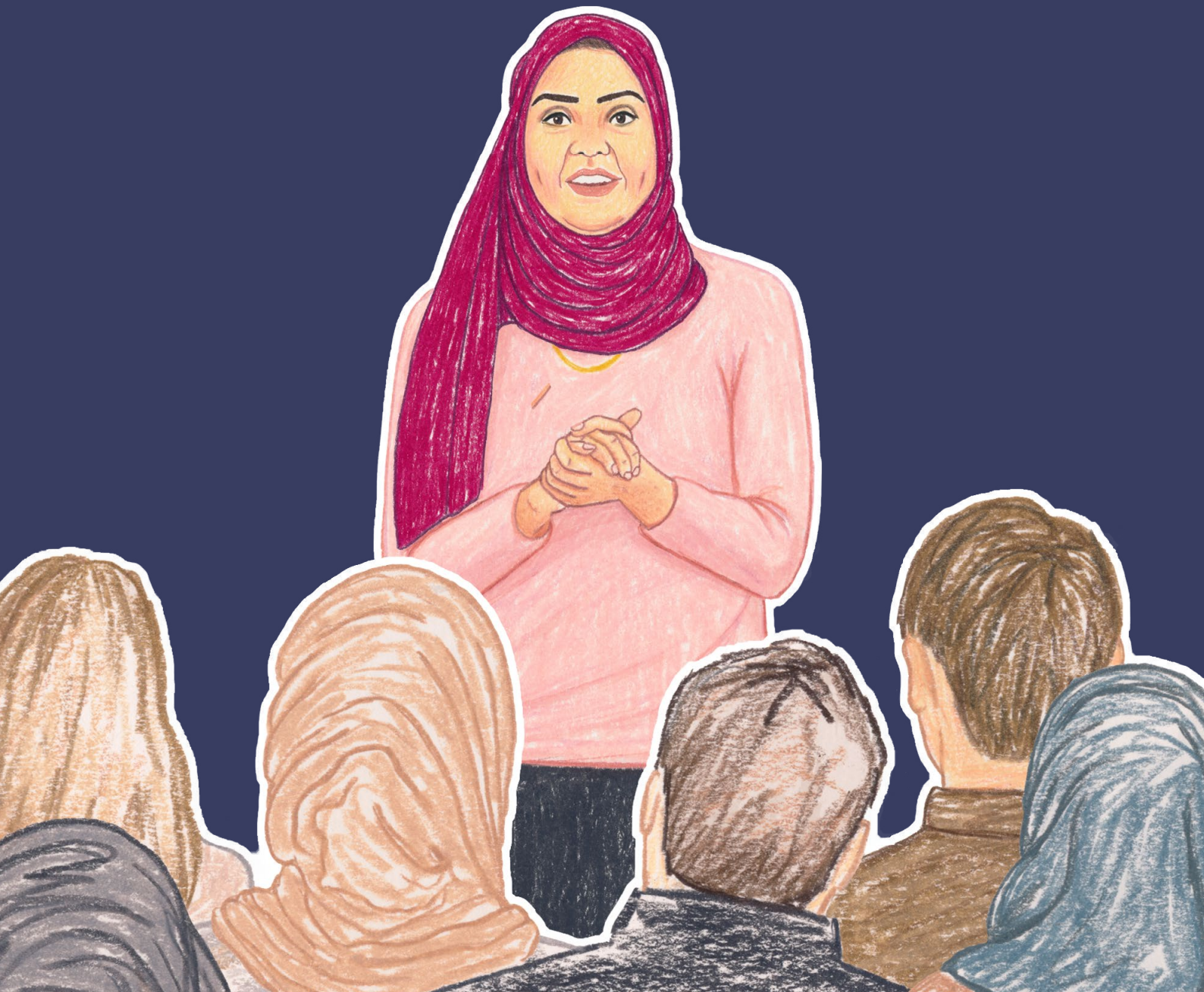




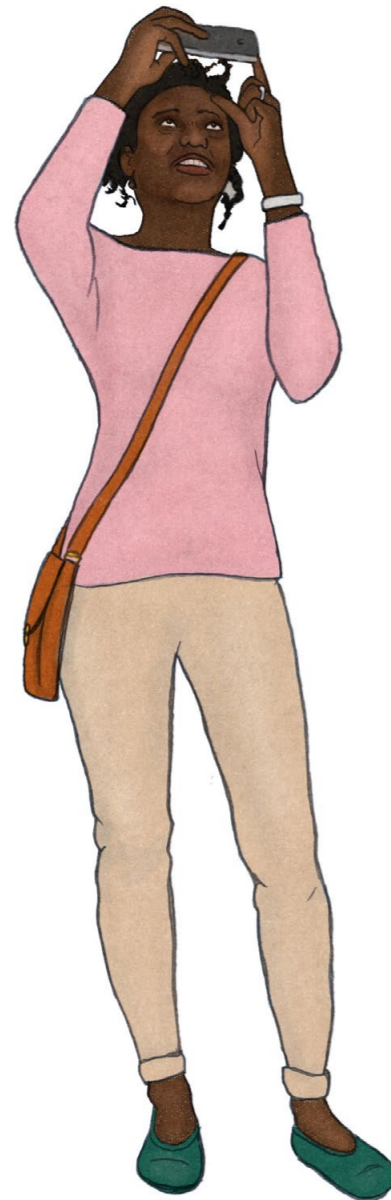
**INTEGRITY  
ACTION**

# **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 30 SEPTEMBER 2019**



# CONTENTS PAGE



4	Welcome Note from the Chair
6	Overview: Citizens Monitor. Everyone Wins.
8	What Makes Us Different?
10	DevelopmentCheck: About the Tech
12	Vision and Mission
13	Key Numbers
14	Year in Review: What we have Achieved
18	Year in Review: What we have Learned
20	Building Trust Between Citizens and Government in Kenya
22	Improving Disability Inclusion in Nepal
24	Strategy Update
26	Financial Review
28	Pay Policy for Senior Staff
29	Risk Management
30	Public Benefit
30	Structure, Governance and Management
32	Statement of Trustees' Responsibilities
34	Audit Report
37	Statement of Financial Activities
38	Balance Sheet
39	Cash Flows
44	Notes to the Financial Statements
52	Reference and Administrative Details
54	Restricted Funds Project Overview

## WELCOME NOTE FROM THE CHAIR

The readers of this report know that positive, empowered citizens make for a healthier global society. In its own way, Integrity Action is enabling this in some of the most unequal and challenging contexts in the world.

Through our work, citizens in nine countries are promoting integrity through monitoring vital projects and services, and ultimately improving the quality of life in their communities. In turn, Integrity Action's platform DevelopmentCheck is reassuring those who are responsible for delivering these projects and services that they are indeed having the intended impact.

As such, it is a pleasure to present the Integrity Action Annual Report and commend the management team on their impactful work. Thousands of citizens are now using our approach to monitor hundreds of projects in localities that range from Dodoma in Tanzania to Bacau in Romania and Melamchi in Nepal with a consistent Fix Rate of 50% (the proportion of problems identified by monitors that have been resolved).



And it is not only about "fixes". As you will read, when Hanah Ngala, village administrator in Kinango, Kenya calls community monitor Mama Uchi on a regular basis to check how local projects are going, we know real change is happening.

In this first year of our five-year strategy, there are three further areas I would like to highlight:

- 1 The improvement of the Development-Check technology tool with the primary goal of improved ease of use by citizen monitors, while also producing strong data on how key services and projects are working, or not;
- 2 The scaling up of our work through other international organisations adopting and adapting the Integrity Action approach;

- 3 An increased focus on gathering evidence for the sustainable impact of our interventions, with more robust data on how attitudes and behaviours are shifting in the communities where we work. Much more of that to come in the next few years.

