

2016 Annual Report & Financial Statements

Year to 30 September 2016




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- 1** Introduction
- 2** CEO review/President's statement
- 4** 2015/2016 snapshot
- 6** How change happens
- 7** Who we work with
- 8** Vision and Mission
- 9** Highlights and achievements in 2016
- 18** Our priorities for 2017
- 20** Financial policies and financial position
- 22** Independent Auditor's report to the members of Integrity Action
- 23** Statement of Financial Activities
- 24** Balance Sheet
- 25** Statement of Cash Flows and consolidated Statement of Cash Flows
- 26** Principal accounting policies
- 28** Notes to the Financial Statements
- 35** Contact details



Introduction



Integrity Action is a UK registered charity that is committed to helping people receive better public services in developing and war-torn countries.

Integrity Action is a UK registered charity that is committed to helping people receive better public services in developing and war-torn countries. Up to 17% of gross domestic product (GDP) in developing countries is lost due to corruption, fraud and mismanagement¹, affecting basic human rights and vital development outcomes such as access to education, water, health care, roads and social services². Conservative estimates put this loss at more than USD 1 trillion a year³. We know that this impacts poor people the most.

¹ Asian Development Bank: www.un.org/News/Press/docs/2004/soccp301.doc.htm

² The Universal Declaration of Human Rights - Article 25 and 26: www.un.org/en/documents/udhr/index.shtml

³ Various World Bank reports and BMZ: www.bmz.de/en/publications/topics/good_governance/FlyerKorruption.pdf

CEO review/President's statement



Welcome to our 2015/16 annual report. I hope that you enjoy reading about the positive impact that Integrity Action is making on the lives of people living in some of the most impoverished communities in the developing world. We remain true to our cause and commitment to reducing corruption through building a just and equitable world where citizens are empowered to act with and to demand integrity.

In 2015/16 we directly benefitted local communities in nine countries by monitoring 584 water and sanitation, health, education and livelihoods projects valued at \$149,000,000. Together with our local partners, we have achieved an average Fix-Rate of 57% for problems identified by local monitors, thereby achieving one of the highest Fix-Rates in our sector. This tremendous result means that these communities receive vital public goods and services such as education, clean drinking water, sanitation and access to healthcare. Our knowledge sharing and influencing work has reached even further. We have continued to work with and train academics, students, public officials, and business leaders from 19 different countries on the values and know-hows of integrity, transparency and fighting corruption.



“ Together with our local partners, we have achieved an average Fix-Rate of 58% for problems identified by local monitors, thereby achieving one of the highest Fix-Rates in our sector. This tremendous result means that these communities receive vital public goods and services such as education, clean drinking water, sanitation and access to healthcare. ”

John Cutts

Chair of the board



Message from the Chair/Board

The added value of the impact we are achieving is growingly recognised in the sector including pioneers and innovators. We are very proud that our President, Fredrik Galtung, was made an Ashoka Fellow on the 11th November 2015, joining the world's largest network of social entrepreneurs. This life-long fellowship is in recognition of Fredrik's role as a change maker seeking to achieve systems to revolutionise the way international development is done.

Planning for the future, Jasmina Haynes was appointed Chief Executive Officer in August 2016. She is now leading the organisation in delivering on our promise of having as innovative, creative and impactful programmes as ever.

We are very grateful to Joy Saunders who stepped down as Chief Executive Officer in May and whom we had the pleasure of working with for five years. She made a signal contribution to creating the vibrant, resilient and effective Integrity Action we have today.

I would like to express my deep gratitude to everyone who has contributed to our achievements. As the Chair of Integrity Action, I see this same spirit of enthusiasm in the growing numbers of people who support our cause.

John Cutts

Chair of the board



2015/2016 Active in nine countries

Key stats:

2,115
Monitors trained

584
Infrastructure and services monitored

\$149m
Value of projects monitored

Fix-Rate
57%: 589 problems discovered and 334 problems resolved

2.2 million
Women and men, girls and boys living in communities where projects are monitored

2,178
Students trained

115
Public officials, including education officials, local leaders and municipal workers trained

187
Education services monitored

2,971
Youth active in Integrity Clubs

The purpose of Integrity Clubs is to ensure that young people are educated with the values of integrity and ethics. Integrity Action gives members the training and skills they need to identify integrity issues and then resolve them. The clubs are the forum where young people have the chance to gather together and discuss integrity problems they have uncovered in their communities as well as how to resolve them.

South Sudan

Partners	Society for Civic Development
Infrastructure & services monitored	0
Value of projects monitored	Ceased due to unrest
Monitors active	35
Fix-Rate	Society for Civic Development were forced to flee to Uganda during the latest outbreak of violence in South Sudan

