



**TRANSPARENCY INTERNATIONAL
PAPUA NEW GUINEA Inc**



**ANNUAL REPORT
2008**



OUR VISION

An independent PNG where government, politics, businesses, civil society and the daily lives of people are free of corruption.



Transparency International (PNG) Inc.

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Chairman's report



Peter J Aitsi
Chairman

Dear Members and Supporters of Transparency International PNG,

On behalf of the Board of TIPNG I take this opportunity to sincerely thank you for the continued commitment you have given to the work of TIPNG through 2008 and importantly over the past years.

A focus of TIPNG has been to support the building of strong governance institutions and reinforcing positive social values. This was reflected in 2008 through the work undertaken in our Good Governance & Anti-Corruption Education Program, funded by UNDEF. TIPNG worked with over 50 dedicated teachers to develop anti-corruption teaching tools that are now being trialed in many schools. Our aim is to imbue the message of anti-corruption into the curriculum of our schools through ethics and values based teaching. We aim to achieve this by arming our teachers with the teaching tools that will help them develop lesson plans with an anti-corruption theme. It is the constant reinforcing of these messages they we hope to influence the ethics and values of our future leaders.

Along with the GGACE TIPNG hosted the first Youth Democracy Camp in Goroka bringing together over 50 young students to take part in a week long camp. The camp enabled our young people to challenge each others' thinking on issues affecting their country and provided an opportunity for them to reflect on their rights, responsibilities and roles as citizens of Papua New Guinea. Another highlight for 2008 was the second Walk Against Corruption (WAC) that was held simultaneously in Port Moresby and Kokopo. The Board of TIPNG would like to extend its deepest thanks to all who continue to support the WAC. It has become a vehicle that all Papua New Guineans can use to express their support and commitment to the fight against corruption.

2008 was a very sad year as it was marked by the untimely death of our Chairman the late Michael John Manning. On behalf of the Board and the Staff of TIPNG we sincerely thank you for the overwhelming messages of sympathy. Mike was truly a man who touched and influenced many people. At this time it is right that we acknowledge and recognize the dedication and commitment demonstrated by Mike. His dedication and wealth of experience was not only a benefit for TI but also for many of the organizations he served. We remain indebted to Mrs Relly Manning and her family for the efforts of their Husband and Father.

To mark the contributions of the Late Michael John Manning, TIPNG has re-named the annual Youth Democracy Camp-now be known as the Mike Manning Youth Democracy Camp. We believe it is fitting as Mike was a true believer of the young people of PNG.

In closing I would like to extend the Boards gratitude to all of our members and funding partners; AusAID, NZAID, UNDP, UNDEF, the British High Commission, the US Department of State and TI Secretariat. I encourage you to continue to speak out against corrupt individuals and corrupt practices, as the only way to bring about real change is to join our individual actions and have these actions translate in to a truly united national anti-corruption fight.

A handwritten signature in black ink, appearing to read 'Peter Aitsi', enclosed within a rectangular box.

Peter John Aitsi, MBE
Chairman

Executive Director's report



Emily George Taule
Executive Director

Welcome members and supporters of TIPNG,

It is a pleasure to be presenting my third report to you as Executive Director of Transparency International PNG. In many ways 2008 posed immense challenges, both for TIPNG as an organization and for me as Executive Director. Despite the ongoing nature of some of these hurdles I am pleased to report that TIPNG continues its mission with characteristic determination and dedication.

As always, the difficulties involved in operating a small civil society organization with significant constraints on finances, human resources and staff capacity have been great. Nonetheless TIPNG has pressed onwards with key projects with great success. I point to the ongoing work of the Good Governance and Civic Education project and the Corruption Perception Survey as proof that TIPNG is capable of securing the funding, support and expertise to carry out unique projects integral to our ongoing understanding of and struggle against corruption in our beautiful country.

I am delighted to report the annual Sir Anthony Siaguru Walk Against Corruption doubled in size in 2008, in terms of both participants and funds raised for the Siaguru Endowment Fund. I am equally delighted to report the success of the inaugural Youth Democracy Camp. The Walk Against Corruption is now entrenched as an annual event and we also hope to conduct the Camp every year, rebadged as the Mike Manning Youth Democracy Camp. Both of these events represent high points of 2008 and further proof that TIPNG is capable of great things.

Nonetheless the challenges, as aforementioned, were great indeed. Our entire organization was rocked to the core with the sudden passing of our chairman, Mike Manning. Mike's loss in August was an untimely and unexpected blow to our organization and our country. His leadership is sorely missed by staff and directors alike. We have truly lost a champion in our struggle.