The trustees at Integrity Action especially wish to thank the citizen monitors, all of whom are volunteers who do this because they care about their communities (you are the real heroes!); the NGO partners who implement monitoring on the ground; and the donors who provide the resources to make this all possible.

Together we can do so much. How inspiring it is to see this philosophy continue to deliver palpable results.

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

**Gail Klintworth**  
Chair, Integrity Action's  
Board of Trustees

# INTEGRITY ACTION: CITIZENS MONITOR. EVERYONE WINS.

**Citizens in many countries know all too well the frustration of crumbling roads and buildings, understaffed schools, and water sources with no water. Integrity Action provides citizens with practical ways of tackling these problems and actually getting results, in collaboration with the institutions that serve them.**

We do this with an approach that incorporates community monitoring, social accountability, problem solving, and a technology tool and mobile app called DevelopmentCheck. We work with partner organisations in Africa, Asia, Europe and the Middle East to run initiatives in which citizens take the lead, monitor projects and services that are important to them, and secure improvements that make a real difference to them and their communities.

Since 2013, citizens have monitored over \$1 billion worth of development spending as part of our projects. As of the end of 2019, citizen monitors are active in nine countries. And of all the problems they have found with vital public services and projects, they have secured solutions to around half. That adds up to thousands of improvements to services that really matter, like schools, water supplies, and new roads and public buildings. As you will discover in this report, our impact is not only about these “fixes”. We do all this so that citizens can build trust between them and the institutions that serve them; and to ensure citizens have more power to influence and decide how development is done.

## Our approach in a nutshell

- **Monitoring:** we enable citizens to become monitors of essential services and development projects so they can check that whatever was promised is being delivered
- **Technology:** monitors identify and report problems on our app DevelopmentCheck; this information is published in real time and visible to anyone
- **Solutions:** monitors actively seek solutions by convening key stakeholders and securing improvements. These “fixes” are also posted on DevelopmentCheck.



# WHAT MAKES US DIFFERENT?

**The world has too many international development organisations to count - and even within transparency and accountability there are numerous actors. So what value do we add?**

## **1 Accountability of essential services and projects - driven by citizens.**

Among initiatives that seek to make the international development system more transparent and accountable, there is often a missing piece: involving citizens themselves. This is a gap that Integrity Action fills. In fact, citizens are not just “involved” in our approach - they lead it. They identify what problems matter most to their community, and they lead on engaging government and others to fix those problems.

**2 More than feedback.** Integrity Action is associated with “beneficiary feedback” but, to us, feedback by itself is underpowered. We describe our approach as a combination of “feedback and appraisal”. Feedback refers to how citizens feel about a service - it is primarily subjective. Appraisal refers to citizens establishing exactly what they have been promised, and comparing this with what has been delivered. It is primarily objective.

Without appraisal, feedback can become divorced from real-life commitments. Without feedback, appraisal can miss what a community thinks. Too often, accountability approaches focus on one or the other - but we find they are most powerful together.

**3 It's not just technology - it's the methodology.** Integrity Action's approach isn't all about technology. In fact, it's not even mostly about technology. If you were to remove our mobile app, DevelopmentCheck, from our approach then citizens would *still* be able to monitor services, identify problems, and find solutions. (See page 11 for why we use technology.

The methodology doesn't tell citizens what to do - instead it gives them tools that they combine with their local “know how” to promote integrity in local services. The methodology draws inspiration from community-led development, local-level campaigning, conflict resolution, and beyond. When technology tools are applied without a methodology attached, this runs the risk of the tool returning underwhelming results and/or exclusion of marginalised people being exacerbated.

**4 Inclusion is central.** Many tech-based social accountability approaches feature a tool or channel that is available for anyone to use. While this does provide a path to scale it can also risk excluding voices who don't have access to it. Instead, we work with partners to recruit a balanced cohort of motivated community members to become monitors. This is to ensure that even the most marginalised people can participate. Inclusion is also a core principle behind our approach to technology - see page 11 for more on this.

**5 Learning and influencing internationally.** Putting citizens at the heart of our approach is hardly unique when we consider the numerous local and national organisations that raise citizens' voices. However, our international profile allows us to (a) learn from multiple partnerships and different environments, (b) generate more significant amounts of data, from which anyone can learn about what is and isn't working in development, and (c) influence key institutions to push for changes in accountability standards or requirements. We have identified these five factors that set us apart in the fields of international development and transparency and accountability. Each factor by itself may not be unique, but our true added value comes from them being combined.



# DEVELOPMENTCHECK: ABOUT THE TECH

2019 has been a big year for our signature technology tool, DevelopmentCheck. Taking on board five years of learning and feedback from the citizens who have used it, we undertook a major rebuild, focussing on making the technology easy to use, and useful, for all stakeholders. But first...

## What is DevelopmentCheck anyway?

- **It's a mobile app:** monitors use it to record how well, or badly, a local project or service is working. It works on both Android and iOS operating systems.
- **It's a public website:** anyone can browse the projects/ services being monitored, and look at what the monitors are reporting, on [developmentcheck.org](http://developmentcheck.org).
- **It's a database:** all findings from monitoring are stored in a database which allows reporting and analysis.

So - can you download the app and try it out? Not at present, because we only grant full access to the citizen monitors we work with. However, if you'd like to try a test version or learn more about it, please contact us via [integrityaction.org](http://integrityaction.org).



## Why do we use DevelopmentCheck?

As pointed out on page 8, Integrity Action's approach is only partly about technology. So why do we bother at all? To us, a tool like DevelopmentCheck offers some key advantages for feedback and accountability. These include the ability to generate **real-time feedback** - which in turn can lead to faster resolution of problems; and the ability to **easily draw insights** from the data produced.

Another benefit concerns accessibility. Technology tools can provide easier ways for citizens to take part in monitoring, even when they have low literacy or a disability. We know some visually impaired monitors use DevelopmentCheck via an audio playback function to hear text on the screen.

## What has changed in 2019?

The app is now much more user friendly, particularly for the majority of citizen monitors who have never used a smartphone before. Monitors now work their way through a series of simple questions about the project or service they are monitoring. These questions are designed for each type of service, and partners and monitors can be involved in their design.

We have also improved the quality of data produced by the app, and we have made analysis easier. All this means key stakeholders, including service providers, will find the system much more useful.

