



TRANSPARENCY  
INTERNATIONAL  
PNG INC.

ANNUAL  
REPORT  
2019

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# INTRODUCTION:

## **RECAPPING ANOTHER YEAR IN THE FIGHT AGAINST CORRUPTION:**

Through this publication, we hope to give you a glimpse of the inner working of Transparency International PNG, as we continue to operate on the frontlines of the fight against corruption in PNG.

As well as a brief background of our organization and how we have positioned ourselves to tackle the challenges of operating a chapter of the global anti-corruption movement in a developing country such as PNG.

For a full list of our activities this year and more information on these activities, please check out our website and social media pages.



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# CHAIR'S ADDRESS

Dear Members,

On behalf of your Board & Management Team I thank you for your continued support of Transparency International PNG. Our work would be made much harder without the mandate provided by our members along with the active support extended by the broader community toward TI.

I take this opportunity to pay tribute and extend my sincere thanks to Mr. Lawrence Stephens our past chair for his leadership of the organisation since 2011, it is never an easy role given the time commitments required, the heightened public expectation and the visibility required of the Chair when speaking out on national matters on behalf of the organisation.

Mr. Stephens has undertaken this role with steadfast determination and with a genuine concern for the negative impact corruption has on the quality of life for many of our rural and marginalised communities. I also extend my thanks and congratulations to Ms. Arianne Kassman our Executive Director, and her Team for their hard work and dedication.

I encourage you to read the 2019 annual report to get a better understanding of the extent of work being delivered by TIPNG, and important to note is that all of these activities are being managed and implemented by our energetic and dedicated young team under the capable leadership of Ms. Kassman.

The 2019 annual report provides details of our various projects, including the services provided via our Advocacy and Legal Advice Centre as well as the important outreach and empowerment work delivered through our Youth engagement initiatives.

The work of TIPNG continues to focus on strengthening our national systems and process with the objective of improving the accountability of State in the use of power and the use of public funds.

I thank you for your commitment to the work of TIPNG.

Peter John Aitsi, MBE  
Chair



# EXECUTIVE DIRECTOR'S ADDRESS

Dear Members,

In a year which has come with its fair share of challenges, we have had measured success on a number of fronts in our efforts to raise the anti-corruption agenda in PNG.

Our push for the establishment of empowered anti-corruption enforcement agencies has now yielded a positive response from the National Government.

We participated in observing a critical moment in the history of the Autonomous Region of Bougainville, as Bougainvilleans exercised their right to cast their vote in a referendum.

We also represented Papua New Guinea and our plight against corruption at a number of international forums including the Human Rights Council in Geneva and the Open Government Partnership Global Summit in Canada.

This year, TIPNG was also recognized with a Human Rights award from the European Union, for our work in defending the human rights of Papua New Guineans by fighting corruption.

As we wrap up another year in the fight against corruption in PNG, our commitment to the cause has yielded a number of positive results, all of which have been ensured only through the continued support of our donors, stakeholders, supporters and the will of Papua New Guineans to fight the tyranny of corruption.

To every individual, organization and family who has supported our work over the past 23 years of our existence in PNG, on behalf of myself and the rest of the TIPNG team, I would like to extend our deepest gratitude. Your continued support to our work has not only funded our operations, but also continues to sponsor our conviction in pursuing corruption everywhere it exists in our country.

Regards,

Arianne Kassman  
Executive Director

# OUR BOARD OF DIRECTORS:



**PETER AITSI, MBE**  
CHAIRMAN



**MICHELLE HAU'OFA**  
SECRETARY



**AKAE PA'ASIA BEACH**  
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**BRIAN ALOIS**  
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**MICHAEL MCWALTER, OL**  
DIRECTOR



# STRATEGY UPDATE:

2019 represented a shift in the execution of our strategy, one that focused on partnership and playing a leading role in the fight against corruption in PNG.

After our first year under the new Strategy, we are a stronger organization, with better established internal systems and processes and a strong brand.

We are proud of our achievements, we are proud of our identity and find courage and resilience in clearly understanding who we are.

Our work allows us to think outside the box and to create excellence. Our cause empowers to be unconventional in the solutions we offer. Our passion for change is contagious.

Join us and find out how we can contribute to a corruption-free PNG.

## THE JOURNEY CONTINUES...



### SUSTAINABILITY:

We are focused on increasing annual revenue and reducing operating costs. This includes developing effective financial reporting systems and, utilizing and protecting TIPNG assets in a more proactive manner.

### PARTNERS IN ANTI-CORRUPTION:

We aim to increase the number and quality of individual and corporate memberships whilst developing active partnerships with selected organizations.

### BRAND STRENGTH:

Our brand, has positioned us to be an expert and leader in the anti-corruption field. We will continue to reinforce the positive public perception of TIPNG whilst developing new brands that are accessible to all in PNG.

### STRENGTHENED CAPACITY:

In addition to developing positive work culture, we will encourage a culture of Compliance, Transparency and Integrity.





# OUR CAMPAIGNS:

## TALKING THE WALK:

Speaking out against corruption and situations that risk rendering Papua New Guinea vulnerable to corruption has been one of our core functions for the past 23 years of our chapter's existence.

Over the past year, we have identified at least ten such occasions where our intervention through the development and facilitation of advocacy campaigns has been warranted and through which we have been able to achieve some measure of success.

While our advocacy campaigns are mainly based on research and current affairs, these campaigns are targeted at providing a clear and objective position on specific topics, derived from both our domestic experiences of corruption in PNG as well as global experience and best practice.

The following chapter outlines some of the advocacy campaigns we have developed and facilitated over the past year, which we have clustered into groups based on overlapping components.

*Photo Caption: Transparency International PNG Executive Director, Arianne Kassman answering questions in a press interview after one of our events.*

## ENSURING THE PRACTICALITY OF GOVERNMENT LEGISLATION



PNG Parliament House.  
Photo Credit: Peddle Thorp Architects PNG

Our major advocacy campaigns of 2019 also spanned over the whole year, as we have continued to track developments to PNG legislature.

As well as the proposed inclusion of new laws such as the Right to Information Law, and the enabling legislation which would provide for the establishment of a PNG Independent Commission Against Corruption.

Our ongoing campaign for government to introduce a Right to Information (or Freedom of Information) law was also supported by a case-study we published in July, which highlights the lack of public access to public information.

The case study uncovered what presented itself as a culture of unwarranted secrecy within the PNG government institutions.

This trend has been sponsored by the lack of clarity over what information qualifies as public information and what does not.

In addition, our campaign for the passing of the ICAC enabling legislation has been TIPNG's longest running advocacy campaign. Our push for the establishment of a PNG ICAC was initiated in 1997 and we have been advocating for it ever since!

Being the basis for monitoring and enforcement, much of our focus in advocacy campaigns is focused on legislation and ensuring that new and existing laws are comprehensive and adequate for the systems, processes and actors for which they are created.

## ACCOUNTABILITY IN THE PNG PUBLIC SERVICE

Over the course of 2019, we also observed a number of issues within the public service which have warranted our attention and intervention.

Over the course of this past year, we focused our efforts on two public service issues in particular.

Two of these issues are related to special government projects; the National Identification (NID) Project and the 2018 Asia Pacific Economic Cooperation (APEC) Summit. Both of which were the recipients of millions of Kina in public funds, yet have produced no acquittals of how this money has been spent, since their respective inceptions.

We called on the National Government and particularly the 2018 Asia Pacific Economic Cooperation (APEC) Authority to produce a report on APEC finances. And have this report tabled in parliament after allegations surfaced pertaining to the misappropriation of millions of Kina that had been earmarked for hosting APEC.

In addition, as possibly one of the PNG government's most poorly managed special projects in recent history, the National Identification project has received over K230 million in public funds since 2014 while only about two percent of PNG citizens had been registered by the end of 2019.

For both APEC and the NID project, we have continued our call on the government to produce and publish all expenditure reports. In order that Papua New Guineans might be able to see whether or not the millions of Kina in public funds that were invested in these projects were effectively managed.