Our organization was also destabilized by still-emerging evidence that suggests fraudulent activities were committed against TIPNG by former employees. Investigations into these matters are ongoing and therefore I cannot speculate on the nature and perpetrators of the crimes. I can however attest to their demoralizing impact, and the sadness of having our essential values of trust and honesty defiled. Nonetheless we are on track to recover most of the funds lost due to these alleged criminal acts and have received overwhelming support from our donors and key partners. To these donors and supporters I issue a special heartfelt thanks for your confidence in us.

TIPNG now moves into 2009 with great resolve. Our mission continues, regardless of past obstacles. The TIPNG board of directors elected Peter Aitsi as the new Chairman of the board, who brought great vigor and dedication to this position towards the end of 2008. TIPNG also has also embarked upon two very important projects for 2009: the Advocacy and Legal Advice Centre, and the Forest Governance Initiative. Our work building anti-corruption coalitions, spreading the good governance message, and demanding accountable and honest leadership continues.

I would like to thank all our staff, volunteers, advisors, directors, donors and partners for their support for TIPNG and its vision during 2008. We value your assistance and look forward to your continued support in 2009 and beyond.

Emily George Taule, BEM
Executive Director

Strategic Direction

Vision, Mission and Values

The **vision** of TIPNG "is an independent nation in which government, politics, business, civil society and the daily lives of our people are free of corruption".

Our **mission** is to reduce corruption and create a better future for our children by:

- Promoting honest and good leadership,
- Supporting active public involvement in the struggle against corruption, and
- Informing and educating the public on anti-corruption culture.

In committing itself to this mission, TIPNG is guided by an absolute adherence and commitment to the **values** of:

- Honesty
- Integrity
- Transparency of thought and action
- Freedom of expression
- A caring and sharing society
- Accountability
- Good governance
- National unity
- Effective communication

TIPNG's Mission:

To reduce corruption and create a better future for our children.



2008 Strategies

TIPNG's strategic performance is judged by what we say in our key messages and what we do in our major programs. We are conscious of the need for these messages and programs to remain relevant and beneficial to the people of Papua New Guinea, in whose name we continue our work. We aim to learn from past successes and mistakes to enhance our strategic approach.

In 2008, TIPNG worked towards the following overarching strategic priorities:

1. Strengthening and enhancing the anti-corruption alliance in PNG

This essential strategy brings together civil society, business groups and the public sector under the umbrella of the Community Coalition Against Corruption to amplify our message and underpin the authority of our anti-corruption agenda. It also involves maintaining and bolstering the individual and corporate membership of TIPNG.

2. Continuing civic society and electoral education

TIPNG's work on electoral reform education during 2007 was a sound foundation to continue work on. The Good Governance and Civic Education project as well as the inaugural Youth Democracy Camp were the lynchpins for enacting this strategic priority.

3. Ongoing advocacy

TIPNG prides itself for being an outspoken and respected voice on anti-corruption and good governance issues in PNG. Advocacy through the media, awareness-raising events and forums provided the platform for our message during 2008.

4. Legislative initiatives

TIPNG contributed to debates surrounding key legislative initiatives, including a proposed revival of the Independent Commission Against Corruption organic law and an Extractive Industries Transparency Initiative.

5. Policy research

TIPNG also implemented the first two phases of the Corruption Perception Survey, solidifying our commitment to research into understanding corruption issues.

Internal Strategic Direction

The TIPNG office continued its work during 2008 led by the Executive Director Emily Taule. As in 2007, capacity building remained a major ongoing internal strategic focus for TIPNG with the aim to enhance and upgrade staff skills with assistance from volunteers and advisors attached to TIPNG. TIPNG is committed to ongoing capacity building of individuals within the organization in order to improve the effectiveness of its work during 2009.

The following internal strategic priorities were pursued during 2008:

Better communications management

Through capacity building, better liaisons with the board, better information and publications dissemination, better website management, and better management of stakeholder relationships.

Better financial management

Through better expenditure tracking, better contract controls, improved financial oversight, ongoing capacity building, better board liaisons and stakeholder relations, better asset management and increased financial sustainability.

Better information management

Through ongoing file and data management, regularly updating electronic information systems, ongoing capacity building, enhancement of database systems for complaints and reports management, and better system backups.

Better office management

Through increasing staff productivity, enhancing staff IT and project management skills, increasing organizational capacity to source funding for projects, and planning for a new HR structure.