## VISION

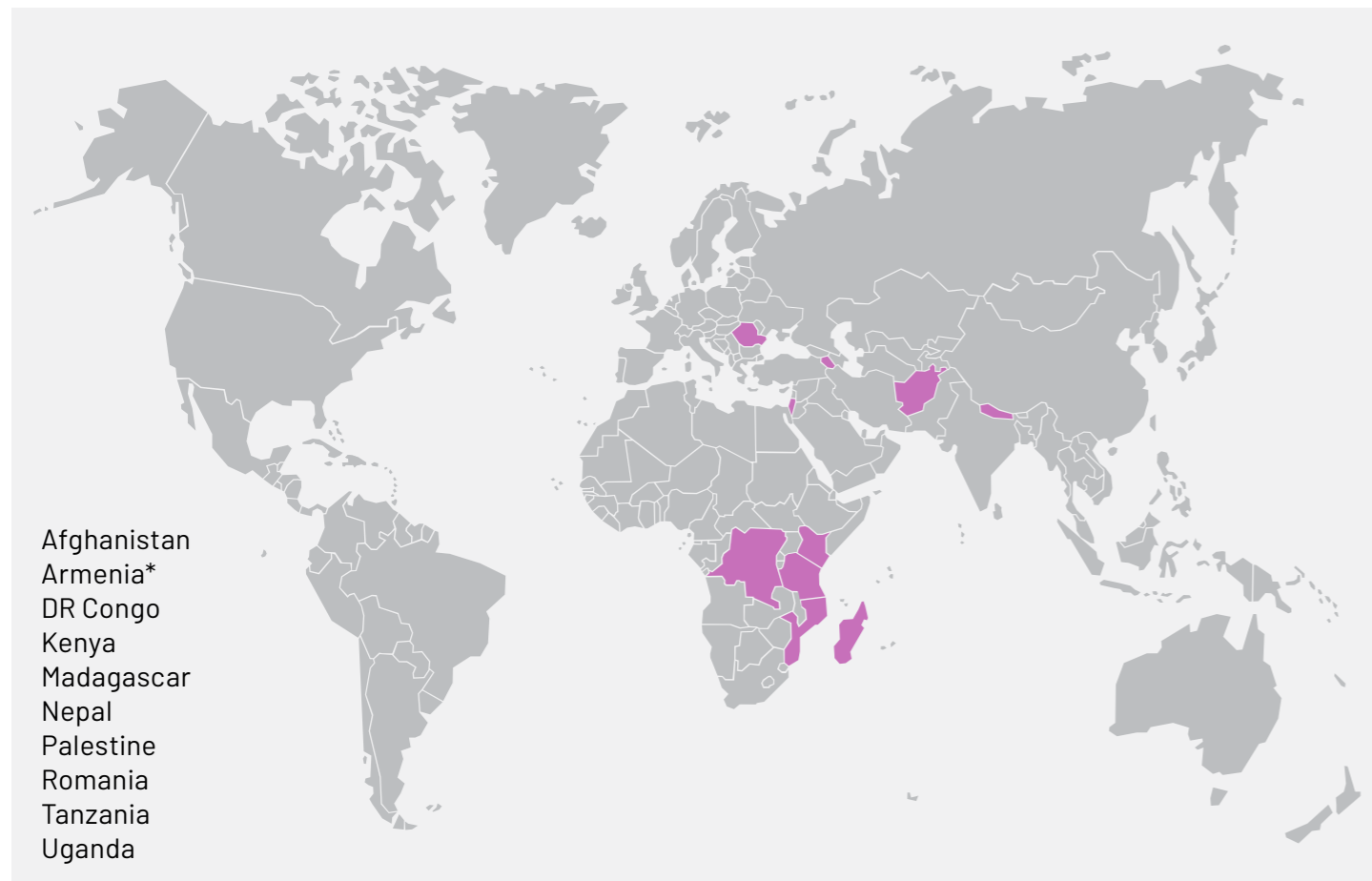
Our vision is for a just and equitable world, where citizens are empowered and integrity is central to vibrant societies.

## MISSION

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

## WHERE WE WORK

**9 COUNTRIES\***



## KEY NUMBERS

As of Dec 2019

2912 male

3603 female



**6515**

People involved in monitoring activities

**of which:**

**538**

Adult Monitors

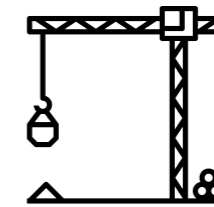
**5977**

youth who are members of

**311**

Monitoring Youth Clubs

Since 2013...



**926**

infrastructure projects monitored



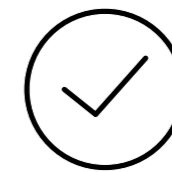
**357**

services monitored



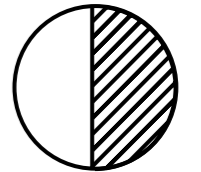
**5879**

problems found



**2960**

problems fixed



**50%**

Fix Rate

# YEAR IN REVIEW: WHAT WE HAVE ACHIEVED

## The problems mount up... but so do the fixes

Wherever they are taking part, from Afghanistan to Tanzania, Nepal to Palestine, citizen monitors just keep on getting problems solved. It's the most obvious manifestation of our impact, and the fact that we see it in so many different and challenging places is testament to the adaptability of our approach.

In total we have now seen around 3000 problems solved, out of around 6000 identified. While we are always looking to improve, a 50% Fix Rate is very encouraging given the places where monitors are active. We also know that plenty of problems they identify are systemic, or intractable - and yet, these monitors persevere.

What do these solutions look like? In the last year, to mention just a few, monitors have made sure health centres have proper sanitation, solved a dispute over local land use, and got numerous delayed construction projects back on track. The best place to go to explore the problems and fixes is [developmentcheck.org](http://developmentcheck.org).

In 2019 we commissioned an independent evaluation looking across all of Integrity Action's work, as part of our grant from Sida. The evaluators found that there was **"compelling evidence to support the overall effectiveness and relevance of the model."**

## Citizens with greater trust in those who serve them

In 2019 we have been exploring how our approach builds trust within communities. In Kenya we conducted a baseline survey with around 100 monitors looking at, among other things, their confidence that local authorities would respond to feedback. After about 12 months of monitoring we found a significant increase in this kind of "trust" - a change we saw in both men and women.

What's happening here? When starting projects, we and our partners often find an established view among community members that local authorities are not acting in their interests. This view is informed by their experiences of poor service performance. The solving of problems, and improvement of services, helps address this - but there is more to it than that. Our methodology promotes constructive discussion between citizens and duty bearers, and this seems to bring about an appreciation of each other's perspective.

We are starting to explore whether trust is being built the other way. Do duty bearers feel citizens' feedback is more informed, and useful, as a result of our methodology? See page 20 for a case study on exactly this!





## Scale up is happening - sometimes planned, sometimes not

In line with our five-year strategy, our primary route to scaling up our work is through larger INGOs adapting it and implementing it at a level we could not manage ourselves. 2019 saw some big advances in this area. Implementation began on *The Development Alternative*, a consortium programme ultimately working in 8 countries, led by Restless Development and involving Y Care International and War Child, among others. Work also continued on *Social Accountability through Youth*, led by Raleigh International, which has engaged over 350 monitors in Tanzania. Both programmes are DFID-funded. It is tremendously exciting to see our approach taken on board by these very credible organisations - and we, in turn, are enriched by these partnerships.

We have also seen organisations take forward our approach more spontaneously. Our SHINE programme involves secondary school students in five countries forming "Integrity Clubs" and monitoring their own school. One organisation involved in this - from Palestine - has applied our approach and materials in a separate project funded by Save the Children. Meanwhile in Nepal, neighbouring villages have started Integrity Clubs without our support, and local authorities have asked our partners to start working in more schools across the district.

Overall the number of citizens now involved in monitoring through our programmes is exceeding our strategic target. Just as importantly, more than half of these citizens are female. In 2019 independent evaluators said that **"Integrity Action has made significant progress demonstrating the scalability and replicability of its approach to open citizen feedback."**

## Improving our profile and credibility

Another focus of our strategy is to better communicate the benefits of our approach. In the last year we presented our work at high-profile international events, including the World Humanitarian Forum, TICTeC Global in Paris, the OGP Asia-Pacific Summit and Global Summit, the Bond Safeguarding Conference and events at Chatham House. We also published articles on platforms like the OECD Forum Network. We have seen a genuine appetite in our sector to hear about an accountability approach like ours, which puts citizens in a leading role.