Five of the 40 Maseratis and three Bentleys that were purchased by the PNG government for the APEC Summit in 2018. Now over a year since PNG hosted the 2018 APEC Summit, the government has yet to table a finance report on the special project.  
Photo Credit: Loop PNG



## TRANSPARENCY IN APPOINTING THE UPNG INTERIM COUNCIL



The front entrance to the University of PNG main campus in Waigani.  
Photo Credit: Loop PNG

Our intervention in this debacle was warranted after serious allegations of undue influence were levelled at then Minister for Education over the appointment of a UPNG interim council.

Our position on the issue was that the Minister could draw on a pool of expertise and experience to better manage the university, so long as proper processes that are in place to make such appointments are strictly followed, and more importantly, are made public.

Further that this would also allow the start of the UPNG academic year to be returned to normalcy and minimize the inconvenience to students.

Failure to demonstrate that tests of proper and fit character were applied in the recruitment of the interim council would only exacerbate the anger on campus.

## CALLING FOR TRANSPARENCY IN PNG PARTY POLITICS

During the lobbying in the lead up the vote of no confidence against former prime minister Peter O'Neill in June, we observed a rising occurrence of members of parliament jumping to different political parties without following the prescribed political party resignation process.

During this time many MP's were simply announcing their transfers to other political parties at press conferences, without engaging the formal process prescribed under the constitution.

This behaviour was in direct violation of the Organic Law on The Integrity of Political Parties and Candidates and our intervention.

Our intervention in the matter was to ensure that the constitutionally enshrined process of political party representation was not breached for short-term benefits or self-interest.



The office of the Integrity of Political Parties and Candidates Commission. It was discovered in the political horse-trading in the lead to the vote of no confidence against Peter O'Neill that many MPs failed to adhere to party resignation protocols.



The National Parliament sitting during which former Prime Minister Peter O'Neill officially stood down as Prime Minister before the opposition could put forward a Vote of No Confidence.  
Photo Credit: Loop PNG





# OUR SERVICES:

## WALKING THE TALK:

In a country which has unfortunately shown little to no improvement in the Transparency International Corruption Perceptions Index for the last four years, our services are aligned to four core strategies through which we aim to improve the statistics around corruption in Papua New Guinea.

These strategies include Education & Awareness, Advocacy, Building & Reinforcing Referral Pathways, and Building Collective Agency, which form the foundation of our interventions in the fight against corruption in PNG.

We have four core projects which build on these strategies. They are; our Advocacy & Legal Advice Center, our Policy and Advocacy project, our Youth Integrity Program, and our School-Based Civic Education Project.

The following section further details some of the activities which we carried out as part of our services this year, as well as some of the partnerships we have built in our efforts to further the anti-corruption agenda in PNG.

*Photo Caption: TIPNG Events & Membership Coordinator, Kalia Maraga (right) explaining our different programs and services to visitors at our stall during the Human Rights Film Festival.*



# ADVOCACY & LEGAL ADVICE CENTER:



(L-R) LIP Interns Rhonda Tevlone and Melvia Lyandenge, Deputy Director - Policy & Advocacy, Yuambari Haihuie, ALAC Coordinator Samson Kandata, Executive Director Arianne Kassman and LIP Intern Alois Sinen joining hands to symbolize the beginning of their internship.

Although the core function of our ALAC program has mainly been centred around our Corruption Complaints Desk.

This year we adapted our activities towards building the capacity of the program, through the securing of partnerships with PNG government agencies with inbuilt anti-corruption enforcement functions.

Solidifying these partnerships has now allowed us to establish reliable referral pathways for corruption complaints, as well as building rapport with government agencies and consolidating our efforts in the fight against corruption in PNG.

As part of our outreach initiative, we also rolled out our ALAC Clinics to Lae and Goroka this year, in an effort to extend our legal advice and referral services to citizens with limited access to channels through which they might be able to register corruption complaints.

In an effort to further build on the efficiency and effectiveness of our ALAC Program, our Project Coordinator Samson Kandata also participated in a two-week exchange program with our sister Transparency International chapter in Sri Lanka.

The goal of the exchange program was to learn and share information on how to establish and operate ALAC activities effectively to achieve the programs' goals and the vision of our chapter.

Apart from the information exchange, the program also presented us with the opportunity to establish networks for future exchange of information and other



ALAC Coordinator Samson Kandata, explaining our Corruption Complaints Desk referral process during our ALAC Mobile Clinic in Madang earlier this year.

activities between ourselves and other participating chapters.

Apart from our efforts to build ALAC internal capacity, this year we also marked the third year of our Legal Internship Program. Which seeks not only to acquire the services of undergraduate lawyers to bolster our ALAC, but also to mentor participants in the field of anti-corruption work.

The LIP provides training and interactive programs for law students to gain experience and learn skills that will build empowered professionals. As well as to connect students with the employers and provide opportunity to foster relationships through mentorship and training.

# POLICY & ADVOCACY:

At the forefront of all our policy research and advocacy, the core focus of our Policy & Advocacy project this year has been to reinforce accountability mechanisms and to grow public demand for accountability from public institutions.

Over the course of this year, we sought to achieve these outcomes by executing a number of strategic activities targeted at presenting a realistic state of affairs and using this as a catalyst to drive a change in public perceptions of corruption and ultimately, to topple what has been an oppressive status quo within the PNG democracy.

Following an initial workshop on the roles and responsibilities of elected LLG officials, we also rolled out a follow-up workshop aimed at reinforcing social accountability methods and referral pathways for reporting corruption, in line with our goal of reinforcing accountability and anti-corruption mechanisms.

The workshop (which was rolled out in Madang Urban LLG-Madang Province and Talasea LLG - West New Britain Province) included presentations covering topics on corruption, corruption at the LLG level, reporting corruption to TIPNG and the Ombudsman Commission, civic participation in LLG accountability and drafting social accountability plans for wards.

We also had the opportunity to contribute to an international forum, which deliberated on issues impacting small pacific island democracies during the Human Rights Council Session in Geneva, in June.

During the sessions, TIPNG Policy and Advocacy Manager, Mr Yuambari Haihuie delivered a statement on the right to freedom of expression and on the rights to freedom of peaceful assembly and association.

Mr Haihuie made reference to Fiji's Online safety Act and PNG's new Cyber-crime law which, if misused, could threaten Freedom of Expression in Papua New Guinea.

Furthermore, to supplement our interventions in growing the anti-corruption agenda in PNG, our P&A program has continued to monitor developments to legislation and civic rights over the course of the year and implementing advocacy campaigns to ensure that true democracy is upheld.

To this end, we also published a case study this year, highlighting the gross lack of definition of public information, which we have now used to drive our campaign calling on the government to legislate for freedom of public information in PNG.

Towards the end of this year, we also participated in what was a historical moment for the people of the Autonomous Region of Bougainville in the referendum vote. Our observation of this momentous event was made possible through a partnership with the European Union.



Participants of the LLG Accountability Workshop in Talasea District, West New Britain Province after the event.



TIPNG volunteer observer, Tobert Torato interviewing a referendum voter at one of the polling stations during the referendum vote.

TIPNG Policy and Advocacy Manager, Yuambari Haihuie explaining the work of TIPNG during an exhibition in Goroka.



# YOUTH INTEGRITY:

As our premier youth development project, the activities carried out under our Youth Integrity Program this year have been heavily focused on youth development and training with a strong emphasis on integration and sustainability.

This year we have successfully continued to roll out our youth democracy training through the Mike Manning Youth Democracy Camp.

The camp takes in an average of 50 applicants from around the country every year through a program which employs practical simulations to teach democratic fundamentals.

With the MMYDC now growing in popularity over the past couple of years, this year marked the first time we adapted the program format to roll out a similar program in the Autonomous Region of Bougainville, called the Bougainville Youth Democracy Camp.



Participants taking part in some of the activities during the Media Smart Youth Workshop. The MSYW was targeted at teaching youth how to harness the power of media platforms for advocacy.

In a further effort to build resilience against corruption in our communities, we also facilitated our fourth Media Smart Youth Workshop in April.

The workshop, attended by young people from a cross section of secondary schools and was targeted at training young people to harness the full potential of multi-platform media in order to boost the reach and subsequent impact of advocacy.