Palestine

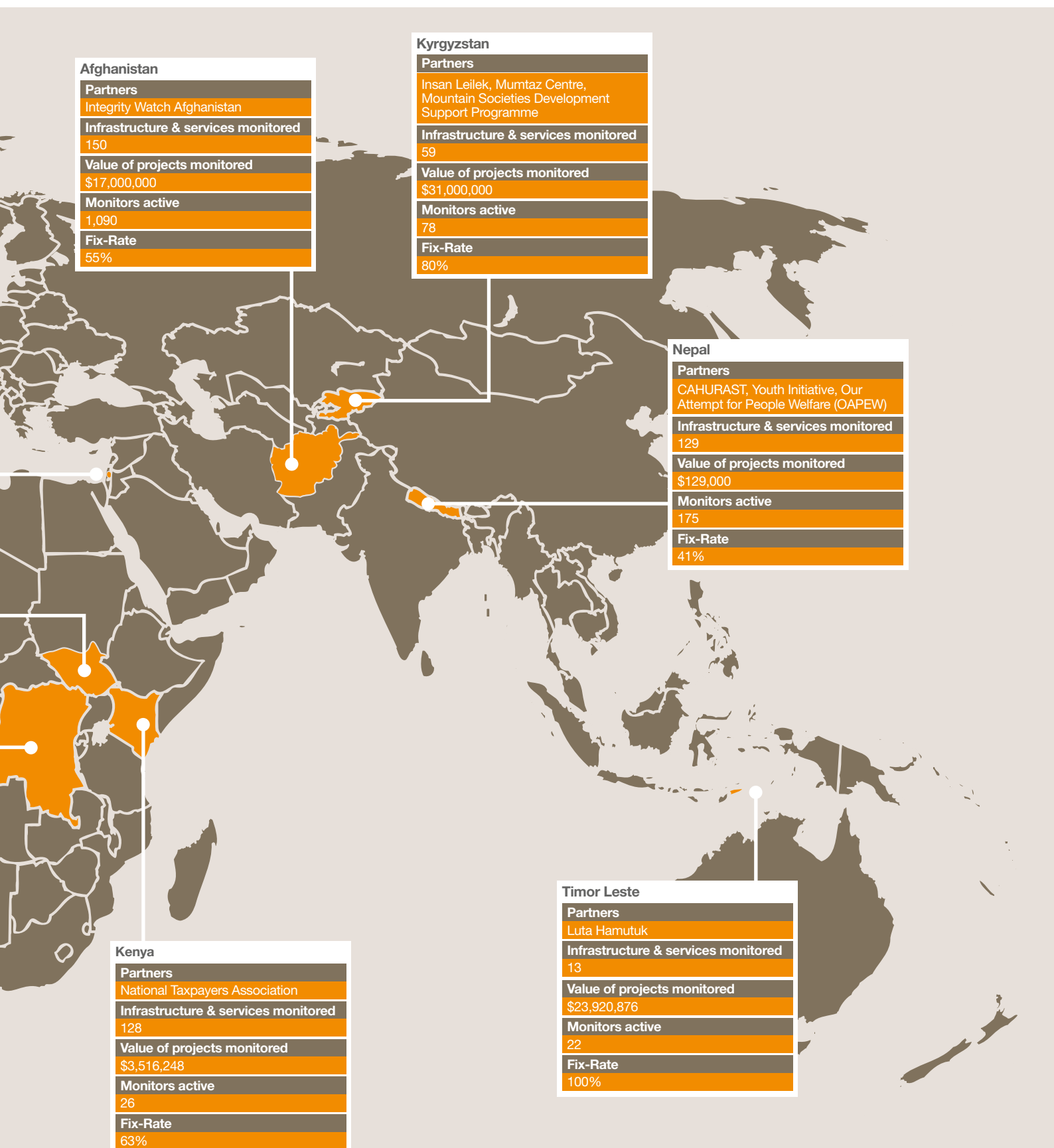
Partners	Teacher Creativity Centre, Applied Research Institute Jerusalem
Infrastructure & services monitored	55
Value of projects monitored	\$40,000,000
Monitors active	1,744
Fix-Rate	46%

Liberia

Partners	Institute for Research & Democratic Development (IREDD)
Infrastructure & services monitored	8
Value of projects monitored	\$300,000
Monitors active	50
Fix-Rate	59%

Democratic Republic of Congo

Partners	Fondation Chirezi (FOCHI), Commission Diocésaine Justice et Paix (CDJP)
Infrastructure & services monitored	122
Value of projects monitored	\$33,000,000
Youths aged 15 to 18 actives as monitors in Integrity Clubs	1,611
Fix-Rate	49%



Afghanistan	
Partners	Integrity Watch Afghanistan
Infrastructure & services monitored	150
Value of projects monitored	\$17,000,000
Monitors active	1,090
Fix-Rate	55%

Kyrgyzstan	
Partners	Insan Leilek, Mumtaz Centre, Mountain Societies Development Support Programme
Infrastructure & services monitored	59
Value of projects monitored	\$31,000,000
Monitors active	78
Fix-Rate	80%

Nepal	
Partners	CAHURAST, Youth Initiative, Our Attempt for People Welfare (OAPEW)
Infrastructure & services monitored	129
Value of projects monitored	\$129,000
Monitors active	175
Fix-Rate	41%

Kenya	
Partners	National Taxpayers Association
Infrastructure & services monitored	128
Value of projects monitored	\$3,516,248
Monitors active	26
Fix-Rate	63%

Timor Leste	
Partners	Luta Hamutuk
Infrastructure & services monitored	13
Value of projects monitored	\$23,920,876
Monitors active	22
Fix-Rate	100%

How change happens

Introduction

Integrity Action is re-defining anti-corruption work from top-down finger pointing to bottom-up promotion of integrity at the community level through education and action.

This challenges the assumption that corruption can only be tackled through punishment and compliance-backed tactics. Integrity Action works with the primary objective of fixing problems through collaboration and constructive engagement.

Integrity Action's approach has helped local organisations monitor - and fix - hundreds of projects affecting around 5 million people across more than a dozen countries, helping to fix roads, dispensaries, water systems and schools.

Integrity Action seeks to make sure that other people's money does what it is meant to do. If we can make the funds already allocated and committed to poverty alleviation - both domestic and foreign - actually deliver as intended, it would be the equivalent of channeling billions of additional dollars into development.

Background

Integrity Action was founded in 2003 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. Integrity Action was established out of the recognition that awareness raising and general advocacy had to move on to the determined reduction and control of corruption. Integrity Action was founded to find answers to the following questions:

- How can regular people make a difference and get better services by using integrity?
- How can one compete with integrity in tough governance environments and against less scrupulous competitors?
- How can we teach integrity to equip the next generation of leaders?
- How will we know we are making a difference?

Since 2003, Integrity Action has been answering these questions through the application of practical knowledge, skills and learning from our work throughout our programme activities. It was clear in 2003, that the time had arrived for a broad-based global movement for integrity in civil society, business and government, with the high degree of professionalism needed to address the challenges of implementing reform. As Integrity Action celebrates its thirteenth year of operations, we remain convinced - based on the impact of our work - that integrity offers one of the largest opportunities for improvements in sustainable and equitable development.

