.g. Funding KPIs).</p>
<p><u>IT System Failure</u></p> <p>Key digital systems are hacked, or fail/crash (including DevCheck, finance system, Google drive, Epay). Data is compromised or corrupted.</p>	<p>Use of industry standard security software and maintenance of regular contact with all providers. Business continuity plan in place and implemented.</p>

Public Benefit

The Board confirms it has complied with its duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The trustees further confirm that the activities of Integrity Action are carried out in line with its objectives for the public benefit as described in this report.

Structure, governance and management

The Board of Trustees governs the organisation in line with its Memorandum and Articles of Association, vision, aims and charitable objectives, as well as providing overall policy direction. The Board is responsible for compliance with all the legal and statutory requirements of a UK charity and of a registered company.

The organisation is run by the CEO who has overall responsibility for strategic and programmatic development and design, operations, fundraising and finances.

The CEO manages the Senior Management Team that includes the Head of Operations, Head of Programme Development and Head of Funding.

The Board is governed by a Governance Manual. The Governance Manual stipulates the provisions for appointments to the Board, their term limits and nominations and appointments to the positions of Chair and the various committees of the Board. These include:

- Openings on the Board are published openly on relevant websites, including our own website;
- The manual stipulates the roles and person specifications for trustees, the Chair of the Board, the Chair of the Audit Committee, the Nominations and Remuneration Committee, the Funding Committee and the Ethics Point Person;
- Terms of appointment to the Board are three years, renewable for a further two terms up to a maximum of nine years.

Trustee attendance at board meetings

BOARD MEMBER	15 DEC 21	16 MAR 22	16 JUN 22	21 SEP 22
Alan Barlow	Yes	No	Yes	Yes
Sam De Silva	Yes	Yes	Yes	Yes
Gail Klintworth	Yes	Yes	Yes	Yes
Merryl Lawry-White	Yes	Yes	Yes	No
Paul Maassen	No	Yes	Yes	No
Siobhan Turner	Yes	Yes	N/A	N/A
Philip Welply	Yes	Yes	Yes	No
Alistair Gibbons	N/A	N/A	Yes	Yes
Nkem Ilo	N/A	N/A	No	No
Miko Canares	N/A	Yes	Yes	No

Statement of trustee's responsibilities

Each Board trustee has taken responsibility for monitoring the charity's activities in specific operational areas and constant attention is paid to the skills mix of the trustees to ensure that the Board has all the necessary skills required to contribute fully to the charity'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 position of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and 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.

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

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.



Gail Klintworth
Chair of the Board
22 December 2022

Independent auditor's report to the members of Integrity Action

Opinion

We have audited the financial statements of Integrity Action (the 'charitable company') for the year ended 30 September 2022 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2022 and of 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.

Basis for opinion

We conducted our audit in accordance with the [International Standards on Auditing \(UK\)](#) (ISAs (UK)) and applicable law. 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the [FRC's Ethical Standard](#), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the

financial year for which the financial statements are prepared is consistent with the financial statements; and

- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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, and for such internal control as the trustees determine 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, the trustees are responsible for assessing the charitable 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 the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the group through discussions with key management and from our knowledge and experience of the sector in which the charity operates;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the activities of the charity. These included but were not limited to the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102); and

- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and representatives of those charged with governance.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management and representatives of those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Performed substantive testing on expenditure including the authorisation thereof;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of Trustees' meetings; and
- Enquiring of management and representatives of those charged with governance as to actual and potential litigation and claims.

As a result of our procedures, we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hugh Swainson (Senior Statutory Auditor)

23 December 2022

For and on behalf of Buzzacott LLP,

Statutory Auditor

130 Wood Street

London

EC2V 6DL

Statement of Financial Activities

YEAR ENDED 30 SEPTEMBER 2022

Note	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £	
Income from:					
Investments	966		966	3,527	
Charitable activities					
Grants, donations and consultancies	1	584,237	136,294	720,532	1,132,019
Other:					
Gains on revaluation of foreign currency		16,743	-	16,743	-
Total income	601,947	136,294	738,241	1,135,546	
Expenditure on:					
Raising funds	66,994	-	66,994	62,973	
Charitable activities					
Open Citizen Feedback	572,138	180,573	752,710	1,128,370	
Total expenditure	639,132	180,573	819,704	1,191,343	
Net (outgoing)/ incoming resources before transfers					
	(37,185)	(44,278)	(81,463)	(55,797)	
Transfers between funds	10	22,179	(22,179)	-	-
Net movement in funds	(15,006)	(66,457)	(81,463)	(55,797)	
Funds as at 1 October	1,097,529	98,514	1,196,043	1,251,840	
Funds as at 30 September	1,082,523	32,057	1,114,580	1,196,043	

The Statement of Financial Activities includes all gains and losses in the year. All income and expenditure derives from continuing activities.