Alongside this we launched a new website and short animation - take a look at [integrityaction.org](http://integrityaction.org). Also, a paper on *Eight principles for building trust through feedback*, which was co-produced by our head of Programme Development as part of a Bond working group, continued to be shared and used. For example, DFID used the principles in its response to questions from the Parliament's International Development Committee.



## Supporting funders to demand improved citizen feedback

One possible route for our approach to be more widely adopted within development is to influence funders' policies. If funders were to require their grantees to ensure a higher standard of feedback, what would this look like in practice? With DFID, we are piloting this concept by supporting a handful of DFID grantees to improve their "beneficiary feedback" systems - all underpinned by the goal of shifting power to citizens. We expect to share learning from this later in 2020.

## Earning support for our strategy

In support of our new model and strategy, we received an unrestricted three-year grant from the Hewlett Foundation. DFID, Norad and Sida continued to support our work, and we also received support from Apple, Pro Victimis Foundation, the Asian Development Bank, the Botnar Foundation and the Allan and Nesta Ferguson Charitable Foundation.

NOTE: See also the table on page 54 (end of report) for details on each restricted fund project

# YEAR IN REVIEW: WHAT WE HAVE LEARNED

## Scaling up while maintaining quality

As mentioned above, we are now working with larger INGOs that can adapt and implement our approach on a much larger scale. Through these programmes we have learnt how to blend the approaches of these larger partner organisations with our own – while making sure key aspects like inclusion and constructive problem solving remain prominent. We have also learnt from distinct, but related, projects that they are running: for example, Restless Development has an established programme in which young people are monitoring progress towards the SDGs.

## Being “user-centric” – and considering all the users

Our monitoring tool DevelopmentCheck is mostly used by citizens themselves, and we took on their feedback when redesigning the tool over the last year. But to be truly “user-centric” we need to consider all the possible users, and this includes the service providers, or “duty bearers” who are accountable for the projects and services being monitored.

When we speak to service providers, we learn that they are keen to see the data coming from monitoring after all, it can give them prompt updates of how projects and services are working on the ground.

But we also see that the tool isn’t as tailored to their needs as it could be and we are now rectifying that through production of bespoke reports, and translation of key website pages, among other things.

## Anyone can be a monitor. But how?

As discussed on page 11, we believe that even the most marginalised citizens should have the opportunity to take part in citizen monitoring. But how do we make that happen in places where the marginalisation of some citizens is extreme?

We now know much more about how to engage young people with disabilities in our work in Nepal, thanks to a dedicated project funded by the Pro Victimis Foundation – and we are applying lessons from this to other countries where we work. The project supported us and our partners in Nepal to commission research on the barriers preventing young people with disabilities from taking part in school-based monitoring clubs (also known as Integrity Clubs). It then allowed us to roll out recommendations across all Integrity Clubs in Nepal – by the end of next year, that will be over 100 secondary schools.

## Know what you’ve been promised...

If you have ever done transparency and accountability work in Kenya, then you may

be aware of a document that has almost mythical status: the “bill of quantities”, or BQ. What is it? The BQ provides the specifications for a construction project, right down to the number of bricks and their quality. You might think this sounds dull, but to the citizen who is monitoring a construction project it makes all the difference. Once they have it, they know exactly what has been promised and they can see where the actual construction is falling short.

In 2019 we learned a lot about the importance of BQs, and their equivalents in other countries. We learned how hard they are to get hold of, even when a law exists giving citizens a right to request such information. And we have seen that in some cases, citizens can successfully monitor even when they can’t obtain such a document. What we are keen to explore now is: how do they do it?

## ...and know what you’re achieving

The mid-term evaluation of our Sida grant, carried out in 2019, highlighted some areas where Integrity Action could improve how it functions – and top of the list was monitoring, evaluation and learning (MEL). We already knew this would be critical to our five-year strategy, one key goal of which is to build a strong case for the impact of our approach and use it to influence the sector to take it on board.

With support from the Hewlett Foundation, we have now embarked on a two-year project which will strengthen our MEL approach, processes and tools. A team

of consultants is leading the process and we have already been learning more about our strengths and weaknesses through a comprehensive “MEL health check”. We have also learned about the importance of involving our partners in the development of monitoring and evaluation tools – after all, they hold plenty of wisdom in this area, and their close relationships with citizen monitors gives them a great understanding of what will work, and what won’t.

## Sustainability: a major challenge, but we’re not alone

Integrity Action’s initiatives are not indefinite, and so it is essential that we leave a legacy. If we can establish systems which promote greater accountability, build trust, and transfer power to the citizen – and if those systems can last – then our work has much greater potential for impact. Indeed, this would help us tackle the issue of scale as well as sustainability.

In 2019 we explored this issue and identified some key questions which we need to answer, including: how do we keep key stakeholders motivated? And who should “own” or administer such a system in the long term?

We also learned that many other organisations in the social accountability sector are grappling with this very issue. For this reason, late in 2019 we embarked on a “learning initiative” which will collect perspectives and practical advice on sustainability from many people involved in accountability work. We look forward to sharing findings in the coming year.

## “IMPORTANT PEOPLE ASK FOR MY OPINION. ME! CAN YOU IMAGINE?”

When Mama Uchi, a citizen monitor in Kenya, first received a phone call from a local government official, she was surprised.

In Kinango village, eastern Kenya, trust has been low between citizens and government officials and people were frustrated that their questions and complaints were met with no action. But now, gradually, this is changing.

The call was from Kinango village administrator Hanah Ngala. They now speak regularly. Hanah says, “Mama Uchi is my ears and eyes in the field.”

She visits projects and then she calls me to report. I know exactly what is going on and I just need to solve the problems when she calls to report.”

We are seeing this elsewhere. Another monitor in Kenya, Mwanakombo Kibwa, said, “The Member of the County Assembly calls me when there is an important meeting. Me! Can you imagine? Important people ask for my opinion and listen to me. My phone keeps ringing all day long and parents tell their children ‘I want you to be like her later on’. I became a role model in my community.”

Her experience illustrates not only the “trust building” role that citizen monitors play, but also the sense of empowerment that follows when one’s views are actually listened to.



Mama Uchi and Mwanakombo both take part in VOICE, a monitoring initiative situated in Kwale county, Kenya. We work with two county-based NGOs which, in turn, have engaged over 100 local citizens to become monitors. For the most part they are monitoring infrastructure projects like new classrooms, roads and water supplies.

Kenya has been on a march towards devolution in recent years, and has achieved some success in its efforts to decentralize power and bring the government closer to its citizens. However, many communities continue to feel disconnected from their elected representatives.

“Mama Uchi is my ears and eyes in the field. She visits projects and then she calls me to report.”

VOICE has had some success in improving this “connection” - but it is not always so simple. Of having a stronger relationship with government, one monitor said, “Communities can also turn their back when they think you are on the politicians’ side.”

It is a fine line between being trusted to work with government officials and being seen as too close to them. But we are learning how to navigate together with our partners and community monitors - and overall, we have found that after 12 months of monitoring in VOICE, most monitors reported higher confidence that people in local authorities will “do the right thing - even when no one is watching”.



## “THE TEACHERS ASKED US: ARE YOU ENGINEERS NOW? HOW CAN YOU FIND PROBLEMS?”

Mithilesh Mahatu is chairperson of the youth monitoring club (or “Integrity Club”) in Namuna Machchindra School near Kathmandu, Nepal. Mithilesh is also partially sighted. But that doesn’t stop him checking the quality of steel rods on a construction site - and telling the contractor if they are rusty.