How we work

Integrity Action uses a social accountability approach to improve the way services are delivered, especially to the poor and most marginalised in developing countries. This is delivered through a unique community driven, collaborative problem-solving approach, focusing on integrity problems and solutions to public service delivery. Integrity Action does not propose ready-made service delivery solutions to integrity challenges at the local level. Instead, we support people at the local level to identify integrity challenges, suggest solutions and advocate for these solutions with local service providers, especially local state institutions. Placing communities at the heart of our approach enables bottom-up community feedback to identify, monitor and improve development projects, holding government and contractors to account on service and infrastructure provision.

“ After we delivered our recommendations to the municipality, we noticed that there is a real impact on the ground. For example, at the beginning of September, the municipality got the funds for paving roads. So the new mayor held a new discussion meeting for Azzoun's inhabitants in order to discuss and consult which roads should be paved first. It was the first time for the Azzoun municipality to do it like this. ”

Student Monitor Palestine

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.

The public benefit of our programmes is demonstrated, among other ways, by the improvement of public service delivery, the reduction of corruption in specific projects, the spread of integrity education within universities and among trainers of public officials in countries in transition, the engagement of citizens in monitoring public projects and giving voice to relay their priorities for social justice and social change in their respective societies.

Who we work with



Our partners

Integrity Action partners with local organisations to ensure programmatic activities are context specific, locally owned and delivered. For its partners, Integrity Action provides opportunities for collaborative learning, project implementation, sharing of experiences and joint advocacy through vibrant networks, at a level that few organisations in our field can achieve on their own. We are also working to establish operational partnerships with large INGOs and development agencies.

Our supporters

Integrity Action gratefully acknowledges the financial support we receive to enable our work. Throughout the financial years 2016 we have received assistance from the following donors:

- Norwegian Agency for Development Cooperation
- Siemens Integrity Initiative
- Swedish International Development Cooperation Agency
- UK Department for International Development
- Comic Relief
- Pro Victimis
- European Union
- UNDP
- Global Giving
- World Bank
- The Global Fund to Fight AIDS, Tuberculosis and Malaria

Our governance

“Coming from a business background of high profile global IT programme delivery, I'm proud of Integrity Action's strength and robustness of delivery and the resulting community impact. This is recognised by a number of funders including Swiss International Development Agency who we are in talks with to extend their support to 2020.”

Kevin Radley

Co-chair and audit committee member

The Board of Trustees governs the organisation in line with its articles, 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 President and the CEO. The President is responsible for thought leadership and ensuring that Integrity Action remains at the forefront of developing creative and innovative approaches. The CEO has the responsibility for strategic and programmatic development and design, operations and finances. Both share the responsibility for fundraising.

The CEO manages the Executive Management Team that includes the Head of Finance and Corporate Services, the Head of Operations and the Head of Programme Development.

Integrity Action has offices in London and Jerusalem.

Vision and Mission

Integrity

Our mission is to empower citizens to act with and demand integrity, actively taking part in building institutions from the grassroot to the central policy levels to promote a state that is open, accountable and responsive to their needs and expectations. Without integrity, attempts to meet the UN's 2030 Sustainable Development Goals and reduce poverty are compromised.

We work with communities, to promote integrity-based values and behaviors, training volunteers from all walks of life including women, youth, people with disabilities and marginalised groups, as citizen monitors so they can audit the implementation of vital infrastructure projects and services within their communities. We facilitate collaborative problem solving, where monitors engage with service providers, local government and policy makers in order to resolve problems identified by citizens during their monitoring. This is all supported by an autonomous and transparent tech tool used by citizens to drive value for money and report the percentage of problems resolved to their satisfaction.

Vision

Integrity Action's 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.

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, and setting new integrity standards, where needed.
4. Strengthen our partners and Integrity Action as vibrant organisations that are **fit for purpose and growth**.



Highlights and achievements 2016

Reaching a milestone

Our online community-based monitoring system, DevelopmentCheck, is used to monitor more than 550 published projects. In 2016, 4,918 monitors and local partners used and promoted the platform and its associated app as part of their field work. While each of the 550 projects is unique, thematically they include water and sanitation, education, agriculture, roads and environmental protection. They are collectively worth over \$1 billion and have an average Fix-Rate of 57%. This translates to nearly 9,000 volunteer monitors in

11 countries, since 2010, living in communities in developing countries having the power to address failing projects. The driver of DevelopmentCheck's success is that evidence is collected autonomously, with no permission required from the service provider to do so, and completely transparent with feedback accessible to all (including those who are implementing and funding projects). Therefore, negative reviews and pressure from citizens create an incentive for service providers to improve the roads, schools, health clinics they are responsible for, in order to meet a growing demand from empowered citizens.

Electricity is brought to Bazatete in East Timor for the first time



In Bazatete, the largest sub-district of Liquica, citizens lived without electricity for decades. Lack of electricity has marred socio-economic development within the area. Children have been unable to study in the evenings, families have restricted use of power tools, and businesses have had limited access to communications. In 2013, a local company was contracted to provide electricity throughout the sub-district and link five main villages with a total of 750 households to the national grid, costing around a million dollars.

Work began in October 2013. However, the local company abandoned construction in early 2014 with not even one house connected to the national grid.

Luta Hamutuk trained community monitors and created a District Infrastructure Monitoring Committee (DIMC), an initiative to bring key stakeholders together to discuss how problems can be fixed. When the monitor took the problem to the DIMC they agreed to send a letter to the vice minister of public works and took the case to the district level government, however a fix failed to materialise.

The DIMC members discussed the case with Luta Hamutuk, who facilitated a meeting in the sub-district in March 2015, to collect information and gather evidence from the villagers about why the project had been abandoned and what work there was still left to complete. They found out that the main utility poles to support the wires for electrical distribution had been erected but were then left before the wires had been connected, without an explanation being given.

Following this engagement with the community, to gather the necessary evidence, Luta Hamutuk facilitated a meeting between the DIMC and the National Director of Electricidade de Timor Leste. The discussions were held on June 18th 2015 and just over one month later, at the beginning of August 2015, a new contractor was appointed to finish the work.

By November 2015, 2 out of the 5 villages were connected.

Due to the successes of the community monitors in Bazatete, their work is now supported by the district administrator. Any project which needs approval in the district is first taken to Luta Hamutuk's DIMC for their feedback. Also, on completion of a major project, the administrator first goes to the project monitors to ask if they are satisfied with the project before he signs anything off as complete.