BALANCE SHEET AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Current assets			
Debtors and accrued income	7	1,641	82,262
Cash at bank and in hand		1,150,657	1,175,134
Total current assets		1,152,298	1,257,396
Liabilities			
Creditors: Amounts falling due within one year	8	37,718	61,353
Net current assets		1,114,580	1,196,043
Net assets		1,114,580	1,196,043
The funds of the charity			
Unrestricted		1,082,523	1,097,529
Restricted		32,057	98,515
Total funds	10	1,114,580	1,196,043

Approved by the trustees and signed on their behalf by:



Gail Klintworth
Chair of the Board
22 December 2022

Statement of cash flows

YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Net cash (outflow) from operating activities	13	(24,477)	(109,097)
Change in cash and cash equivalents in the year		(24,477)	(109,097)
Cash and cash equivalents at 1 October		1,175,134	1,284,231
Cash and cash equivalents at 30 September		1,150,657	1,175,134

Principle accounting policies

YEAR ENDED 30 SEPTEMBER 2022

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Integrity Action meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Preparation of accounts on a going concern basis

Based on a review of the financial position, reserves levels and future plans, the Board of Trustees considers that there are no material uncertainties about the charity's ability to continue as a going concern. In making this assessment, the trustees have considered the impact of the current economic and funding climate.

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances.

Income and expenditure

Income from charitable activities is recognised when the charity is legally entitled to the income, any performance conditions attached to the income have been met, receipt is probable and the amount can be measured reliably.

Income is deferred when the charity has to fulfil conditions before becoming entitled to it, for example if activities related to the income have not yet begun or the funder has specified that the income is to be expended in a future accounting period.

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Partnership costs are amounts paid/payable to our implementing partners. They are recognised in the period in which they are payable. An accrual is made when activities have been undertaken but payment is in arrears and has not been made at the year end.

Tangible fixed assets

All assets costing more than £3,000 (including VAT) and with an expected useful life exceeding one year are capitalised.

Software development costs are not capitalized.

Restricted funds

Income received for purposes specified by the donor are shown as restricted 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.

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.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension scheme

Integrity Action operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the charity in an independently administered fund. Pension costs charged in the financial statements represent the contributions payable during the year.

Operating leases

Rental charges are charged on a straight-line basis over the life of the lease.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a maturity date of three months or less.

Taxation

Integrity Action is a registered charity and, as such, is exempt from taxation on its income to the extent it is applied to its charitable purposes.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

Notes to the financial statements

1 GRANTS, DONATIONS AND CONSULTANCIES

	2022 £	2021 £
Unrestricted		
Swedish International Development Cooperation Agency (Sida)	584,237	601,889
The William and Flora Hewlett Foundation		182,981
Total unrestricted	584,237	784,871
Restricted		
Norwegian Agency for Development Cooperation (Norad)	79	188,800
PARI	33,266	-
Simavi	1,641	-
Raleigh International Trust (DFID Aid Direct funding)	-	20,477
Restless Development (DFID AID Connect funding)	49,216	85,155
USAID-AKF Yetu	52,093	52,716
Total restricted	136,294	347,148
Total grants, donations and consultancies	720,532	1,132,019

2 EXPENDITURE

	Note	2022			2021		
		Open Citizen Feedback £	Raising funds £	Total £	Open Citizen Feedback £	Raising funds £	Total £
Partnership costs		113,376	-	113,376	379,357	-	379,357
Staff costs	3	457,894	52,015	509,909	547,574	28,724	576,298
Consultancy costs		38,120	10,064	48,184	42,604	2,308	44,912
IT and software development		3,954	-	3,954	9,311	-	9,311
Rent, rates and other office costs		8,236	936	9,171	1,395	-	1,395
Travel and events		5,183	-	5,183	776	-	776
Governance (excluding staff costs)		24,395	-	24,395	22,699	-	22,699
Programme development costs		96,425	3,979	100,405	110,156	31,941	142,097
Other costs		5,128	-	5,128	14,498	-	14,498
Total expenditure		752,710	66,994	819,705	1,128,370	62,973	1,191,343

3 NET INCOME IS STATED AFTER CHARGING:

	2022 £	2021 £
Auditor's Remuneration:		
Statutory audit	11,790	11,332
Other Services	6,066	9,905

4 STAFF COSTS

	2022 £	2021 £
Wages and salaries	440,279	499,986
Employer's National Insurance costs	47,009	51,313
Employer's contribution to defined contribution pension scheme	22,621	24,999
	509,909	576,298

The average headcount in 2022 was 10 (2021: 11).

No redundancy payments were agreed in the year (2021: nil).

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

	2022	2021
£80,000 - £89,999	1	1
£70,000 - £79,999	-	-
£60,000 - £69,999	1	1

The above higher paid employees received employer pension contributions of £6,849 (2021: £7,400).

The total employee benefits of the key management personnel of the Charity, including employer's national insurance and pension contributions, were £103,207 (2021: £97,389).

Key management personnel includes the CEO.

5 TRUSTEES' REMUNERATION

No trustee received remuneration in respect of their role as trustee of the charity.

No trustees' expenses were reimbursed in 2022 (2021: £260 reimbursed to one trustee)

6 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.