This initiative was facilitated to supplement other Youth Integrity Initiatives such as the Youth Forum we hosted in March, which brought together 106 youths from secondary schools, universities and civil society under the theme “PNG Bilong Yumi.”

Being solely focused on youth development and raising awareness of the status quo of governance in PNG, the Youth Integrity Program is mainly focused on building community resilience against corruption.

This is achieved by building youth capacity and awareness and in doing so, equipping them with the know-how to oppose corruption in their communities.



TIPNG Youth Integrity Program Coordinator, Dagia Aka leading Youth Forum participants through an ice-breaker activity. This year's Youth Forum was facilitated under the theme “PNG Bilong Yumi.”



Mike Manning Youth Democracy Camp participants having a cheerful discussion during their official tour of the PNG Parliament house in Waigani, NCD.

# CIVIC EDUCATION:



*TIPNG officers on a courtesy visit to the Morobe Provincial Division of Education.*

In a School Based Civic Education Survey conducted by TIPNG in 2013, it was found that there is lack of civic educational materials for teacher use in schools throughout PNG. This has resulted in a lack of teacher confidence, when teaching basic civic concepts.

To address this issue, we developed seven civic teaching materials for use in schools.

Through our Civic Education Program, we have facilitated Teachers Workshops on School Based Civic Education, with the most recent of these being held in Lae, Morobe Province this year.

The purpose of conducting the teacher's workshop in Lae was to introduce TIPNG's Project in the Momase Region by establishing contacts with stakeholders in the Morobe Province education sector.

We believe that we can work together with our educational stakeholders to reach out to schools and strengthen partnership under the government's Public Private partnership Policy.

The Workshop in Lae was also intended to increase schools' access (from Southern Region to Momase Region) to civic resources by training them on how to use and link these resources when teaching relevant subjects in their classroom.

Under the theme "Civics: Teach It. Learn It. Live It", the three-day workshop promoted opportunities for TIPNG stakeholder engagement which saw the support from the Morobe Provincial Division of Education.

The Workshop engaged about 17 participants in 16 schools in the Lae Urban inspectorate as well as nearby inspectorates in training in the use of civic education resources.



*Former Civic Education Coordinator Marlene Delis (left) taking teachers through civic concepts and how to link them to current subjects on the National Curriculum, during the Teachers Workshop in Lae this year.*

There was an increase familiarity of our civic resources and its linkages to current subjects (Arts and Culture, MAL, S/S, Legal Studies and PD subjects) taught in schools. However, teachers requested that they need another workshop to teach them about basic civic concepts before they could be confident in linking civic concepts in their lesson plans.

Apart from these regular workshops, this year, we also submitted our civic education materials for vetting by the Curriculum Development Division of the National Department of Education before they can be submitted to the National Board of Studies as a critical first step towards getting them added to the National Curriculum.

The list of civic education materials submitted include a number of big picture books for primary school students.

The integration of civic education materials into the National Curriculum has always been a major goal of our Civic Education project since its inception over a decade ago.



# PARTNERSHIPS:

As with any other movements which seek to challenge a deeply rooted status quo, the cornerstone of sustainable change will always be collective effort.

On the frontlines of the anti-corruption movement in PNG, we too have sought alliances with those who wish to see Papua New Guinea freed from the shackles of corruption and attain our true potential as a democratic and economic powerhouse in the Pacific.

Through our respective programs, we have actively sought to consolidate our own anti-corruption efforts with other existing Non-Government Organizations, government institutions, public and private companies and individuals in order to collectively further the anti-corruption agenda in PNG.

Throughout the course of this year, we have been fortunate enough to engage a number of such allies in order to bolster our own efforts in advocating against corruption, raising awareness, running training.

These partnerships were etargeted at opening up channels through which the plights of average Papua New Guineans against corruption may be heard, investigated and prosecuted to the full extent of the law. Engaging in these partnerships allows us to widen the anti-corruption dragnet across PNG and more efficiently support the operations of mandated enforcement agencies.

These initiatives have continued to be realized through the establishment of designated open communication channels and referral pathways, exchange of services, the execution of formal Memorandums of Understanding as well as volunteers.

This section highlights some of the most crucial partnerships which we have formalized over the past year and through which we endeavour to nurture a stable and resilient movement against corruption in PNG.

## FORTIFYING GOVERNMENT INSTITUTIONS IN LAE

As the second largest metropolitan city in PNG, reinforcing and boosting our presence in Lae has been a major focus for us this year.

To this end, we have initiated a number of new partnerships in Lae this year in sectors of the public sector which we have identified as being the most susceptible to corruption. These include of land, tax and law and order.

In an effort to fortify these sectors, we initiated partnerships with the Lae Metropolitan Police, the Morobe Provincial Lands Department and the Internal Revenue Commission in Lae.

By November this year, what we had initially began as formal correspondence with these institutions culminated in formal meetings in November, which have now resulted in three new formal partnerships in Lae.

Through these partnerships, we have now not only established rapport and a working relationship with these institutions.

But perhaps more importantly, these partnerships have seen the establishment of referral pathways which will now greatly improve the efficiency of our ALAC Corruption Complaints Desk.



TIPNG Executive Director Arianne Kassman (center in blue) and Events & Membership Coordinator Kalia Maraga (front row in maroon) posing with Lae IRC staff after a Lunch & Learn session.



(L-R) ALAC Coordinator Samson Kandata, Former Lae Metropolitan Commander, Chief Superintendent Anthony Wagambie Jnr and TIPNG Executive Director Arianne Kassman after a stakeholder meeting in Lae.



## OUR EUROPEAN UNION PARTNERSHIP TO OBSERVE THE HISTORICAL BOUGAINVILLE REFERENDUM VOTE

As the Autonomous region of Bougainville undertook its historical referendum vote in November this year, to determine the future of Bougainville after the atrocities of the civil war; we partnered with the European Union to carry out referendum observations, in order to ensure the viability of the outcome.

Through this partnership, we observed referendum voting at 28 polling stations and interviewed 163 voters throughout the Autonomous Region of Bougainville, and have since published a full report on the referendum.

In which we found that the overwhelming support for independence in Bougainville was viable and attained through a largely transparent process.



Ambassador-designate of the European Union to PNG, HE Jernej Videtic and TIPNG Executive Director Arianne Kassman during the official signing of the grant agreement for the Bougainville Referendum Observation project.



TIPNG volunteer observer Mary Fairo (Research Fellow at the National Research Institute) interviewing a voter at the Morgan Junction referendum polling station, just outside of Arawa Town.

## THE PROVINCIAL CORRUPTION COMPLAINTS DESK INITIATIVE



(L-R) TIPNG ALAC Coordinator Samson Kandata OC Government Body Liaison Daniel Taka, TIPNG Executive Director Arianne Kassman and OC representative Lydia Mulina after a stakeholder meeting in November.

In early November our Executive Director Arianne Kassman and Advocacy and Legal Advice Centre (ALAC) Coordinator, Samson Kandata met with Ombudsman Commission of PNG Director of Government Body Liaison Program Unit, Daniel Taka at their head office in Port Moresby.

This meeting was facilitated in an effort to pool our resources to deliver a more effective complaints and referral service for our people in the provinces.

As an outcome of these meetings, we have reached an agreement and are now undertaking arrangements towards developing and signing a memorandum of understanding with the OCPNG in 2020.





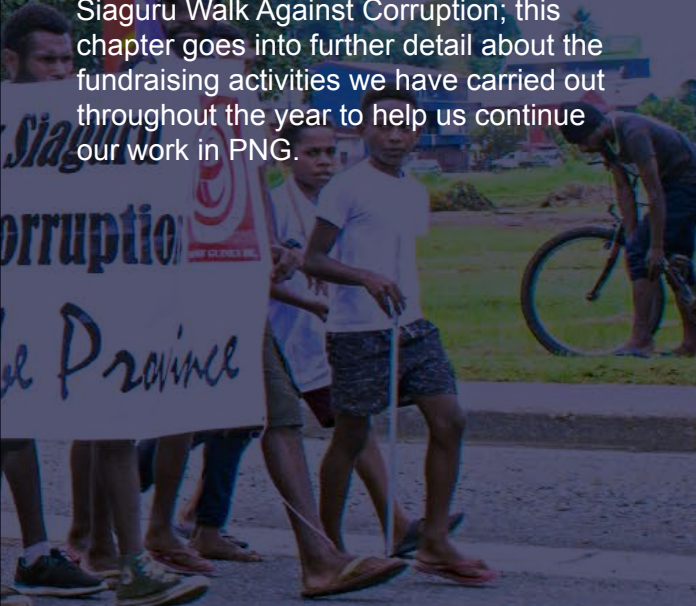


## KEEPING THE LIGHTS ON:

Being an independent and predominantly donor funded operation, we rely heavily on donors and financial members to sustain our operations every year.