2008 HIGHLIGHTS

- Second annual Walk Against Corruption held in Port Moresby and Kokopo on June 1
- Youth Democracy Camp held in Goroka from the 23 - 29 of June
- Completion of the Corruption Perception Survey's second research phase in November
- Hosted the Pacific Women Speakers Forum on December 6
- Youth anti-corruption radio shows held on December 10
- Completion of pilot resource publications for the Good Governance and Anti Corruption Civic Education project



Capacity building of TIPNG management and staff is an integral strategy to achieving better outcomes. TIPNG is committed to this very promising approach.

Projects & activities

TIPNG pursued five strategic priorities during 2008: membership and coalition building; civic and electoral education; advocacy; legislative initiatives; and policy research. The organization's work on a national and regional level reflected these diverse but vital priorities.

MEMBERSHIP & COALITION BUILDING

Sir Anthony Siaguru Walk Against Corruption (WAC)

The WAC was held in Kokopo and Port Moresby on June 1st, attracting wide community and corporate support as well as the ongoing patronage of PNG's Governor-General Sir Paulias Matane. Over 1,500 people representing 78 organisations participated in the WAC, further strengthening TIPNG's links with corporate, government and non-government sectors. TIPNG made the most of the opportunity provided by the WAC to spread the transparency and good governance message to the wider community, as well as demonstrate the broad community support for the crusade against corruption.

Community Coalition Against Corruption (CCAC)

A CCAC forum was held on 30th September at the University of Papua New Guinea. The theme of the forum was "Finding Solutions to Corruption". Speakers included TIPNG chairman Peter Aitsi, President of the Media Council and Co-Chairman of the CCAC Mr Joe Kanekane, Anne Kajir of the Environment Law Centre, former minister for internal security Bire Kimisopa and Serena Sasingian, founder of the UPNG student group 'The Voice'. The forum provided an important platform for CCAC members and participants from the broader community to contribute ideas and opinions on how to proceed in the fight against corruption and what kind of action be demanded of parliamentarians and government to ensure accountability and transparency.

CIVIC & ELECTORAL EDUCATION

Youth Democracy Camp (YDC)

In June 2008, 55 students from 25 schools in PNG assembled for 10 days in Goroka, Eastern Highlands Province for the first Youth Democracy Camp. The students were taught skills in human rights advocacy, good debating and communication, and the promotion of good governance and leadership. The Youth Democracy Camp affirmed TIPNG's commitment to targeting youth as partners in the struggle against corruption and also strengthened the Youth Against Corruption Association, one of the key partners in the Community Coalition Against Corruption. This camp was funded by the US Department of State in Port Moresby. The second YDC is planned for June 2009.

Good Governance & Anti Corruption Education (GGACE)

The GGACE project got off the ground in August 2007 with funding received from the United Nation Democratic Education Fund (UNDEF). The project ran throughout 2008, with a scheduled completion by August 2009. A primary school teacher's resource kit is being developed with assistance from an advisory group of provincial schoolteachers engaged to trial the material in schools and comment on the kit. So far the project has been successful with positive results thanks to significant assistance and guidance from project consultant Simon Jenkins. Drafts of all documents have been produced and consolidated into a single publication for piloting purposes. In May 2008 the first evaluation and revision was completed and the publication was subsequently split into primary and secondary school documents, with electronic versions also available.

Ultimately the project will produce a set of materials for teachers to use in spreading the good governance and anti-corruption message to students. These materials will include a teacher resource book of over 200 interactive lessons for the upper primary and lower secondary levels, a set of supporting good governance posters and a series of booklets for lower secondary students, each containing stories on a variety of governance themes written as dialogues enabling them to be acted out.

The lessons in the teacher resource book are matched with the outcomes of the newly reformed Outcomes Based Education (OBE) curriculum, with an emphasis on interactive education. The resource book also contains extensive notes on the management of interactive and student centered classes.

While providing lessons about the role and functioning of civil society, parliament, the executive and the judiciary, the GGACE material also has a special focus on topics such as gender, local government, and of course fighting corruption.



Projects & activities

INTERNATIONAL ANTI-CORRUPTION DAY

Pacific Women Speakers

TIPNG commemorated Anti-Corruption Day by hosting the PNG leg of a Pacific-wide Transparency International Women's Speakers Tour on Saturday December 6th. The speakers included Vanuatu's first ever ombudswoman Ms Marie-Noelle Ferrieux-Patterson, the first female secretary to the Solomon Islands National Executive Council Ms Ruth Liloquela, and the Deputy Speaker of the Autonomous Region of Bougainville parliament Ms Francesca Semoso. The guests presented on their experiences of corruption from their own areas of extensive expertise. Post-presentation discussions involved a panel including a number of notable PNG women anti-corruption advocates.