“There have been huge benefits, we save money as before we had to buy candles every night and oil for our kerosene lamps. Now our children can read at night and some of us finally have access to information through the television and radio. We can also develop our own work and skills with the ability to use tools and do carpentry works. This can save us money and also enable us to create our own work and small businesses.”

Project beneficiary from Bazatete

Luta Hamutuk and their monitors have restored trust between the community and the local government. People feel confident when engaging with Luta Hamutuk. They trust that Luta Hamutuk will work to resolve issues through their Community Integrity Building approach and well established relationships with key stakeholders across the country.

Highlights and achievements 2016 continued

Education

The importance of education for improving people's lives can never be understated. 2016 has been a fascinating year for Integrity Action in terms of achievements in education, which is one of our 4 key thematic programmes. We launched the Integrity Clubs initiative, where young people and students learn about the theoretical side of integrity. At the same time they have the opportunity to identify and resolve everyday integrity issues. Working with and empowering young people is an investment in the future, and as more young people become involved in Integrity Clubs, it contributes to a cultural shift pushing the future leaders of tomorrow to act with integrity.

To illustrate, our partner in Democratic Republic of Congo, FOCHI, engaged 100 schools in three provinces to establish Integrity Clubs. 1,720 students, aged 15-18, received training and set up clubs in their schools, and

began monitoring 20 infrastructure projects and 102 services. Training enables Integrity Club members to analyse project documents, conduct project site visits to compare the actual project to the documents, take photos of the project, conduct beneficiary surveys and verify findings. They also engage with stakeholders such as contractors and local government to fix problems. These young people have used their training to successfully resolve 49% of all problems, including disappearing funds, incorrect materials used in construction and agreements not being adhered to by contractors.

In December 2015, we marked the end of the five-year Siemens Integrity Initiative project with a two-day conference attended by academics and students. The aim of the project was to 'level the playing field' between business, public sector and citizens by strengthening their internal integrity and thus reducing corruption, via higher education. Over the



entire period, we conducted trainings at 322 universities, involving 529 academics and 148 business leaders in 12 countries within Eastern Europe and Central Asia. We also enhanced existing curriculums with integrity content, so they could immediately begin teaching the material. Although the Siemens project has ended, academics in our Integrity Education Network continue teaching integrity, developing new materials, conducting projects and conferences with their own institutional resources.

A prime example of this work involves two academics, associate professors Maksim Mokeev, and Anna Chupina from Stolypin Volga Region Institute of Administration RANEP, in Saratov, Russia. The professors attended one of Integrity Action's global partners' meetings in Kenya, where delegates shared experiences and challenges

Key stats

Number of Integrity Clubs	200
Members	2,946
Projects and services monitored	197
Where	Afghanistan, Democratic Republic of Congo, Kenya, Palestine, Nepal and Timor Leste

associated with Integrity Education and Community Integrity Building. On returning home, they adapted some of their teaching methods and introduced integrity content into their curriculums. Two of their master's students subsequently won a regional prize for developing their own integrity curriculum for secondary school students, and they are now teaching the subject in 33 secondary schools. Since the end of the Siemens project, their institution won a federal grant to continue the project in 10 regional districts, covering 20 more schools. This grant will also support their second Open Competition on Integrity and Anti-corruption cases, curriculums, videos and monitoring. Academics in Siberia,

Russia continue to conduct special programmes on their own, to spread integrity more broadly within academia and among students through essay, poster, and case study competitions.

With the final sum-up of activities, projects and lessons learned, an external evaluation was conducted by Hungarian KPMG, which reported the following:

“ The project met, in most cases even exceeded, the target values and can be assessed as a successful undertaking that can serve as a basis for integrity education and promotion of integrity in business. The project lived up to its potential to contribute to the emerging and transitional markets of Central and Eastern Europe and the Former Soviet Union by incorporating integrity and anticorruption into educational practices and fostering dialogue between the business sector and academia, as well as between governments and civil society. ”

“ When we started, we did not know what was possible. Today we know that communities can champion their own development and now we are bolder with our project. We empower school age students to be the drivers of their own future. ”

Flory Kazingufu
South Kivu, Democratic Republic of Congo



Highlights and achievements 2016 continued

Health

We are passionate about making tangible and direct positive changes in the way that women and men access their health services and entitlements. In 2016, we launched a project to extend healthcare services, improve quality of care, as well as provide education for people living with HIV in Indonesia. For people living with HIV, access to quality health services, care, and education around HIV is a matter of life and death. We are enabling people living with HIV to provide feedback on services they receive, in order to provide invaluable data and insights, into what the conditions are like on the ground in real time. This will give health service

providers the tools to mitigate risks and improve vital services which people rely on to stay alive. By enabling people who receive HIV treatment to be able to speak up when they are treated badly, or when they do not have access to the medication they are entitled to, we are placing them at the heart of efforts to improve the services they rely upon, which increases their confidence in service providers when they see improvements. This is being done with the development of an application (working name: HealthCheck) which enables people living with HIV and key affected populations to report on, recommend improvements and drive positive change in the healthcare they receive.



An app that puts the power of feedback into the hands of people living with HIV in Indonesia

In 2016, Integrity Action entered into a partnership with the Global Fund to Fight AIDS, TB and Malaria, the largest multilateral donor focused on curbing these three diseases internationally. The Global Fund has an annual portfolio of around \$4 billion a year to support Principal Recipients in delivering services to curb these three diseases. Principal Recipients are usually Ministries of Health but also include national and international NGOs and some UN agencies.

While gay sex is legal in Indonesia, the context is not always hospitable. There are activists and politicians who make repeated motions to outlaw it. "Gay Sex May be Outlawed" was a front page story in the Jakarta Post when Fredrik, our President, and his assistant Beth, were there. The article cites "a noted psychiatrist in the field of HIV and homosexuality, Dadang Hawari" who has said that "homosexuals were sexual deviants influenced by external factors such as a person's social environment and could be healed through psychiatric treatment." According to the article the Indonesian Psychiatrists Association classifies "homosexuality, bisexuality and transgenderism as mental illnesses." In a country that is not always open to ensuring that people living with HIV get the health treatment and prevention they need, what Spiritia and its partners do requires both courage and tremendous cultural and political sensitivity.