Apart from any grant or donor funding we are able to secure for specific projects, we also conduct fundraising activities throughout the year to help us sustain our operations.

From Lunch & Learns, to the Sir Anthony Siaguru Walk Against Corruption; this chapter goes into further detail about the fundraising activities we have carried out throughout the year to help us continue our work in PNG.



*PHOTO CAPTION: Youth participants showing national solidarity with provincial flags and leading the chants during our biggest annual fundraising and awareness event, the Sir Anthony Siaguru Walk Against Corruption in Lae, Morobe Province.*



Former Communications officer Melissa Wokasup (right) taking questions during a Lunch & Learn presentation with the Transport Sector Support Program.



Deputy Director - Communications, Yvonne Ngutlick (far left) describing a moral dilemma during a Lunch & Learn presentation with the team at Ela Motors in Goroka.

## LUNCH AND LEARNS

As part of our membership drive every year, we also carry out Lunch And Learns.

These 30 minute briefs are designed to give organizations insights into the fundamentals of moral and ethical practice in the face of corruption, through the use practical scenarios.

TIPNG tailor its sessions to speak on issues at the request of companies or take staff through scenarios that challenges their moral principles when they encounter corruption.

Our Lunch and Learn programs are targeted at building awareness around anti-corruption, while enhancing our brand visibility and establishing rapport with like-minded organizations and individuals.

This year, we rolled out our Lunch and Learn programs with Ela Motors (Goroka), PNG Transport Sector Support Program, Oil Search Limited and the Internal Revenue Commission.

Lunch and Learn topics this year covered ethical dilemmas at work and home, as well the importance of responsibly carrying out the civic duty of voting in elections.

## THE SIR ANTHONY SIAGURU WALK AGAINST CORRUPTION

As our single biggest annual fundraising event, the Sir Anthony Siaguru Walk Against Corruption (SASWAC) also provides an avenue for organizations and individuals to show their opposition to corruption and assist TIPNG in driving our message for a corrupt-free country.

This year, we hosted the SASWAC in both Port Moresby and Lae, in a massive fundraising effort which saw over 255 teams (177 in Port Moresby and 78 in Lae) from various organizations and families who registered to participate in the walk.

Through the support of all participating teams and numerous sponsors who supported us in this year's SASWAC, we managed to raise a grand total K181,790 to support out operations.

The Lae SASWAC this year carried the theme "I am the Future" and was focused on raising anti-corruption awareness amongst youth and garnering the support and participation of schools throughout Lae City.

In Port Moresby, the theme was "Justice = Enforcement + Reporting" and was aimed at promoting integrity in the enforcement of law and responsibility amongst people to ensure justice by reporting corruption and knowing the laws of the land.

Leaders of the Walk in Port Moresby were Secretary for Justice & Attorney General, Dr Eric Kwa, Deputy Police Commissioner Operations (now former), Mr Jim Andrews and Acting Correctional Service Commissioner, Mr Stephen Pokanis. In Lae, Fr Arnold Schmidt of St Mary's Parish led the walk.

With participating teams encouraged to adapt their own version of the annual theme according their committment to anti-corruption. Teams this year did not diassappoint.

"The level of creativity keeps getting better every year. We see teams with banners and messages in line with the theme, schools with colourful messages and solidarity chants and families that dress their dogs and bring them to the event."

"It's always so encouraging and exciting. The amount of preparation that teams put into their displays for the walk is amazing," said Ms Kassman.

Through all our fundraising efforts throughout this year, including, individulal and corporate membership as well as families and associations, we managed to raise a grand total of K241, 134.09 in 2019 to fund our operations.





Team TE PNG (in blue) and other teams displaying their creative messaging during the Port Moresby SASWAC.



Trukai Industries Limited



Paradise Foods Limited

## SASWAC SPONSORS:



South Pacific Post Limited (Post Courier)



The Voice Inc.



Participants parading through a flooded street in Top Town during the Lae SASWAC.



# 2019 MEMBERS:

## INDIVIDUALS:

Adelbert Alois  
Albert Kuni  
Albina Malihawa  
Alexander Ika  
Allan Maven  
Ametha Asea  
Anna Wemin  
Anne Hewago  
Annette Buckwo Poka  
Arianne Kassman  
Ashleigh Pangkatana  
Avril Matawan  
Baulogo Markus  
Baundo Aure  
Beatriz Oskine  
Ben MaKate  
Bennard Tomobudiara  
Bibianna Mawe  
Boaz Milamala  
Bonstein Igime  
Brian Alois  
Brian Ephrem Demut  
Bruno Simon  
Catherine Maniwavie  
Chris Oroho  
Christina Alex  
Christine Buzzard  
Christopher Elphick  
Claudia Siyon Tally  
Dagia Aka  
Daisy Taylor  
Dange Barziring  
Daniel Martin  
David Aoneka Lawrence  
David Pepson  
David Willie Mugale  
Deborah Alois  
Delilah Kamila  
Dennis Kulanalo  
Desmond J Blake  
Dinah Barara  
Douglas Lota  
Dr. Oti Jigo  
Edward Muntadie  
Edward Sasale  
Elaine Kayas  
Elizabeth Aribi  
Elizabeth Brenan  
Elvis John Mane  
Enoch Namiyo

Eroni Lili  
Esther Jonathan  
Evah Kuamin  
Exzaudia Girika Vai  
Fidelmah Kuhena  
Fiu Jacob  
Flavian Sikwayobu  
Fr. John M Glynn, OL  
Gloria Onn  
Hendry Heni Toua  
Henry Goweli  
Henry Lusave  
Henry Mane  
Hezron Warike  
Jacob Ninkama  
Java Beraro  
Jennifer James Koss  
Jenny Jeffery  
Jerome Sesega  
Jerry Disai  
Jimmy Kobila  
John Jacob  
John Tai  
John-Paul Matlam  
Johnathan Kennett  
Jonathan Bare Kraip  
Jonathan Berol Kuu  
Joseph Sila  
Josh Bobai  
Joshua Sep  
Kalia Maraga  
Kay Gomara  
Kelonti Kelonti Jnr  
Kelvin Tomobudiara  
Kenneth Wauga  
Keron Kilip  
Kewey Samuel  
Kola Kumo  
Lawrence Stephens  
Lelebo Betuela  
Leonnie Paranda  
Loia Joy Vaira  
Madison-Rose Rageau  
Margena Ann Marinjembi  
Maria. L Wauga  
Marie Pias  
Marlene Delis  
Martias Vuarite  
Mary Udu  
Matubi Atang  
Maya Peipul

Melanie Jerry  
Melissa Wokasup  
Merriane Krisimpa  
Michael Dick  
Michael Kumung  
Michael McWalter  
Michelle Hau'ofa  
Michelle Natapol  
Mike Goheno  
Miriam A Layton  
Moti Mako  
Muntai Agnes Kawage  
Navancca M Francis  
Nera Micheal  
Nerah Kume  
Oini Kevari  
Patience Pip  
Paul Barker  
Peter Aitsi, MBE  
Peter Jnr Wangi  
Philip Samar  
Philp Francis Priestley  
Purnish Auga  
Raga Vali  
Rebecca Issimel  
Reichert Thawda  
Renagi Banige  
Renee' Siaguru  
Reuben Mete  
Richard Kassman  
Richard Yuasi  
Ricky Lukas  
Robert Igara  
Roberta Nakui  
Rona Timothy Newaget  
Rosa Tatuk Mobiha  
Rose Koyama  
Rua Puka  
Sami Debbie  
Samson Kandata  
Samuel Ahabh  
Sarah Banige  
Seini Fisi' Hoi  
Siggie Mukaisi  
Solomon Towalaun  
Soynna Binding Suwae  
Theresa Goweli  
Tobert Torato  
Valerie Arigae  
Vali Vali  
Velsheeda Abraham