INTERNATIONAL HUMAN RIGHTS DAY

Youth Radio shows

To commemorate International Human Rights Day TIPNG hosted two radio programs on FM 100 and PNG FM. TIPNG was able to use the UN-sponsored "Gender Buzz" program on FM 100 and at PNG FM paid time was allocated for students to talk on the theme of human rights and corruption. These shows fulfilled our overarching aim of spreading the good governance message and informing the public on corruption issues through voice of the youth. The radio shows also empowered and strengthened our anti-corruption partnerships as they were broadcast in collaboration with youth from the Youth Against Corruption Association and students from the Youth Democracy Camp. Programs for these activities were sponsored by the European Commission in PNG with a funding of K10,000.

ADVOCACY

Advocacy & Legal Advice Centre

The establishment of an Advocacy and Legal Advice Centre (ALAC) in PNG is underway with the project entering the inception phase in October 2008. The ALAC will provide legal advice and assistance to victims and witnesses of corruption and help citizens pursue corruption-related complaints, encouraging them to come forward. The ALAC will also provide vital support for PNG's anti-corruption and fraud agencies by preparing cases for referral to these agencies and also keeping a database of complaints to be used for broader anti-corruption advocacy. The ALAC is based on a successful model employed in sixteen countries worldwide and enjoys the support of the TI Secretariat. TIPNG is excited about this significant project and its development during 2009.

POLICY RESEARCH

Corruption Perception Survey

The first stage of TIPNG's AusAID funded Corruption Perception Survey was conducted as a pilot survey in four provinces: Madang, Milne Bay, Southern Highlands and East New Britain. The aim was to define corruption from a grassroots perspective and obtain a better understanding of how people's attitudes influence the corruption cycle. Conducting the survey was also an excellent capacity building opportunity, with a resource advisor from the University of Melbourne engaged to assist with the research design and mentor TIPNG's in-house research officer. The survey is into its second phase with data input and analysis. This will be followed by an outcome report to be presented to TIPNG during the first quarter of 2009. TIPNG is looking forward to carrying out the third phase of the project, which will survey an additional eight provinces during 2009.



International visits

TIPNG ABROAD

TI Annual members meeting - Athens, Greece

TIPNG Chairman Peter Aitsi attended the Transparency International Annual Members Meeting (AMM) and the International Anti-Corruption Conference (IACC) in Athens, Greece from November 26 to December 2. Both these gatherings provided an important chance for Mr. Aitsi to be updated on work of international TI chapters and gain insight into TI projects being conducted worldwide. It also afforded an ideal opportunity to meet with significant representatives of government departments, donor agencies, and philanthropic organisations from around the world. Workshops were held on to assess the current status of the ongoing global struggle against corruption and strategic insights were shared. Discussions on the broad goals of the global TI movement were also held. The AMM participants made special note of the late Mike Manning and commemorated his life's work in the struggle for good governance and transparency in PNG and abroad.



Regional meeting- Manila, Philippines

Former TI PNG Chairman the late Mike Manning and Executive Director Emily Taule attended the TI Asia Pacific Regional Programme Meeting in the Philippines during May. Mr Manning and Ms Taule attended detailed briefings on the Advocacy and Legal Advisory Centres (ALACs) and the Forest Governance Initiative (FGI), learning of the benefits and requirements of implementing these important TI initiatives. They also attended workshops and presentations on how to bolster citizen's efforts in fighting corruption, how to foster judicial integrity, and developing capacity of local chapters. The Regional Programme Meeting provided a valuable chance to discuss strategy and get updated on regional TI chapters, their projects and successful tactics, as well as exchange ideas and strengthen TIPNG's regional partnerships.

TI CHAPTER LEADERS MEETING - Suva, Fiji

During February the Chairwoman of Transparency International Huguette Labelle conducted a regional visit to the Asia-Pacific and Australia. During this time she held meetings with all TI chapter leaders in the region. Former TIPNG Chairman the late Mike Manning travelled to Suva, Fiji to meet her and other chairmen of Pacific TI chapters. This meeting enabled Ms Labelle to personally discuss matters of significance with chapter leaders from the Pacific and also gave chapter leaders to raise concerns and discuss pertinent issues with the head of the global TI movement. During her visit to Fiji Ms Labelle delivered the 5th Annual Siwatibar Memorial Lecture at the University of South Pacific, which Mr Manning was able to attend.