Beth and Fredrik were in Indonesia to see if they could develop a customised smartphone app modelled on what we do with DevelopmentCheck that could be used by people who live with HIV. The app will do three main things:

1. Enable health service users to rate health service providers;
2. Inform health service users about their rights and entitlements and therefore make it easier for them to identify and report problems; and
3. Make it easy for them to give recommendations for improving the service if problems are found.

By addressing these three components, we aim to make it easier for people to know where they can get good health services and to give recognition to those who are providing the best services. The approach will also help to build trust between patients, health providers, the NGOs, like Mitra Alam, that support patients and ultimately also to donors and the Indonesian Ministry of Health. The Fix-Rate will be an important indicator in the measurement of how such services are improving in order to attract new beneficiaries and maintain the beneficiaries they currently serve.

Active engagement by people living with HIV is a core value of the Global Fund. This is the first time an app is being developed that puts the power of real-time feedback directly into their hands. The app will also give visibility to the critical role played by community outreach workers in supporting people who live with HIV.

Indonesia has an excellent network of community outreach organisations, with dedicated health outreach workers like Mama. Almost all health outreach workers already own a smartphone; and in the focus groups, interviews and other meetings they held to get inputs and suggestions for the app, the response was universally positive. Everyone thought the app was a good idea and that it was urgently needed. So despite some political and social challenges, Indonesia is a promising pilot country for the application.



Highlights and achievements 2016 continued

Livelihoods

Two major earthquakes hit Nepal in 2015, where 14 districts were severely affected with more than 8,000 people dead and over 20,000 injured. Studies soon found that humanitarian relief was not reaching those in need. Integrity Action launched a pilot to ensure that vital aid reached the communities in most need in Dhading, Gorkha, Makwanpur, Rasuwa and Sindhupalchok districts. We helped to train 20 youth monitors so they could ensure that the needs and concerns of those worst affected were taken into account by aid agencies involved in the disaster response. Integrity Action

conducted this pilot in partnership with Youth Initiative in Nepal, GroundTruth, and Accountability Lab, with funding from Feedback Labs.

In 2016, as part of Integrity Action's goal of improving livelihoods, our partners have been monitoring the implementation of vital transport infrastructure projects for communities, including roads, bridges, and foot paths which link isolated communities to vital services such as schools, hospitals and government services. One such project is the \$32,000,000 rehabilitation of the road network in Goma town in the Democratic Republic of Congo.



Improving relief distribution in post-earthquake Nepal through citizen engagement



Pilot Implementation

Following the earthquake that hit Nepal on April 25th 2015, studies found relief was not reaching those who needed it. Ground Truth conducted one study, who then engaged Integrity Action to respond to some of the relief distribution issues they had discovered.

Integrity Action conducted this pilot in partnership with Youth Initiative in Nepal, GroundTruth, and Accountability Lab, with funding from Feedback Labs. This pilot looked to test whether coordination and distribution of aid could be improved by introducing a citizen-driven feedback loop. Integrity Action and Youth Initiative decided to amplify citizen engagement by training volunteer, youth monitors. These monitors ensured that the needs and concerns of those worst affected were taken into account by aid agencies involved in the disaster response.

Initial Surveys

To identify areas of focus and build on GroundTruth's report, Youth Initiative carried out a survey across the 5 districts of Nepal to better understand the situation, needs and priorities. Findings demonstrated:

- 1 in 5 people faced problems accessing relief
- 1 in 5 people felt that the relief efforts lacked transparency
- 29% of people were not satisfied with the assistance they had received
- Almost 50% of households had not received their primary cash relief entitlements for the winter

Monitors gathered these findings by carrying out 1,000 household surveys and identifying key gaps in the five districts' relief efforts. The monitors worked with relief organisations and local governments to suggest improvements.

Creating Integrity Hubs

From the initial findings, Youth Initiative realised that in many cases those responsible for relief efforts were

not aware of the issues communities were facing. In response to this, they established Integrity Hubs where key stakeholders discussed the monitors' findings, identified solutions, and implemented them collaboratively. This approach succeeded in providing a platform for dialogue and raising awareness about the discovered problems.

Together the solutions identified by those involved in the Integrity Hubs have led to:

1. 1,448 households receiving information through Youth Initiative monitors on what aid they are entitled to, and how to access it. Youth Initiative will follow up to check that they are accessing the resources.
2. 6 of the 24 problems (25%) discovered by the monitors during this pilot have been resolved (to date)
3. 141 families received food, blankets and warm clothes and 119 primary school children received warm clothes and books through the recommendations made by the monitors
4. In Sindhupalchowk, after discovering that the intended beneficiaries of an INGO project were not receiving financial compensation for damaged homes, monitors engaged with staff and helped them to remap the eligible households. As a result, 100% of eligible households received the vital financial compensation.
5. Village Development Committees (VDCs) in all 5 districts now share lists of households who are entitled to relief benefits. Monitors, with this information, can support eligible households to register and receive benefits.
6. VDC staff in all districts now attend monthly meetings where monitors share citizen feedback on the effectiveness of relief aid.

Looking to the future

The pilot covered a relatively small geographic area, but applying this approach more widely in disaster-affected areas has great potential. Citizen monitors have been able to identify, share and respond to problems as well as create a platform for all stakeholders to engage with one another. There is more to do but the pilot shows the potentially transformative effect of using trained monitors to make sure feedback from citizens is heard, and their concerns addressed quickly and effectively.

Looking to the future

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Highlights and achievements 2016 continued

Integrity Action's President visits Lunga Lunga in Kenya



In November 2015, Fredrik Galtung, President of Integrity Action, travelled to Lunga Lunga in Kwale County, Kenya to assess whether Integrity Action's work had had a sustainable impact in the county.