Veronika Damena  
Vincent Suapi  
Wendy Oroho  
William Umia  
Willie Kuwanga  
Yuambari Haihuie  
Yvonne Ngutlick

## FAMILY GROUPS:

Belinda Kanau & Family  
Christopher Elphick & Family  
Fiona Nelson & Andrew Embahe & Family  
Peter Aitsi & Family  
Philip Samar & Family  
Wesly Taylor Kuamari & Family

## ASSOCIATIONS:

Catholic Archdiocese of Mt Hagen  
Catholic Theological Institute  
Sogeri National High School YACA

## CORPORATES:

AMD Resources Limited  
Bougainville Copper Limited  
Dentons PNG  
Department of Labour and Industrial Relations  
ExxonMobil PNG  
GHD Transport Sector Support Program  
Hastings Deering Limited  
Johnston's Pharmacies Limited  
Kenmore Limited  
NASFUND Contributors Savings and Loans Society  
Oil Search Limited  
PNG Ports Corporation  
PNGEITI



**ExxonMobil**



**BOUGAINVILLE**  
COPPER LIMITED



**Hastings Deering**



**DENTONS**



DEPARTMENT OF LABOUR AND INDUSTRIAL RELATIONS





# FINANCE REPORT:

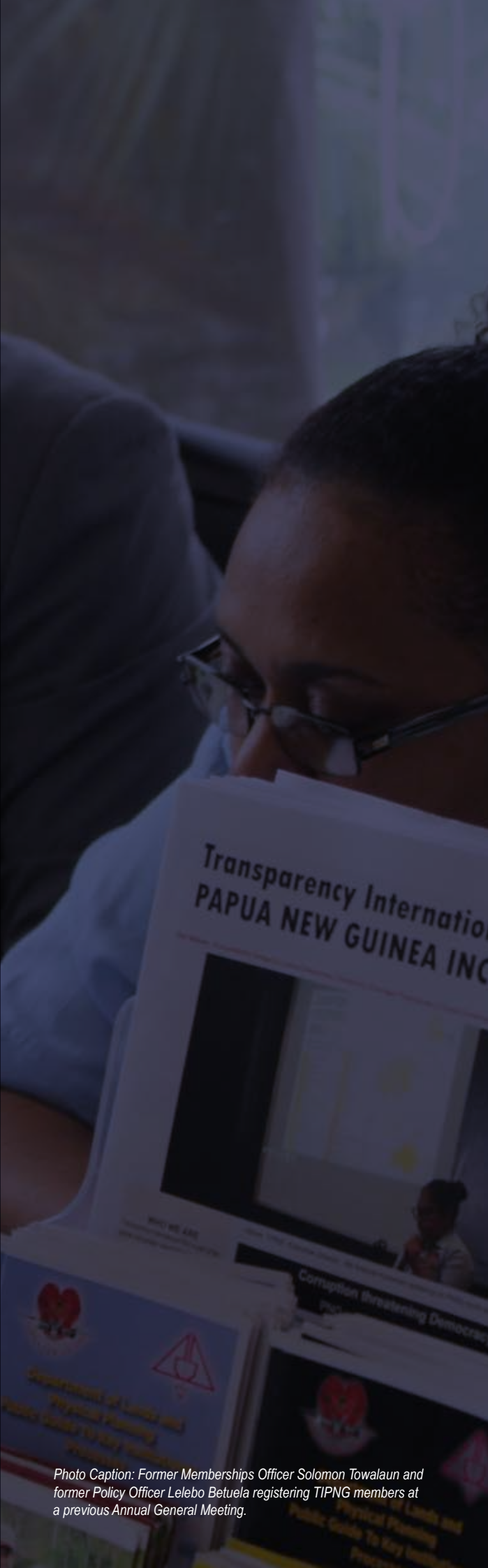


Photo Caption: Former Memberships Officer Solomon Towalaun and former Policy Officer Lelebo Betuela registering TIPNG members at a previous Annual General Meeting.



## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.

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## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.

### Report of the Directors

### For the Year ended 31st December 2019

#### Directors Report

The Directors have the pleasure in presenting their report for the year ended 31 December 2019.

#### 1) Directors

Names	Position	Status
Peter Aitsi	Chairman	Appointed
Akae Beach	Treasurer	Appointed
Lawrence Stephens	Director	Appointed
Michelle Hau'ofa	Secretary	Appointed
Valentine Kaman	Secretary	Resigned
Philip Samar	Director	Appointed
Christopher Elphick	Director	Continuing
Jerome Sesega	Director	Appointed
Samuel Ahabh	Director	Resigned
Richard Kassman	Director	Continuing
Brian Alois	Director	Continuing
Evah Kuamin	Director	Continuing
Belinda Kanau	Director	Continuing
Renee Siaguru	Director	Resigned
Paul Barker	Director	Continuing
Fr. John Glynn	Director	Continuing
Michael McWalter	Director	Continuing
Mary Udu	Director	Appointed

#### 2) Auditors

DFK Mayberry Chartered Accountants | PO Box 1829, Port Moresby NCD | Level 5 Avara Annex | Brampton Street | Port Moresby.

#### 3) General Information

Country of Incorporation: Papua New Guinea

Date of Incorporation : 2<sup>ND</sup> December 1996

Registered Office : 2<sup>ND</sup> Floor IPA Haus | Cr Lawes Road & Munidubu Street | Konedobu | Port Moresby | NCD

Principle place of Business: Section 31 | Lot 54 | Lokua Avenue | Boroko | NCD

Postal Address : PO Box 591 | Port Moresby | NCD

Number of Employee : 13

Banker : Bank South Pacific Ltd – Harbour City BSP Haus | PO Box 78 | Port Moresby | NCD  
: Australia & New Zealand Banking Group Ltd – Harbour City | PO Box 115 | Port Moresby | NCD

#### 4) Association Registration Number: 5-769

#### 5) Directors Statement

- There are reasonable grounds to believe that the organisation will be able to pay its debts as and when they fall due and payable
- The financial statements (balance sheet & income and expenditure statement) and notes thereto are in accordance with the Companies Act 1997, including compliance with the International Accounting Standards are giving a true and fair value of the financial position and performance of the Association as at 31 December 2019.



## **TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.**

### *Statement by the Executive Committee*

1. The net income for the year ended 31 December 2019 amounted to K622,664 (2018 – K626,223, surplus).
2. The payment of any dividend or any payment in the nature of a dividend to its members is prohibited under the rules of Transparency International Papua New Guinea Inc. (the Association).
3. As stated in Note 1 to the financial statements, this is a special purpose financial report that has been prepared to comply with the rules of the Association and must not be used for any other purpose.
4. The financial statements have been drawn up in accordance with accounting policies as described in Note 1.
5. In the opinion of the Committee Members of the Association:
  - (a) the financial statements and notes, set out on pages 6 to 18, present fairly the financial position of the Association as at 31 December 2019
  - (b) and the results and cash flows of the Association for the year ended 31 December 2019;
  - (c) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Association Committee:



Mr. Peter Aitsi  
Chairman



Ms. Akae Beach  
Treasurer

Dated in Port Moresby, <25th June, 2020>



## *Independent auditor's report*

To the members of Transparency International Papua New Guinea Inc.

---

### *Report on the Audit of the Financial Statements*

#### *Unqualified Opinion*

We have audited the accompanying financial statements of the Transparency International PNG Inc. ("the Association"), which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- (i) the accompanying financial statements of the Transparency International PNG Inc. are drawn up so as to present fairly the Association's financial position as at 31 December 2019 and of its financial performance for the year then ended in accordance with generally accepted accounting practice in Papua New Guinea and the Associations Incorporation Act 1966;
- (ii) proper accounting records have been kept by the Association; and
- (iii) we have obtained all the information and explanations we have required.