**“One teacher asked me, if you are blind, how can you check the construction of the building?” said Mithilesh. “I told him I can tell whether the iron rods are rusty or not by feeling them. We also work in pairs which means we can support each other to identify and fix problems.”**

Mithilesh was taking part in our Disability and Integrity project, funded by the Pro Victimis Foundation. This project was founded on our conviction that citizen monitoring should be open to anyone - including people with disabilities. We don’t just believe this for the sake of it. We believe a diverse group of monitors delivers better results from monitoring. After all, who could be better at checking whether a new building is accessible to people with disabilities, than someone with a disability?

Mithilesh and his fellow students secured a “fix” with those steel rods - after the problem was highlighted, the contractors agreed to store them properly to prevent rust. In Nepal, which had a major earthquake in 2015, proper construction is not a trivial matter - it could save lives.

The Disability and Integrity project featured research on the barriers preventing students with disabilities from taking part in school-based Integrity Clubs. It then organised training for teachers and students in 11 pilot schools. After this, the proportion of club members who had a disability increased from 9% to 25% in these schools. All this in a country where disability is stigmatised.

Mithilesh said, “When I was in Class 7, I could not join any club. Now there is a club where I am welcome, a club for everyone. I feel like people like me can be involved in monitoring.”

Meanwhile in Sri Jalawaai Devi School, in rural Sindhupalchowk district, the Integrity Club organised a campaign to help local residents understand different types of disabilities, including those which may not be visible. They had realised that many disabilities were going unnoticed and not receiving the necessary support.

**“We also work in pairs which means we can support each other to identify and fix problems.”**

The campaign had a surprising outcome: the ward officer in Keuraani village decided to allocate new funding - from a very limited local budget - to support people with disabilities in the community.

In this way, we see monitoring as a catalyst. What starts with inclusive monitoring in schools has the potential to spark long-lasting change in communities and to improve the lives of people with disabilities in Nepal. And these benefits may go further, as the learning from this project is rolled out across the other countries where Integrity Clubs are active: Afghanistan, DR Congo, Kenya and Palestine.



# PROGRESS ON OUR FIVE-YEAR STRATEGY (2018-23): OUR THREE KEY OBJECTIVES

## ACHIEVE

- Achieve results for citizens that maximise quality, durability and inclusivity

### Progress:

- Evidence of behaviour change and improving trust
- Improved our approach to including people with disabilities
- Starting a learning initiative to understand how to sustain our work

## AMPLIFY

- Collaborate to amplify results and fuel further innovation

### Progress:

- Two programmes, led by INGOs, are scaling up our approach
- Other organisations are adapting or replicating our model
- DevelopmentCheck is vastly improved and it can now facilitate better inclusion, results and data

## CONVINCE

- Build a robust case for open citizen feedback to inspire its mainstreaming

### Progress:

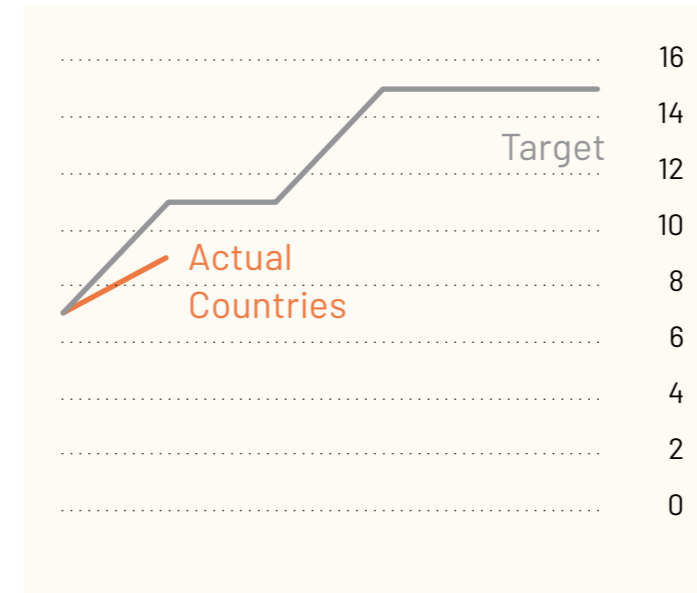
- Secured dedicated funding for improving our monitoring, evaluation and learning
- Our work was show-cased at international conferences
- Working with funders to explore improved requirements for feedback in projects they fund

## WHAT DO THE EVALUATORS SAY?

“Internal policies, systems and processes have been significantly strengthened since 2016 ... the new five-year strategy (2018-2023) and ToC are fit for purpose and growth.”

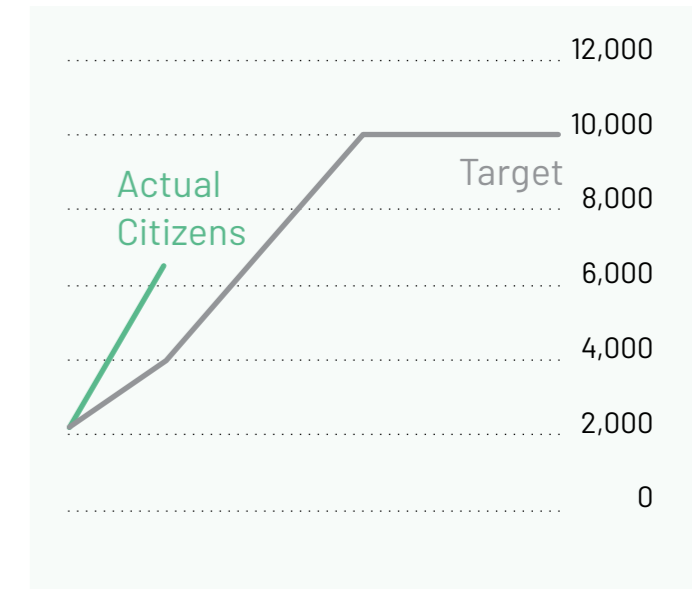
SDDirect, mid-term evaluation of Integrity Action’s Sida grant, 2019

# OUR PROGRESS IN NUMBERS



## Countries

Year	Target	Actual
2018	7	7
2019	11	9
2020	11	
2021	15	
2022	15	
2023	15	



## Citizens taking part

Year	Target	Actual
2018	2200	2197
2019	4000	6515
2020	7000	
2021	10000	
2022	10000	
2023	10000	

## BIG QUESTIONS

- How can we ensure our citizen monitoring approach can be sustained?
- Is influencing donors’ requirements a viable way of achieving our goal?



# FINANCIAL REVIEW

## RESERVES POLICY

We aim to hold sufficient reserves to:

- Cover essential investment to ensure our technological platform delivers programmatic and strategic requirements;
- Enable us to pursue initiatives of strategic importance for which direct funding is difficult to raise;
- Meet our commitments in the event of delays in receipt of income; and
- Enable us to complete existing contracts in a planned and orderly fashion should our sources of income cease unexpectedly.

Integrity Action’s reserves policy is reviewed on an annual basis as part of the overall risk management of the organisation.

The trustees maintain the view that reserves should be set at a level sufficient to mitigate risk, but not so high as to tie up unnecessarily funds which could and should be spent on charitable activities.