Lunga Lunga was a community where women and girls used to walk 3 km to fetch water every day. With our training and support, our former Kenyan NGO partner, the Coastal Road Support Programme (CRSP), recruited community members as monitors. Lead community monitors discovered that only two of the four local pipelines were functioning, and presented this information to the Kubo Division Joint Working Group. They then tabled in on meetings with the district water engineer in November 2012 and January 2013. The pipelines were repaired and the pumping station was eventually upgraded. Most importantly, the Kubo community got a functioning standpipe for the first time in many years.

The question at the heart of Integrity Action's Community Integrity Building (CIB) approach is whether the fixes are sustainable and what positive externalities can be identified. Through Fredrik's visit, it was key that we understood whether the water points fixed three years ago were still operational. Moreover, whether lead community monitors were still active after the CRSP ceased its activities.

Fredrik was delighted to find that the hand pump that was fixed three years ago was still functioning properly. Furthermore, many households had installed water cisterns as backup to safeguard access to water during power cuts. All the other water points that were

repaired or completed as a result of Integrity Action's work in Kwale with CRSP were also found to still be operational. Ndoro, a lead community monitor, said that most communities in his sub-county now have access to clean drinking water. He, like many others, continue to hold service providers accountable without any backing from NGOs. He said, *"the water services we now have would not have happened without the communities demanding it and overseeing the projects. If anyone claims otherwise, then they have nothing to fear from community monitors. They should simply be doing their job"*.

Based on Fredrik's site visits, his conversations with Ndoro and his meetings with people in the community, it seems that there were many recent improvements in Kwale. Fredrik also spoke with Hemed Mwabudzo, Kwale County's Minister of Water and Public Works, who stated that "Kwale stands out as a very good example of devolution" and its relative success can be explained by a combination of three main factors:

- Strengthened community ownership, as communities were successfully able to push for fixes.
- Ineffective institutions now realise that the community is much more aware of its entitlements, and therefore projects have to be executed well and handed over properly to the community.
- The legal and constitutional framework created by devolution has strengthened community ownership of the projects by the community.



Water and sanitation

Throughout the financial year 2016, Integrity Action has supported our partners as they monitor water and sanitation projects across the 9 countries where we have been active. As a result of our monitors' work, important

problems have been resolved in projects and services which provide drinking water for communities as well as improve sanitation, thus combating the spread of infectious disease. In the village of Lorengelup in Kenya, monitors successfully identified several problems with a drinking water project which the community badly needed. Their ability to engage with the implementing agency as well as the local community resolved problems they identified with the implementation, fixing an important project as well as building trust between citizens and service providers.

“ Without the support, we wouldn't have known what steps could be taken to get justice here. With water in our community, we have some life coming back to us. We can plant fruit and vegetables now. Our livestock will no longer die. We can protect our livelihoods. ”

Stephen Nodoro Chaka

Chairman of the Community Monitors CBO, formed out of the Lunga Joint Working Group, Kenya

Integrity Action was commissioned by DFID to carry out a pilot, which aimed to capture and analyse a small number of case studies in Kenya to better identify local users' (local non-governmental organisations and citizen groups) practical data needs and to explore the benefits of increased aid transparency.

Fredrik Galtung made Ashoka Fellow



Our founder Fredrik Galtung was made an Ashoka Fellow on the 11th of November 2015, joining the world's largest network of social entrepreneurs.

This life-long fellowship is in recognition of Fredrik's role as a Change maker seeking to achieve systems to revolutionise the way international development is done. With Integrity Action, Fredrik Galtung is re-defining anti-corruption work from top-down finger pointing to bottom-up promotion of integrity at the community level.



Our priorities for 2017

The plan for 2017 is ambitious and challenges us to deliver greater impact for communities, as well as generate the learning for a wider development sector whilst being as strict as ever about how we use available resources.



The key areas that we will be focusing on are:

- Building on positive experience in Indonesia, we will be further strengthening the user interface of DevelopmentCheck and work on SMS integration
- Increasing the role of women and girls as monitors in countries where equality and inclusion is an issue, to challenge widespread perceptions of what women can or cannot do
- Focusing on the implementation of our innovative Tipping Point strategy in at least 4 targeted countries
- Linking our learning and impact with Sustainable Development Goals targets to boost the voice and give visibility of opinions of people whom development action serves



Financial policies and financial position

Reserves policy and financial position

Reserves policy

Integrity Action has an approved reserves policy, retaining a level of funds within an operational reserve of unrestricted monies to mitigate financial risks identified in the risk management plan. The target range for the operational reserve is reviewed on an annual basis to ensure that reserves are sufficient to:

- Cover essential investment for the enabling environment required to deliver the Strategy and ensure viability of our technological platforms
- Safeguard the charity's grass root community commitments in the event of delays in receipt of income
- Enable Integrity Action to complete the existing contracts within a planned and orderly reduction of activity should our sources of income cease

The Trustees maintain the view that reserves should not be set 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 £328,957 and £657,915.

Financial position

The balance sheet shows total funds of £958,422 (2015 - £1,080,641) and general funds or 'free reserves' of the charity at 30 September 2016 total £617,431 (2015 - £660,266).

The charity is actively pursuing funding with both existing and potential funders.

The trustees consider that the level of free reserves which is currently at just over 5 months is adequate to meet core requirements and key programme activities over the coming period.

Also included in total funds is a restricted fund balance of £340,991 (2015 - £420,375). 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 key risks outlined for the financial year are as follows:

Risk	Mitigating measure
Political and social stability of our overseas operating environment	The risk is addressed (including contingency planning) in all project plans and reviewed with local partners on a quarterly basis. Unfortunately, a contingency plan had to be activated in South Sudan and all activities were ceased.
Diversification of funding to reduce the risk of overdependence on a single source	Diversification is embedded in the Fundraising plan and the progress is reviewed by the executive team and the Fundraising Committee reviews it on a quarterly basis.
Ability to maintain effectiveness and efficiency of our technological platform in light of the speed and cost required of wider technological developments	Continuing to build a strong network with the technological sector in the UK and abroad. Funds needed for development and regular maintenance are earmarked within the budget.