---

#### *Basis of the Opinion*

We conducted our audit in accordance with International Standards of Auditing. 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 Club in accordance with the auditor independence requirements of the *International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

#### *Emphasis of Matter*

We draw your attention to note 13 of the financial report, which describes the adjustments made to Members Funds. Our opinion is not modified in respect of this matter.

---

#### *The Committees' responsibilities for the financial statements*

The committee are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in Papua New Guinea and the Associations Incorporation Act 1966. The committees' responsibility also includes such internal control as the Association determines necessary to enable the preparation of financial statements that present fairly

#### **DFK Mayberry Chartered Accountants**

Telephone: (675) 321-2466, (675) 320-1988, Facsimile: (675) 321-7548, (675) 320-1989  
Level 5 Avara Annex Building, Brampton St, Port Moresby, NCD  
PO Box 1829, Port Moresby, PAPUA NEW GUINEA

and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, committees are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

---

### *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 International Standards of Auditing 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.

We communicate with the members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during the audit.

We have no relationship with the Association other than that of auditor.

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### *Restrictions on distribution or use*

This report is made solely to the participants of the Association, as a body. Our work has been undertaken so that we might state to the participants of the Association those matters which we are required to state to them in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Association and the participants of the Association, as a body, for our audit work, for this report or for the opinions we have formed.

**DFK Mayberry**  
Chartered Accountants



**Sean McNeill**  
**FCA ICAEW (UK), CPA PNG**  
**Partner**

Dated in Port Moresby, <25<sup>th</sup> June 2020>

**DFK Mayberry Chartered Accountants**  
Telephone: (675) 321-2466, (675) 320-1988, Facsimile: (675) 321-7548, (675) 320-1989  
Level 5 Avara Annex Building, Brampton St, Port Moresby, NCD  
PO Box 1829, Port Moresby, PAPUA NEW GUINEA

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**TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.**

***Statement of Income and Expenditure for the year ended 31 December 2019***

	Note	2019 K	2018 K
<b>Income</b>			
Project income	4	1,972,929	2,412,812
Core income	4	507,317	458,264
<b>Total income</b>		<b>2,480,246</b>	<b>2,871,105</b>
<b>Expenditure</b>			
Project expenses		1,520,435	1,310,786
Core expenses		337,147	934,096
<b>Total expenditure</b>		<b>1,857,582</b>	<b>2,244,882</b>
<b>Net income/(deficiency) for the year</b>		<b>622,664</b>	<b>626,223</b>

This statement should be read in conjunction with the notes set out on pages 9 to 18



## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.

### Statement of Financial Position as at 31 December 2019

	Note	2019 K	2018 K
<b>MEMBER'S FUNDS</b>			
Member's funds brought forward		2,429,751	2,652,658
Net income/(deficiency) for the year		622,664	626,223
<b>Total members funds</b>		<b>3,052,415</b>	<b>3,278,881</b>
<b>Represented by:</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	5	2,607,095	2,645,997
<b>Total non current assets</b>		<b>2,607,095</b>	<b>2,645,997</b>
<b>CURRENT ASSETS</b>			
Cash	6	502,294	1,120,342
Accounts receivable & other receivables	7	299,960	76,059
<b>Total current assets</b>		<b>802,254</b>	<b>1,196,401</b>
<b>Total assets</b>		<b>3,409,349</b>	<b>3,842,398</b>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	8	328,195	396,444
Unspent project funds	10	-	135,419
Employee provisions	11	28,738	31,654
<b>Total current liabilities</b>		<b>356,933</b>	<b>563,517</b>
<b>NON CURRENT LIABILITIES</b>			
Employee provisions	11	-	-
<b>Total non current liabilities</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>356,933</b>	<b>563,517</b>
<b>NET ASSETS</b>		<b>3,052,415</b>	<b>3,278,881</b>

Signed on behalf of the Executive Committee:

.....  
  
 Mr. Peter Aitsi  
 Chairman

.....  
  
 Ms. Akae Beach  
 Treasurer

Dated in PORT MORESBY <25<sup>th</sup> June 2020>

This statement should be read in conjunction with the notes set out on pages 9 to 18





## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.

### *Statement of Cash Flows for the year ended 31 December 2019*

	Notes	2019 K	2018 K
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Subscription and donations received		31,254	44,959
Core income		507,317	635,771
Payments to suppliers and employees		(1,520,435)	(1,310,560)
<b>Net cash flows from operating activities</b>		<b>(981,864)</b>	<b>(629,830)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest income		-	1,235
Purchase of property, plant and equipment		-	(27,520)
<b>Net cash (used in)/flows from investing activities</b>		<b>-</b>	<b>(26,286)</b>
<b>CASH FLOW USED IN FUNDING ACTIVITIES</b>			
Project funding receipts		1,972,929	2,412,812
Project funding utilised		(1,609,113)	(1,241,607)
<b>Net cash flows from/(used in) funding activities</b>		<b>363,816</b>	<b>1,171,205</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>(618,048)</b>	<b>279,633</b>
<b>CASH AT THE BEGINNING OF THE YEAR</b>		<b>1,120,342</b>	<b>840,709</b>
<b>CASH AT THE END OF THE YEAR</b>		<b>502,294</b>	<b>1,120,342</b>

This statement should be read in conjunction with the notes set out on pages 9 to 18



## **TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.**

### ***Notes to the financial statements***

#### **1. ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These special purpose financial statements have been prepared in accordance with the Associations Incorporation Act and the accompanying accounting policies below (which may differ from the full requirements of International Financial Reporting Standards). The Committee has agreed that the accounting policies adopted are appropriate to meet the needs of the members.

##### **A. GENERAL ACCOUNTING POLICIES**

The fundamental accounting assumptions recognised as appropriate for the measurement and reporting of results, cash flows and the financial position have been followed in the preparation of these financial statements.

In particular, the following conventions have been applied:

##### **a) Historical cost convention**

The financial statements are prepared using the historical cost convention, as modified by the revaluation of certain assets. This convention does not take into account the changing value of money nor does it take into account current values of non-current assets, unless stated otherwise.

##### **b) Accruals convention**

The financial statements are prepared under the accruals convention whereby income and expenditure are recognised in the period in which they are derived or incurred respectively.

##### **B. PARTICULAR ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **a) Income recognition**

- Project Funding - Funding received by the Association as manager for specified projects is treated as a liability (unspent project funds) and recognized as income as project expenses are incurred.
- Core Funding - Funding received by the Association for core funding is treated as income if there is reasonable assurance that the funds will be received.
- Donations and grants received are defined according to their purpose. Unspecified donations and grants are credited to the income statement when received. Grants received from donors for specified projects are credited to the unspent funds account in liabilities upon receipt and are recognised in the income statement as the specified project expenditure is incurred. Unspent funds on completed projects are either returned to the grantor or, upon receipt of approval from the grantor, recognised in the income statement.

##### **b) Expense recognition**

- Interest expense is brought to account on an accrual basis.
- Expenses relating to fundraising events are brought to account in the year the income from the





## **TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.**

### ***Notes to the financial statements***

event is recognised.

#### **c) Property and equipment**

The cost of purchased property and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property and equipment are determined by comparing proceeds with carrying amount and are included in the statement of income and expenditure.

Repairs and maintenance are charged to the statement of income and expenditure during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Association. Major renovations are depreciated over the remaining useful life of the related asset.

#### **d) Depreciation**

Depreciation is calculated on a diminishing value basis so as to write off the cost of fixed assets over their effective working life. Additions are depreciated from the month of acquisition, or the date they are first used, whichever may be more appropriate.

The principal rates in use are:

Land & building	2.5%
Motor vehicle	30%
Office equipment	20%
Office furniture	15%

#### **e) Taxation**

The Association is exempt from income tax under Section 25A as a charitable body and under Section 26 of the Papua New Guinea Income Tax Act. Donations to the Association are tax deductible to the donor.

Donations to the Association are also deductible to the person/entity under Section 69E of the Income Tax Act.

#### **f) Cash**

For the purpose of the statement of cash flows, cash is considered to be cash on hand and deposits at call with financial institutions, net of bank overdrafts.