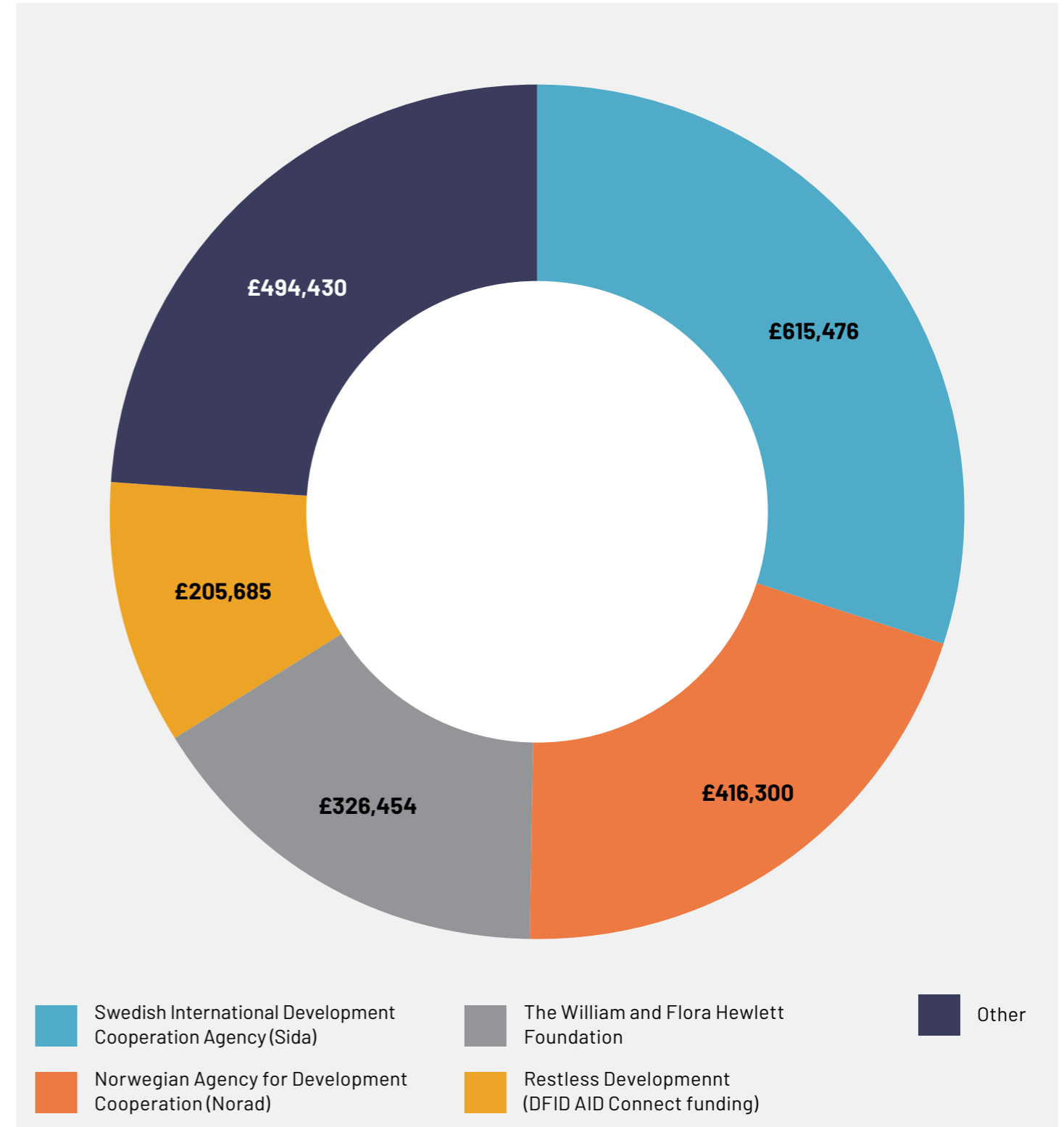
As a result, the organisation aims to hold unrestricted reserves amounting to a minimum of three months’ and a maximum of six months’ total expenditure. Based on our total expenditure for the year ended 30 September 2019, this is equivalent to a range between £360k and £720k.

The balance sheet shows total unrestricted reserves of **£903k** (2018: £583k). This includes £179k of funds from the William and Flora Hewlett Foundation which must be spent by the charity by July 2022, and are therefore not considered by the charity to be part of the free reserves for the purposes of the reserves policy. Excluding these funds, the free reserves of the charity are **£724k** (2018: £583k). This equates to six months of total expenditure and is in accordance with our reserves policy.

**Total funds** were **£1,222k** (2018: £800k) and included a **restricted fund balance** of **£319k** (2018: £217k). This balance will be used in the next accounting period for specific programme-related purposes.

# INCOME

Our income increased by **23%** this year from £1,510k to £1,861k. Most of our income comes from institutional donors and private foundations and we are pleased to have increased the number of significant donors (i.e. providing funds of over £100,000 per annum). Over this strategy period we will explore ways to diversify our income further and we aim to stabilize income at around £2.8 million per annum by 2023.



## 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. No complaints were received during the year relating to fundraising practices (2018: none).

## EXPENDITURE

Our total expenditure of **£1,440k** (2018: £1,317k) was in line with plans.

We completed a major software development project during the year to ensure our technology platform, DevelopmentCheck, remains fit for purpose.

## 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 3 to the accounts.

Executive Pay is reviewed by the Remuneration Committee on an annual basis. The review takes into account market rates and the financial performance of the charity.

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 4 and 12 to the accounts respectively.

## RISK MANAGEMENT

The trustees have given consideration to 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 that the trustees are aware of significant risks and can satisfy themselves that control procedures are adequate to manage these risks.

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

Risk	Mitigating measures
<b>Sustaining impact:</b> Integrity Action approach is not sustainable and projects leave no legacy	We are leading on a cross sector initiative to establish how systems of citizen-led accountability can be designed, so that they: <ul style="list-style-type: none"> <li>(a) have the most impact, particularly for people who are excluded; and</li> <li>(b) have the greatest chance of being sustained</li> </ul>
<b>Technology:</b> Our technology platform, DevelopmentCheck, does not perform as intended – the cost and speed of technological advancements undermine it as a viable platform that delivers effective “real-time” and autonomous feedback from citizens.	A major project was completed in the year to upgrade DevelopmentCheck and further upgrades are in the pipeline. Funds needed for on-going development and regular maintenance are earmarked.  Good feedback has been obtained from end users who are finding the new app intuitive to use.
<b>Funding:</b> Our ability to meet income targets and our strategic requirement to diversify the source and nature of funding is unsuccessful.	Diversification is embedded in the fundraising strategy and progress is reviewed by the executive team monthly. The Fundraising Committee reviews it on a quarterly basis.
<b>Evidencing:</b> We are not able to demonstrate our impact due to a lack of quality evidence.	We have appointed external evaluators to work with us until July 2021 to develop and implement an effective monitoring and evaluation framework.

## PUBLIC BENEFIT

The trustees confirm that they have complied with their 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 objects, 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 Finance and Resources, the Head of Operations and the Head of Programme Development.

The Board has a Governance Manual which is published on the Integrity Action website. 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	12-Dec-18	13-Mar-19	19-Jun-19	11-Sep-19
Alan Barlow	Yes	No	Yes	Yes
John Cutts	Yes			
Sam De Silva	Observer	No	Yes	Yes
Nilima Gulrajani	Yes	Yes	Yes	
Gail Klintworth	Observer	Yes	Yes	Yes
Merryl Lawry White	Observer (by phone)	Observer (by phone)	Yes (by phone)	Yes
Kevin Radley	Yes			
Paul Maassen			Observer	Yes (by phone)
Siobhan Turner	Yes	Yes	Yes	No
Philip Welply	Yes	Yes	Yes	Yes
Sunil Vaswani	No	No		



## STATEMENT OF TRUSTEES' RESPONSIBILITIES

Each 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 state of affairs of the charitable company and of the incoming resources 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  
20 January 2020

## 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 2019 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 2019 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 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:** We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**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, 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, 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.