Pay policy for senior staff

The trustees consider the board of trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. No trustee received remuneration for their work as a trustee. Details of trustees' expenses and related party transactions are disclosed in note 4 to the accounts.

The staff roles included in key management personnel are the President and the CEO.

The total employee benefits of the key management personnel of the Charity were £201,354 (2015: £213,339).

The pay of the President, CEO and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the Trustees benchmark against pay levels in other charities. The remuneration benchmark is the mid-point of the range paid for similar roles in similar charities and sizes.

Statement of Trustee's responsibilities

Each trustee has taken responsibility for monitoring the company's activities in specific operational areas and constant attention is paid 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 is 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:



Siobhan Turner
Chair of the Audit Committee
27th January 2017

Independent auditor report to the members of Integrity Action

We have audited the financial statements of Integrity Action for the year ended 30 September 2016 which comprise the Statement of Financial Activities, the Charitable Company 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) and financial reporting standard 102.

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.

Respective responsibilities of trustees and auditor

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.

We have been appointed auditor under the Companies Act 2006. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of the charitable company's net movement in funds, including the 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' Annual 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:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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 exemption in preparing the Trustees' Report and strategic report.



Murtaza Jessa

Senior Statutory Auditor

for and on behalf of haysmacintyre
26 Red Lion Square, London WC1R 4AG
Chartered Accountants and Statutory Auditors
27th January 2017

Statement of Financial Activities

Year to 30 September 2016

	Note	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Income and expenditure					
Income on:					
Investment income		1,546	-	1,546	847
Charitable activities:					
Grants	1	568,520	623,545	1,192,065	1,790,451
Total income		570,066	623,545	1,193,611	1,791,298
Expenditure from:					
Cost of raising funds:					
Other costs		15,647	-	15,647	198
Cost of charitable activities:					
Community Integrity Building		75,355	505,321	580,676	1,074,061
Integrity Education		163,700	147,591	311,291	451,191
Core		404,395	3,821	408,216	302,998
Total expendediture	2	659,097	656,733	1,315,830	1,828,448
Net incoming/(outgoing) resources before transfers		(89,031)	(33,188)	(122,219)	(37,150)
Transfers between funds	9, 10	46,196	(46,196)	-	-
Net movements in funds		(42,835)	(79,384)	(122,219)	(37,150)
Fund balances at 1 October 2015		660,266	420,375	1,080,641	1,117,791
Fund balances at 30 September 2016		617,431	340,991	958,422	1,080,641

The statement of financial activities includes all gains and losses in the year.
All income and expenditure derives from continuing activities.

Balance Sheet

Year to 30 September 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets			-		-
Current assets					
Debtors		133,320		140,803	
Cash at bank and in hand		1,045,227		1,353,587	
			1,178,547		1,494,390
Liabilities					
Creditors: Amounts falling due within one year			220,125		413,749
Net current assets			958,422		1,080,641
Total net assets			958,422		1,080,641
The funds of the charity:					
Unrestricted income funds			617,431		660,266
Restricted income funds			340,991		420,375
			958,422		1,080,641

Approved by the trustees and signed on their behalf by:



John Cutts

Chair of the Board

27th January 2017

Company Registration Number: 4884328

Statement of Cash Flows and Consolidated Statement of Cash Flows

Year to 30 September 2016

	Note	2016 £	2015 £
Cash flows from operating activities	16	(309,906)	151,590
Cash flows from investing activities:			
Interest income		1,546	847
Purchase of tangible fixed assets		-	-
Cash provided by (used in) investing activities		(308,360)	152,437
Decrease in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		1,353,587	1,201,150
Total cash and cash equivalents at the end of the year		1,045,227	1,353,587

Principle accounting policies

Year to 30 September 2016

Basis of accounting

The financial statements have been prepared in accordance with 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charities 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 that are believed to be reasonable under the circumstances.

Income and expenditure

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Grants are recognised in full in the statement of financial activities in the year in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

All other income is recognised on an accrual basis as services are 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.

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

Expenditure is recognised once 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.

Non-grant-making expenditure is recognised on an accrual basis as goods and services are delivered and performed.

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

Tangible fixed assets

All assets costing more than £1,000 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.

Principle accounting policies continued

Year to 30 September 2016

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.

Employee termination benefits

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

Pension scheme

Example Charity operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of Example Charity in an independently administered fund. The pensions 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 short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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

Year to 30 September 2016

1 Grants

	2016 £	2015 £
Unrestricted		
Swedish International Development Cooperation Agency (SIDA)	560,300	548,739
Small donations and consultancies	8,220	12,745
Restricted		
Norwegian Agency for Development Cooperation (NORAD)	319,566	316,393
Siemens Integrity Initiative	67,298	205,630
Department for International Development (DFID)	47,108	34,500
Comic Relief	57,727	211,988
Global Fund	38,717	-
Pro Victimis	30,035	-
EU	22,490	-
UNDP	21,846	18,756
Global Giving	18,758	-
World Bank	-	396,249
Swedish International Development Cooperation Agency (SIDA)	-	45,451
Total grants	1,192,065	1,790,451

2 Total resources expended

	Note	Community Integrity Building £	Integrity Education £	Core £	Cost of generating funds £	2016 Total £	2015 Total £
Staff costs	3	133,521	181,797	269,666	-	584,984	588,620
Travel		14,408	31,803	25,793	-	72,004	252,062
Technical assistance		36,130	41,651	61,654	15,647	155,082	139,884
Office costs		130	3,916	6,052	-	10,098	12,706
IT		-	4,069	1,875	-	5,944	16,220
Publications		1,150	9,297	2,840	-	13,287	21,997
Rent		1,426	24,451	14,419	-	40,296	43,309
Other costs		55,194	(7,795)	25,917	-	73,316	23,282
Grants		338,717	22,102	-	-	360,819	730,368
Total expenditure		580,676	311,291	408,216	15,647	1,315,830	1,828,448
Expenditure from unrestricted funds		75,355	163,700	404,395	15,647	659,097	549,954
Expenditure from restricted funds		505,321	147,591	3,821	-	656,733	1,278,494
		580,676	311,291	408,216	15,647	1,315,830	1,828,448

Notes

Excludes overhead recharges between Core and other programmes.