#### **g) Accounts Receivable**

These represent amounts recoverable from donors for expenses incurred on operating and managing donor funded programs, and operational support grants.

#### **h) Creditors and Accruals**



## **TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.**

### ***Notes to the financial statements***

These represent liabilities for goods and services provided to the Association prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **i) Employee Provisions**

Liabilities for annual leave are recognised as a current liability and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees rendered the related services is recognised in employee provisions as a non-current liability.

## **2. INCORPORATION AND PRINCIPAL ACTIVITIES**

The Association was launched on 24 January 1997 and was incorporated under the Associations Incorporation Act in Papua New Guinea as a non-profit organization on 2 December 1996.

The principal activities of the Association are:

- (i) to raise public awareness and advance the general education of the public in matters relating to the nature and consequence of corruption in international business transactions, including overseas development initiatives and existing and other guidelines which exist to combat corruption; and
- (ii) to promote, undertake or commission research for the public benefit in matters relating to the nature and consequence of corruption in international business transactions and the cost of effectiveness of overseas development initiatives and to disseminate the useful results of any such research; and
- (iii) to support and promote the charitable educational aims and objectives of Transparency International, a not for profit organization under German Law, and in particular to assist in securing support in Papua New Guinea for standards of conduct designed to promote transparency and accountability in international business transactions, and to cooperate with other charitable organizations throughout the world with similar objectives; and
- (iv) to provide assistance and expertise to parties to international business trade, investment and economic and social development to assist them in ensuring compliance with economic and social development, to assist them in ensuring compliance with existing anti-corruption legislation and Standards of Conduct established in conjunction with Transparency International in Germany and other bodies of similar orientation; and
- (v) to give the legislative and public bodies and other facilities for conferring with and ascertaining the views of persons and institutions engaged in combating corruption as regarding matters directly or indirectly affecting that activity; and





## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.

### Notes to the financial statements

- (vi) to arrange, provide organize or promote alone or with others the provisions of conferences, lectures, seminars, meetings, courses, exhibitions, training, information and advisory services and other events and services in furtherance of the objects of the association; and
- (vii) to write, make, prepare, edit and print, publish, issue and circulate gratuitously or otherwise reports, periodicals, books, pamphlets, leaflets, articles, films, video tapes, computer software, electronic devices, materials for study or other documents in furtherance of or necessary for the promotion of the objects of the association, or procure any of the above acts.

### 3. LIABILITY TO MEMBERS

The members of the Association are not liable to contribute toward the payments of the debts and liabilities of the association or the costs, charges and expenses of the winding up of the association.

### 4. PROJECT AND CORE INCOME

Project income for the period is as follows:

	2019 K	2018 K
Project income - ADB	1,116	7,513
Project income - JSS4D	1,453,241	1,766,363
Project income - EMPNG	244,207	329,006
Project income - UNDP	-	494
Project income - ALAC	144,959	238,710
Project income - YDC US Government Project	49,748	70,466
Project income - EU	79,658	-
Project income - Other	-	260
	<b>1,972,929</b>	<b>2,412,812</b>

Core income for the period is as follows:

	2019 K	2018 K
Other income	120,666	-
Registration fees	276,137	169,730
Donation – Siaguru Endowment Fund	240	10,000
Membership fee- Individual	5,114	7,394
Membership fee-Corporate	53,900	58,200
Interest on bank account	-	1,235
PINSP Core support grants	-	120
Management fees	-	152,634
Merchandise	-	45
Rental Income	51,260	58,906
	<b>507,317</b>	<b>458,264</b>



## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.

### Notes to the financial statements

#### 5. PROPERTY AND EQUIPMENT

	Motor Vehicle K	Office Equipment K	Office Furniture K	Work In Progress K	Land & Building K	TOTAL K
<b>Cost</b>						
At 1 January 2019	126,229	257,287	36,497	-	2,554,616	2,974,629
Additions	-	-	-	-	-	-
<b>At 31 December 2019</b>	<b>126,229</b>	<b>257,287</b>	<b>36,497</b>	<b>-</b>	<b>2,554,616</b>	<b>2,974,629</b>
Disposals	-	-	-	-	-	-
<b>At 31 December 2019</b>	<b>126,229</b>	<b>257,287</b>	<b>36,497</b>	<b>-</b>	<b>2,554,616</b>	<b>2,974,629</b>
<b>Depreciation</b>						
At 1 January 2019	111,990	179,718	12,327	-	24,597	328,632
Charge for the year	3,410	13,628	3,287	-	18,577	38,902
<b>At 31 December 2019</b>	<b>115,400</b>	<b>193,346</b>	<b>15,614</b>	<b>-</b>	<b>43,174</b>	<b>367,534</b>
<b>Net Book Value</b>						
<b>At 31 December 2019</b>	<b>10,829</b>	<b>63,941</b>	<b>20,883</b>	<b>-</b>	<b>2,511,442</b>	<b>2,607,095</b>
<b>At 31 December 2018</b>	<b>14,239</b>	<b>77,570</b>	<b>24,169</b>	<b>-</b>	<b>2,530,019</b>	<b>2,645,997</b>





## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.

### Notes to the financial statements

#### 6. CASH

	2019 K	2018 K
BSP Operating A/C 1000038232	320,002	840,382
Project Funds Clearing Account	87,743	50,450
YDC - BSP 1001327201	20,140	50,783
ALAC Project Account	41,523	115,219
SBCE Bank Account - BSP	30,913	61,535
UNDEF - ANZ 12822916	973	973
Petty Cash	1,000	1,000
	<b>502,294</b>	<b>1,120,342</b>

#### 7. ACCOUNTS RECEIVABLE

Accounts receivable	43,400	10,600
Group tax refund	133,883	-
Prepayments	24,094	49,871
Other receivables	121,605	38,610
	<b>322,982</b>	<b>99,081</b>
Allowance for doubtful collection – other receivables	(23,022)	(23,022)
<b>Total accounts receivable, net</b>	<b>299,960</b>	<b>65,459</b>

#### 8. CREDITORS AND ACCRUALS

Accounts payable	57,355	177,779
Bank Loan	230,626	325,471
Accruals	40,214	(106,807)
<b>Total creditors and accruals</b>	<b>328,195</b>	<b>396,443</b>



## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.

### Notes to the financial statements

#### 9. RELATED PARTY TRANSACTIONS

During the year under review there were no related party transactions nor were there amounts receivable from or payable to related parties.

#### 10. UNSPENT PROJECT FUNDS

These funds are unspent project funds held in the respective project bank accounts as at and for the year ended 31 December 2018.

	2019 K	2018 K
<b>UNDEF/GGACE Project</b>		
Balance Brought Forward	1,095	1,095
Receipt	-	-
Expenditure	(1,095)	-
<b>Balance Carried Forward</b>	<b>-</b>	<b>1,095</b>
<b>YDC Project</b>		
Balance Brought Forward	26,605	3,431
Receipt	-	67,139
Expenditure	(26,605)	(43,937)
<b>Balance Carried Forward</b>	<b>-</b>	<b>26,605</b>
<b>FASA Project - FAO Funding</b>		
Balance Brought Forward	827	827
Receipt	-	-
Expenditure	(827)	-
<b>Balance Carried Forward</b>	<b>-</b>	<b>827</b>
<b>FASA Project - BMZ Funding</b>		
Balance Brought Forward	997	997
Receipt	-	-
Expenditure	(997)	-
<b>Balance Carried Forward</b>	<b>-</b>	<b>997</b>





## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.