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](http://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)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street, London EC2V 6DL  
29 January 2020

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE REPORT). YEAR ENDED 30 SEPTEMBER 2019

	Note	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
<b>Income from:</b>					
Investments		2,171	386	2,557	1,321
Charitable activities:					
Grants, donations, consultancies	1	906,673	952,121	1,858,794	1,508,518
<b>Total income</b>		<b>908,844</b>	<b>952,507</b>	<b>1,861,351</b>	<b>1,509,839</b>
<b>Expenditure on:</b>					
Raising funds		36,053	-	36,053	43,934
Charitable activities:					
Open Citizen Feedback		597,631	806,152	1,403,783	1,273,042
<b>Total expenditure</b>	2	<b>633,684</b>	<b>806,152</b>	<b>1,439,836</b>	<b>1,316,976</b>
<b>Net income before transfers</b>		<b>275,160</b>	<b>146,355</b>	<b>421,515</b>	<b>192,863</b>
Transfers between funds	9	44,507	(44,507)	-	-
<b>Net movement in funds</b>		<b>319,667</b>	<b>101,848</b>	<b>421,515</b>	<b>192,863</b>
Funds as at 1 October	14	582,907	217,332	800,239	607,376
<b>Funds as at 30 September</b>	9	<b>902,574</b>	<b>319,180</b>	<b>1,221,754</b>	<b>800,239</b>

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

## BALANCE SHEET AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
<b>Current assets</b>			
Debtors	7	29,327	95,773
Cash at bank and in hand		1,274,196	832,455
<b>Total current assets</b>		<b>1,303,523</b>	<b>928,228</b>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	8	81,769	127,989
<b>Net current assets</b>		<b>1,221,754</b>	<b>800,239</b>
<b>Net assets</b>		<b>1,221,754</b>	<b>800,239</b>
<b>The funds of the charity</b>			
Unrestricted		902,574	582,907
Restricted		319,180	217,332
<b>Total funds</b>	<b>9,10</b>	<b>1,221,754</b>	<b>800,239</b>

Approved by the trustees and signed on their behalf by:



**Gail Klintworth**  
Chair of the Board  
20 January 2020

## CASH FLOWS YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>	13	441,741	247,205
<b>Cash flows from investing activities</b>			
Disposal of tangible fixed assets		-	1,697
<b>Change in cash and cash equivalents in the year</b>		<b>441,741</b>	<b>248,902</b>
Cash and cash equivalents at 1 October		832,455	583,553
<b>Cash and cash equivalents at 30 September</b>		<b>1,274,196</b>	<b>832,455</b>

# PRINCIPLE ACCOUNTING POLICIES

## YEAR ENDED 30 SEPTEMBER 2019

### **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)(effective 1 January 2015).

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 Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

### **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 recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises income from grants, donations, consultancies and investment income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Income from these grants is only deferred where the grant agreement explicitly specifies that it must only be used in future periods or the charity has to fulfil conditions before becoming entitled to it, for example if activities related to the income have not yet begun.

Income earned from consultancies is recognised in the financial statements as entitlement is earned through delivery of the consultancy.

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

## Expenditure recognition

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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising, and an allocation of support costs.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities.

All expenditure is stated inclusive of irrecoverable VAT.

Partnership costs are amounts payable to our implementing partners. They are recognised at the earlier of the date on which they are paid or 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.

Depreciation is charged 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 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

	2019 £	2018 £
<b>Unrestricted</b>		
Swedish International Development Cooperation Agency (Sida)	615,476	616,039
The William and Flora Hewlett Foundation	196,999	-
Consultancies, donations and other	94,198	21,118
<b>Total unrestricted</b>	<b>906,673</b>	<b>637,157</b>
<b>Restricted</b>	£	£
Norwegian Agency for Development Cooperation (Norad)	416,300	501,023
The William and Flora Hewlett Foundation	129,459	212,562
Asian Development Bank	40,595	38,481
Raleigh International Trust (DFID Aid Direct funding)	79,229	38,050
Pro Victimis Foundation	30,174	26,778
Restless Development (DFID AID Connect funding)	205,685	17,785
Terre des Hommes	36,651	-
Allan and Nesta Ferguson charitable settlement	14,028	-
European Union (EU)	-	17,995
Basel Institute on Governance (DFID/British Academy funding)	-	7,125
United Nations Office on Drugs and Crime (UNODC)	-	7,102
University of Zambia	-	4,460
<b>Total restricted</b>	<b>952,121</b>	<b>871,361</b>
<b>Total grants, donations and consultancies</b>	<b>1,858,794</b>	<b>1,508,518</b>

## 2 EXPENDITURE

	Note	2019 Open Citizen Feedback £	Raising funds £	Total £	2018 Open Citizen Feedback £	Raising funds £	Total £
Partnership costs		448,195	-	448,195	313,512	-	313,512
Staff costs	3	504,280	32,181	536,461	547,690	38,087	585,777
Technical assistance		99,068	-	99,068	95,550	1,669	97,219
IT and software development		214,445	-	214,445	98,963	-	98,963
Rent, rates, office costs		60,670	3,872	64,542	60,080	4,178	64,258
Travel and events		21,978	-	21,978	61,558	-	61,558
Governance costs		17,050	-	17,050	31,739	-	31,739
Other costs		38,097	-	38,097	63,950	-	63,950
<b>Total expenditure</b>		<b>1,403,783</b>	<b>36,053</b>	<b>1,439,836</b>	<b>1,273,042</b>	<b>43,934</b>	<b>1,316,976</b>

### 3 STAFF COSTS

	2019 £	2018 £
Wages and salaries	462,214	494,464
Employer's National Insurance costs	48,326	57,681
Employer's contribution to defined contribution pension scheme	23,889	24,996
Redundancy costs	2,032	8,636
<b>Total costs</b>	<b>536,461</b>	<b>585,777</b>

Wages and salaries fell during the year principally due to an organisational restructuring which took place during the year ended 30 September 2018.

The average headcount in 2019 was 11 (2018: 11).

Redundancy payments agreed in the year came to £2,032 (2018: £8,636).

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:

	2019	2018
£100,000 - £109,999	-	1
£70,000 - £79,999	1	1
£60,000 - £69,999	1	1

The above higher paid employees received employer pension contributions of £7,175 (2018: £11,900).

The total employee benefits of the key management personnel of the Charity were £93,207 (2018: £225,460).

Key management personnel includes the CEO.

The President was also included until 31 May 2018 when the role of President ceased to exist.

### 4 TRUSTEES' REMUNERATION

No trustee received remuneration in respect of their role as trustee of the charity (2018: nil)

Trustees' expenses of £214 were reimbursed to three trustees (2018: £nil)

### 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 FLOATING CHARGE

The charity has a floating charge over its assets in favour of the bank in order to operate its credit card facility. At 30 September 2019, the facility was for £25,000 (2018 - £25,000).

### 7 DEBTORS

	2019 £	2018 £
Debtors and accrued income	9,799	83,389
Prepayments	19,528	12,384
	<b>29,327</b>	<b>95,773</b>

### 8 CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR

	2019 £	2018 £
Expense creditors	3,385	13,326
Taxation and social services benefits	11,784	12,179
Accruals	66,600	41,080
Deferred revenue	-	61,404
	<b>81,769</b>	<b>127,989</b>

Deferred revenue in 2018 related to a contract with Apple Inc which had been signed at the year-end but work had not yet begun.