7 FLOATING CHARGE

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 2022, the facility was for £25,000 (2021 - £25,000).

8 DEBTORS

	2022 £	2021 £
Debtors and accrued income	1,641	82,262
Prepayments	-	0
	1,641	82,262

9 CREDITORS

	2022 £	2021 £
Expense creditors	5,853	28,613
Taxation and social services benefits	15,135	17,257
Accruals	16,730	15,483
Deferred revenue	-	-
	37,718	61,353

10 FUND MOVEMENTS

	At 1 October 2021 £	Income £	Expenditure £	Transfers £	At 30 September 2022 £
The William and Flora Hewlett Foundation	251,341	-	(39,399)	-	211,941
Swedish International Development Cooperation Agency (Sida)	22,396	585,204	(595,683)	-	11,916
Other unrestricted funds	823,792	16,743	(4,049)	22,179	858,665
Unrestricted funds	1,097,529	601,947	(639,132)	22,179	1,082,523
Restricted funds					
Students Acting for Honesty, Integrity and Equality (SHINE)	71,771	79	(69,593)	(2,258)	-
From participation to open feedback in Kwale County, Kenya	18,214	-	-	-	18,214
Youth demanding accountability from development agencies in Tanzania	484	-	(484)	-	-
Compact - Supporting Public Participation and Planning in Local Government - (PARI)	-	33,266	(18,326)	(1,097)	13,843
Simavi	-	1,641	(1,641)	-	-
The Development Alternative	688	49,216	(31,079)	(18,824)	-
USAID-AKF Yetu	7,357	52,093	(59,450)	-	-
Total restricted funds	98,514	136,294	(180,572)	(22,179)	32,057
Total funds	1,196,043	738,241	(819,704)	-	1,114,580

See the Year in Review in the annual report for details about the restricted funds projects. Further details can also be found on our website: www.integrityaction.org/what-we-do/initiatives/

A transfer was made to unrestricted funds in respect of income received for the reimbursement of core costs.

Unrestricted funds include £212k (2021: £251k) in relation to The William and Flora Hewlett Foundation which must be spent over the grant period and cannot be added to reserves.

Other Unrestricted Funds also include £17k of unrealised gains from year-end exchange rate revaluations.

11 COMMITMENTS UNDER OPERATING LEASES

The charity had no commitments under non-cancellable operating leases (2021: £nil). The charity does not own or lease premises as it has adopted remote working practices.

12 RELATED PARTY TRANSACTIONS

Other than trustees expenses as disclosed in note 5, there were no related party transactions in either 2022 or 2021.

13 RECONCILIATION OF NET MOVEMENT IN FUNDS TO CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net movements in funds	(81,463)	(55,797)
decrease/(increase) in debtors	80,621	(68,306)
(decrease)/increase in creditors	(23,635)	15,006
Net cash (outflow) from operating activities	(24,477)	(109,097)

14 COMPARATIVES**Statement of Financial Activities**

YEAR ENDED 30 SEPTEMBER 2021

	Note	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income				
Investment income		3,511	16	3,527
Charitable activities				
Grants, donations and consultancies	1	784,871	347,148	1,132,019
Total income	1	788,382	347,164	1,135,546
Expenditure				
Raising funds		62,973	-	62,973
Charitable activities				
Open Citizen Feedback		688,856	439,514	1,128,370
Total expenditure	2	751,829	439,514	1,191,343
Net incoming/(outgoing) resources before transfers				
		36,554	(92,350)	(55,797)
Transfers between funds		29,258	(29,258)	-
Net movement in funds		65,812	(121,608)	(55,797)
Funds as at 1 October		1,031,718	220,122	1,251,840
Funds as at 30 September		1,097,529	98,515	1,196,043

15 POST BALANCE SHEET EVENTS

There were no post balance sheet events to report (2021: none).

Reference and administrative details

Trustees

Alan Barlow
 Sam De Silva
 Gail Klintworth
 Siobhan Turner - Resigned
 in March 2022
 Merryl Lawry-White
 Paul Maassen
 Philip Welply
 Alistair Gibbons
 Nkem Ilo
 Miko Canares

Audit Committee

Gail Klintworth
 Alistair Gibbons

Fundraising Committee

Alan Barlow

Remuneration and Nomination Committee

Alistair Gibbons
 Philip Welply

Registered and business office

c/o Buzzacott LLP
 130 Wood Street
 EC2V 6DL

Auditor

Buzzacott LLP
 130 Wood Street
 EC2V 6DL

Bankers

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

Chief Executive Officer

Jasmina Haynes
jasmina.haynes@integrityaction.org

Company registration number: 4884328
 (England and Wales)

Charity registration number: 1120927
www.integrityaction.org



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[!\[\]\(4729e517bc6a7cd81c8025b9646574fb_img.jpg\) integrity-action](#)

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Integrity Action is an independent non-governmental organisation.
Company registration number: 4884328 (England and Wales) Charity
registration number: 1120927