### Notes to the financial statements

#### 10. UNSPENT PROJECT FUNDS (continued)

	2019 K	2018 K
<b>OGP</b>		
Balance Brought Forward	-	7,513
Receipt	-	-
Expenditure	-	(7,513)
<b>Balance Carried Forward</b>	<b>-</b>	<b>-</b>
<b>NORAD Project</b>		
Balance Brought Forward	63,125	63,125
- Accrued income (presented as part of accounts receivable)	-	-
- Unspent project funds	-	-
Receipt	-	-
Expenditure	(63,125)	-
<b>Balance Carried Forward</b>	<b>-</b>	<b>63,125</b>
<b>JSS4D Project</b>		
Balance Carried Forward	-	204,779
Receipt	-	1,371,180
Expenditure	-	(1,371,180)
<b>Balance Carried Forward</b>	<b>-</b>	<b>-</b>
<b>EMPNG/Esso</b>		
Balance Brought Forward	5,443	104,449
Receipt	-	41,814
Expenditure	(5,443)	(145,416)
<b>Balance Carried Forward</b>	<b>-</b>	<b>5,443</b>
<b>ALAC Pacific</b>		
Balance Brought Forward	9,629	43,182
Receipt	-	193,537
Expenditure	(9,629)	(227,090)
<b>Balance Carried Forward</b>	<b>-</b>	<b>9,629</b>



## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.

### Notes to the financial statements

#### 10. UNSPENT PROJECT FUNDS (continued)

	2019 K	2018 K
<b>DFID</b>		
Balance Brought Forward	13,710	13,710
Receipt	-	-
Expenditure	(13,710)	-
<b>Balance Carried Forward</b>	<b>-</b>	<b>13,710</b>
<b>AUSAID</b>		
Balance Brought Forward	405	405
Receipt	-	-
Expenditure	(405)	-
<b>Balance Carried Forward</b>	<b>-</b>	<b>405</b>
<b>YDC Project/US Government</b>		
Balance Brought Forward	3,327	3,327
Receipt	-	-
Expenditure	(3,327)	-
<b>Balance Carried Forward</b>	<b>-</b>	<b>3,327</b>
<b>Mining for Sustainable Development</b>		
Balance Brought Forward	-	21,887
Receipt	-	-
Expenditure	-	(21,274)
<b>Balance Carried Forward</b>	<b>-</b>	<b>-</b>
<b>UNDP</b>		
Balance Brought Forward	7,264	7,264
Receipt	-	-
Expenditure	(7,264)	-
<b>Balance Carried Forward</b>	<b>-</b>	<b>7,264</b>

The various programme funding components relating to SPSN project were consolidated in the current year's unspent project funds presentation. The SPSN project was fully acquitted on 30 June 2019.

The UNDP, DFID, AUSAID, ALAC Pacific, Norad and other projects where TIPNG advanced for the projects were previously presented and included in accrued income under 'accounts receivable'.



## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC.

### *Notes to the financial statements*

#### 11. EMPLOYEE PROVISIONS

	2019 K	2018 K
<b>Current</b>		
Annual leave	28,738	31,654
	<b>28,738</b>	<b>31,654</b>
<b>Non current</b>		
Long service leave	-	-
<b>Total employee provisions</b>	<b>28,738</b>	<b>31,654</b>

#### 12. ECONOMIC DEPENDENCE

The Association is dependent on various major donor agencies disclosed in Note 10. of the Notes to the financial statements, for its funding of various projects. At the date of this report, the directors have no reason to believe the various major donor agencies will not continue to support the Associations activities.

#### 13. MEMBERS FUNDS

The opening balance of prior year members funds has been restated to recognize unspent project funds of K626,304 relating to committed funds received from projects from which the funds have not been spent as at balance date. This adjustment was approved by the Board Meeting in June 2019. The adjustment was to correct the accounting of unspent funds that were initially incorrectly taken up as current liabilities. The Members Funds were adjusted to remove the duplicate income incorrectly recorded in prior years.





# GLOBAL MOVEMENT:

## STRONGER TOGETHER:

Being part of a much wider global movement against corruption, this chapter details the collective strategy now being employed by the Transparency International movement and the global progress in the fight against corruption.

Although our projects are targeted at addressing anti-corruption priorities in PNG, our coordination and information sharing within the 100+ chapters of Transparency International world-wide not only enriches our insight, but also allows us to align our efforts to achieve the bigger picture.

A world free of the influence of corruption.

*(L-R) TIPNG Executive Director - Arianne Kassman, TI Japan Representative - Go Takahashi, TI Solomon Islands CEO - Ruth Liloqula and TI Australia CEO - Serena Lillywhite participating in a team activity on strategy building.*



# 2019 CORRUPTION PERCEPTIONS INDEX HIGHLIGHTS GLOBAL CORRUPTION TRENDS

With the official global launch of results from the 2019 Corruption Perceptions Index (CPI) in January, we restated our call to the PNG Government to establish a fully Independent Commission Against Corruption (ICAC).

This will be a major step in fighting corruption and helping to prevent the leaks in the Government budget, which is contributing to PNG's money woes.

Scoring 28 out of 100 and ranking 137 out of 180 countries surveyed in the 2019 CPI, PNG now finds itself among two thirds of participant countries that have shown little to no improvement on their scores from the 2018 CPI.

In a short presentation during the official launch in January, TIPNG Chairman Peter Aitsi, highlighted CPI trends showing that most countries that performed well on the 2019 CPI had strong and independent institutions supported by active and independent watchdog agencies.

Mr. Aitsi said that unlike many other countries that found themselves in a similar position, PNG had actually taken a number of steps to address the issue of corruption in the country such as signing on to global anti-corruption initiatives (United Nations Commission Against Corruption and Extractive Industries Transparency Initiative), as well as the development of the National Anti-Corruption Strategy (NACS) 2010-2030.

However, he added that having an independent anti-corruption enforcement agency like the ICAC is not only essential to boosting the effectiveness of the NACS, but would also allow for the most effective implementation of the National Budget, by preventing wastage through corrupt activities.

Figures cited previously by former Operation Task Force Sweep head, Sam Koim in 2015, suggested

the cost of corruption to government revenue was estimated to be above K5 billion.

Furthermore, in 2016 former Prime Minister Sir Mekere Morauta also cited Police Fraud Squad estimates of over K1.5 billion per year being lost to corruption.

In a time when the PNG government has prioritized repairing the National Budget and reducing National Debt, Mr. Aitsi gave the example of Indonesia's premiere anti-corruption enforcement agency, Komisi Pemberantasan Korupsi (KPK), which was recently reported to have saved the Indonesian government about 63.8 trillion rupiah (approximately US\$4.52 billion or K15.59 billion) in potential losses, in the past four years alone.

PNG Prime Minister James Marape, in presenting the official government response to the 2019 CPI results stated the new government's commitment to have the ICAC enabling legislation passed before the end of 2020.





## REPRESENTING PNG AT THE 2019 OPEN GOVERNMENT PARTNERSHIP GLOBAL SUMMIT IN CANADA

In May, our Youth Integrity Program Coordinator represented PNG in the Young Leaders in OGP as well as the OGP Global Summit.

As part of the program, 16 young leaders from across the globe shared examples of youth driven activities from their respective countries and learnt about successful models of youth inclusion in government processes in Canada.

Whilst learning more about the Open Government Partnership and its importance on a global scale.

Mr Aka was a panelist during a discussion on shrinking civil society spaces in Asia Pacific and the official closing ceremony planery alongside the OGP Global chairs.



*TIPNG Youth Integrity Coordinator, Dagia Aka (front row first from right) with 15 other Young Leader in OGP participants from around the world.*



*TIPNG Youth Integrity Coordinator, Dagia Aka (right) participating as a panelist during discussions around shrinking civil society spaces in the Asia Pacific.*

## 2019 TRANSPARENCY INTERNATIONAL ANNUAL MEMBERS MEETING



*(L-R) TIPNG Chair, Peter Aitsi, TI Vanuatu Representative, TI Solomon Islands Executive Officer Ruth Liloqula and TIPNG Secretary Michelle Hau'ofa during the AMM in Berlin, Germany.*

In November our Chairman Peter Aitsi and Secretary Michelle Hau'ofa attended the 2019 TI Annual Members Meeting. During which TI chapters from around the world converged to discuss issues within the movement, as well as global corruption trends and the future of the movement.

This year, the movement discussed issues such as the promotion of political integrity, environment and corruption, greater engagement of youth and the phenomena of the shrinking civil society being experienced in many countries.

The AMM functions as a check-in for TI chapters, where each can contribute to the conversation around anti-corruption and share experiences.

## NOTES:

[illegible]

## NOTES:

[illegible]





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