## 9 FUND MOVEMENTS

	At 1.10.2018 £	Income £	Expenses £	Transfers £	At 30.9.2019 £
<b>Unrestricted funds</b>	<b>582,907</b>	<b>908,844</b>	<b>(633,684)</b>	<b>44,507</b>	<b>902,574</b>
<b>Restricted funds</b>					
Students Acting for Honesty, Integrity and Equality (SHINE)	179,173	430,714	(323,860)	(15,000)	271,027
From participation to open feedback in Kwale County, Kenya	31,691	129,459	(132,679)	-	28,471
Youth demanding accountability from development agencies in Tanzania	4,062	79,229	(79,696)	-	3,595
Monitoring school construction and rehabilitation in Armenia	1,310	40,595	(41,905)	-	-
The Development Alternative	-	205,685	(168,447)	(26,507)	10,731
Making integrity clubs in Nepal inclusive of students with disabilities	1,096	30,174	(26,315)	(3,000)	1,955
Other	-	36,651	(33,250)	-	3,401
<b>Total restricted funds</b>	<b>217,332</b>	<b>952,507</b>	<b>(806,152)</b>	<b>(44,507)</b>	<b>319,180</b>
<b>Total funds</b>	<b>800,239</b>	<b>1,861,351</b>	<b>(1,439,836)</b>	<b>-</b>	<b>1,221,754</b>

See the Year in Review in the annual report for details about the restricted funds projects, and see the table on page 54 (at the end of this report) for brief details. Further details can also be found on our website: [www.integrityaction.org/what-we-do/initiatives/](http://www.integrityaction.org/what-we-do/initiatives/)

A transfer was made to unrestricted funds which represents core costs and overheads which are funded by restricted income funding agreements, as permitted by the donors.

Unrestricted funds include £179k (2018: £nil) in relation to The William and Flora Hewlett Foundation which are unrestricted in their purpose but must be spent by 1 July 2022.

## 10 ANALYSIS OF NET ASSETS OVER FUNDS

	Unrestricted funds £	2019 Restricted funds £	Total funds £	Unrestricted funds £	2018 Restricted funds £	Total funds £
Net current assets	902,574	319,180	1,221,754	582,907	217,332	800,239
	<b>902,574</b>	<b>319,180</b>	<b>1,221,754</b>	<b>582,907</b>	<b>217,332</b>	<b>800,239</b>

## 11 COMMITMENTS UNDER OPERATING LEASES

At 30 September 2019, the charity had the following future minimum commitments under non-cancellable operating leases.

Land and buildings	2019 £	2018 £
Within one year	16,781	16,188
Between two and five years	-	-
	<b>16,781</b>	<b>16,188</b>

Expenditure during the year on operating leases was £47,948 (2018: 45,665)

## 12 RELATED PARTY TRANSACTIONS

In both 2019 and 2018 there were no related party transactions.

### 13 RECONCILIATION OF NET INCOME TO CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net movements in funds	421,515	192,863
Decrease / (increase) in debtors	66,446	(5,998)
(Decrease) / increase in creditors	(46,220)	60,340
<b>Net cash inflow from operating activities</b>	<b>441,741</b>	<b>247,205</b>

### 14 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds £	Restricted funds £	2018 Total funds
<b>Income from:</b>				
Investment income		1,255	66	1,321
Charitable activities:				
Grants, donations and consultancies	1	637,157	871,361	1,508,518
<b>Total income</b>		<b>638,412</b>	<b>871,427</b>	<b>1,509,839</b>
<b>Expenditure on:</b>				
Raising funds		43,934	-	43,934
<b>Charitable activities</b>				
Open Citizen Feedback		572,195	700,847	1,273,042
Total expenditure	2	<b>616,129</b>	<b>700,847</b>	<b>1,316,976</b>
<b>Net income before transfers</b>		<b>22,283</b>	<b>170,580</b>	<b>192,863</b>
Transfers between funds		9,708	(9,708)	-
<b>Net movement in funds</b>		<b>31,991</b>	<b>160,872</b>	<b>192,863</b>
Funds as at 1 October		550,916	56,460	607,376
<b>Funds as at 30 September</b>	9	<b>582,907</b>	<b>217,332</b>	<b>800,239</b>

## REFERENCE AND ADMINISTRATIVE DETAILS

### Trustees

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Alan Barlow	
John Cutts	Resigned 31 December 2018
Sam De Silva	Appointed 30 May 2019
Nilima Gulrajani	Resigned 19 June 2019
Gail Klintworth	Appointed 1 January 2019
Merryl Lawry-White	Appointed 15 May 2019
Paul Maassen	Appointed 19 June 2019
Kevin Radley	Resigned 31 December 2018
Siobhan Turner	
Sunil Vaswani	Resigned 13 March 2019
Philip Welply	

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### Audit Committee

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Gail Klintworth	Appointed 1 January 2019
Kevin Radley	Resigned 31 December 2018
Siobhan Turner	

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### Fundraising Committee

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Alan Barlow	
Sunil Vaswani	Resigned 13 March 2019

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### Remuneration Committee

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Nilima Gulrajani	Resigned 19 June 2019
Siobhan Turner	
Philip Welply	

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## CONTACT

### Registered and business office

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The Leather Market, Unit 12.1.2  
Weston Street  
London SE1 3ER  
Tel: +44(0)203 119 1187

### Auditor

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Buzzacott LLP  
130 Wood Street  
EC2V 6DL

### Bankers

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

### Chief Executive Officer

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Jasmina Haynes  
[jasmina.haynes@integrityaction.org](mailto:jasmina.haynes@integrityaction.org)

### Company Details

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Company registration number: 4884328  
(England and Wales)  
Charity registration number: 1120927  
[www.integrityaction.org](http://www.integrityaction.org)

## RESTRICTED FUNDS PROJECTS OVERVIEW

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### Students Acting for Honesty, Integrity and Equality (SHINE)

In this four-year initiative, students identify and solve integrity problems in their schools. Some 700 Integrity Clubs are being established in secondary schools in Afghanistan, DR Congo, Kenya, Nepal, and Palestine.

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### From participation to open feedback in Kwale County, Kenya

Citizens acted as community monitors and checked local services, reporting problems they identified using the DevelopmentCheck app. They worked with key stakeholders in order to get issues addressed, reporting fixes in the app. The aim was to improve how county authorities/other duty bearers listen and respond to citizens' concerns on services/infrastructure.

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### Youth demanding accountability from development agencies in Tanzania

Over 350 young citizen monitors from 150+ communities monitor local projects and use our app DevelopmentCheck to report their findings. They then identify and target key stakeholders in order to ensure that the issues they find are addressed.

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### Monitoring school construction and rehabilitation in Armenia

Citizen monitors monitored priority projects using our app DevelopmentCheck, reporting on issues identified and engaging with key stakeholders to ensure that schools were constructed according to plans. As this initiative focused on seismic safety, the key areas monitored included ensuring adherence to contractual specifications and ensuring the quality of construction materials.

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### The Development Alternative

The programme combines Integrity Action's approach to open citizen feedback with Restless Development's youth leadership and accountability model. Youth monitors report on livelihoods and other projects and engage with key power holders in order to demand that projects are being delivered as promised.

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### Making integrity clubs in Nepal inclusive of students with disabilities

This initiative focused on ensuring that students with disabilities were actively involved in Integrity Clubs in Nepal and were able to meaningfully contribute to monitoring activities. A piece of research was carried out which led to specific recommendations on how to increase participation of students with disabilities in these Integrity Clubs.

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### Other: Student monitors adding assurance and sustainability

In this youth-focused initiative, school students monitor local projects in 24 communities in Bacau county, Romania. Integrity Clubs are set up in each school and club members are supported by teachers to monitor projects and investments such as sports field and playgrounds.

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**INTEGRITY  
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