Includes travel by Integrity Action staff, partners and other participants to conferences, workshops and events.

Included in the above are the following:

	2016 £	2015 £
Auditor's remuneration		
Audit (current year)	15,240	12,480
Other non-audit services	9,781	4,597
Foreign exchange differences	42,704	49,745

Notes to the Financial Statements continued

Year to 30 September 2016

3 Staff costs

	2016 £	2015 £
Wages and salaries	518,988	523,273
Social security costs	47,384	47,452
Pension costs	18,612	17,895
Other staff costs	-	-
	58,984	588,620

The average number of employees throughout the year was:

	2016	2015
Project workers	12	18
Administrative staff	3	3
	15	21

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:

	2016	2015
£120,000 - £129,999	-	-
£110,000 - £119,999	1	1
£100,000 - £109,999	-	-
£90,000 - £99,999	-	-
£80,000 - £89,999	-	1
£70,000 - £79,999	-	-
£60,000 - £69,999	2	-

The above higher paid employees received employer pension contributions of £15,445 (2015 - £9,129).

The total employee benefits of the key management personnel of the Charity were £201,354 (2015: £213,339).

The staff roles included in key management personnel are the President and the CEO.

4 Trustees' remuneration

No trustees were reimbursed any expenses in the year 2016 (2015 - £1,059).

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

Joy Saunders left Integrity Action and resigned to her position as trustee on 31 May 2016, she was not remunerated for her role as a trustee.

In financial year 2016 Joy Saunders received remuneration for her role as CEO for £63,740 (2015 - £84,583).

Fredrik Galtung is still a trustee of Integrity Action and received no remuneration for this role.

In financial year 2016 Fredrik Galtung received remuneration for his role as President for £119,095 (2015 - £119,627).

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 2015	14,839	61,729	76,568
Additions in the year	-	-	-
Disposals in the year	-	-	-
At 30 September 2016	14,839	61,729	76,568
Depreciation			
At 1 October 2015	14,839	61,729	76,568
Charge for year	-	-	-
Disposals in the year	-	-	-
At 30 September 2016	14,839	61,729	76,568
Net book values			
At 30 September 2016	-	-	-
At 30 September 2015	-	-	-

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 2016, the facility was for £32,000 (2015 - £32,000).

7 Debtors

	2016 £	2015 £
Debtors and accrued income	98,016	122,882
Prepayments	35,304	17,921
	133,320	140,803

8 Creditors: Amounts falling due within one year

	2016 £	2015 £
Expense creditors	133,277	319,086
Taxation and social services benefits	16,482	17,940
Deferred revenue	-	-
Accruals	70,366	76,723
	220,125	413,749

Notes to the Financial Statements continued

Year to 30 September 2015

9 Unrestricted funds

	At 1 October 2015 £	Incoming resources £	Resources expended £	Transfers £	At 30 September 2016 £
General purposes	660,266	570,066	(659,097)	46,196	617,431
	660,266	570,066	(659,097)	46,196	617,431

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

10 Restricted funds

	At 1 October 2015 £	Incoming resources £	Resources expended £	Transfers £	At 30 September 2016 £
Community Integrity Building	189,171	349,878	(505,321)	(30,969)	2,759
Integrity Education	212,853	181,183	(147,591)	(12,268)	234,177
Core	18,351	92,484	(3,821)	(2,959)	104,055
	420,375	623,545	(656,733)	(46,196)	340,991

Community Integrity Building: Identifies innovative ways of strengthening community engagement to promote integrity improvements in the delivery of health, education, water, sanitation and social protection services.

Integrity Education: To address 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.

Core: Operational support.

11 Analysis of net assets over funds

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Tangible fixed assets	-	-	-	-
Net current assets	617,431	340,991	958,422	1,080,641
	617,431	340,991	958,422	1,080,641

12 Commitments under operating leases

As at 30 September 2016 the company has total commitments under non-cancellable operating leases as set out below:

	Land and buildings 2016 £	Land and buildings 2015 £
Operating leases expiring:		
Within one year	21,162	-
Between two and five years	-	14,400
	21,162	14,400

13 Related party transactions

In 2016 and 2015 there were no related party transactions.

Notes to the Financial Statements continued

Year to 30 September 2015

14 Comparative Statement of Financial Activities 2015

	Note	Unrestricted funds £	Restricted funds £	2015 Total funds £
Income and expenditure				
Income on:				
Investment income		847	-	847
Charitable activities:				
Grants	1	561,484	1,228,967	1,790,451
Total income		562,331	1,228,967	1,791,298
Expenditure from:				
Cost of raising funds:				
Other costs		198	-	198
Cost of charitable activities:				
Community Integrity Building		158,619	915,442	1,074,061
Integrity Education		92,565	358,626	451,191
Core		298,572	4,426	302,998
Total expenditure	2	549,954	1,278,494	1,828,448

15 Conversion to FRS102

This is the first year that the Charity has prepared its financial statements under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 30 September 2015 and the date to transition to FRS 102 was 1 October 2014. There have been no changes in accounting policies on transition to FRS 102.

There have been no adjustments made in order to comply with the new SORP FRS 102.

16 Reconciliation of Net Income to Cash Inflow from Operating Activities

	2016 £	2015 £
Net movements in funds	(122,219)	(37,150)
Deduct interest income shown in investing activities	(1,546)	(847)
Decrease (increase) in debtors	7,483	(11,932)
Increase (decrease) in creditors	(193,624)	201,519
Net cash used in operating activities	(309,906)	151,590

Contact details

www.integrityaction.org

Trustees

Alan Barlow

John Cutts

Fredrik Galtung

Nilima Gulrajani

Gordon Johnson

Arun Nanda

Kevin Radley

Joy Saunders (resigned on 31/05/2016)

Siobhan Turner

Sunil Vaswani

Philip Welply

Audit Committee

Fredrik Galtung

Kevin Radley

Siobhan Turner

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Fredrik Galtung

President

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Chief Executive Officer

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