FIGHTING CORRUPTION in ASIA PACIFIC - Singapore

The Fighting Corruption in Asia Pacific: Strategies for Business, Government and Civil Society conference was held in Singapore on November 26-28. TIPNG's Executive Director Emily Taule was one of many representatives from corporate, government and NGO sectors invited to attend. The conference was sponsored by the ADB and the OECD and focused on initiatives and potential partnerships involving corporate, government and NGO bodies to encourage accountability in governance and curtail corruption in the Asia-Pacific region. Five major workshops were held, covering the implementation of OECD anti-bribery conventions, conflict of interest issues, corporate compliance with ethical business practices, implementing the Extractive Industries Transparency Initiative, and private sector corruption. The three day conference was followed by a one day regional TI chapter meeting, where detailed inception discussions were held on the set up of Forest Governance Initiatives for Pacific Chapters.

YOUTH SUMMITS

Canberra, Australia & Quebec City, Canada

TIPNG supported a representative of the Youth Against Corruption Association in attending two youth conventions in Australia and Canada during 2008. TIPNG provided the living allowances for a YACA representative to attend the International Workshop on Gender, Youth and Economic Empowerment in the Pacific Economies in Canberra, Australia during April, and also the 4th World Youth Conference in Quebec City, Canada in August. These gatherings provided the YACA representative a great chance to make international connections with like-minded youth anti-corruption activists and learn of successful strategies used by other global youth groups.

OVERSEAS DELEGATIONS

Solomon Islands Delegation

September 2008

In September 2008 a government delegation from Solomon Islands took time to visit Transparency International PNG. The delegation was on a fact-finding mission to PNG focusing on mechanisms for political and government stability in the Solomon Islands. Specifically the delegation was interested in TIPNG's role in supporting the introduction of the Organic Law on the Integrity of Political Parties & Candidates (OLIPPAC). The group met with TIPNG directors Peter Aitsi, Lawrence Stephens and Raymond Chow to seek TIPNG's view on the impact of the OLIPPAC on political stability in PNG, as well as encountered since its introduction. The delegation leader, John Kina Pasia from the Solomon Islands Prime Ministers office said their visit was very helpful. He said they had collected very useful information that would be reported back to their cabinet, with recommendations for improvements to existing legislation and proposals for new laws based on PNG's OLIPPAC.

Australian Parliamentary Delegation

October 2008

TI Directors Mr Richard Kassman and Fr John Glynn met with an Australian parliamentary delegation when it visited the TIPNG offices during December. The delegation sought information on development and corruption issues in PNG from TIPNG's unique perspective and also was asked to advise on potential ways the Australian Government could support anti-corruption and good governance initiatives in PNG. Mr Kassman and Fr Glynn participated in a round table discussion with other PNG NGOs and the Australian Parliamentary delegation, specifically discussing issues of forestry governance in PNG and the unique problems of tackling corruption in this vital resource sector.



The Solomon Islands delegation with Solomon Islands High Commissioner to PNG HE Bernard Bata' anaisia (second from left) with staff and directors of Transparency International PNG Inc.

PNG on the global corruption scale

Global Corruption Report 2008

The TI Global Corruption Report 2009 will again include a chapter devoted to corruption in PNG. The 2008 PNG Country Report was co-authored on behalf of TIPNG by Dr Sarah Dix and Dr Alphonse Gelu of PNG's National Research Institute. The PNG Country Report is a thorough and incisive update on the state of corruption in PNG during 2008 and is a valuable resource. Below are some of the PNG Country Report's key updates.

In December 2007, Parliament passed the **Forestry (Amendment) Act 2007** and the **Forestry (Timber Permits Validation) Act 2007**. Both were passed without parliamentary debate and without broad stakeholder consultation. TIPNG has joined other organizations in voicing concern over these changes, as they legitimize illegal logging and primarily serve the interests of the logging industry. This comes at a time when the industry is at a critical point, with many logging operations believed to be illegal, the rate of deforestation seen as unsustainable, and the logging companies exercising undue influence with the help of corrupt officials.

The 2007 agreement between the Chief Ombudsman and the Police Commissioner to establish a **Police Complaints Ombudsman** has been applied throughout 2008 and appears to be working. Under the agreement, the police will conduct investigations into complaints while Ombudsman Commission officers will ensure that they are carried out professionally and transparently and that the process of dealing with police personnel is in accordance with the laws and police procedures.

The HRM Devolution Project was trialed through June 2008 with mostly positive results. This project delegates key human resources powers to the heads of government departments, provincial administrations and government agencies. It is hoped this power delegation will provide the provincial and national agencies with the power to sack dishonest or ghost staff more quickly. However TIPNG has concerns the provisions could allow for nepotism within departments, and permit the abuse of payroll systems if not closely monitored.

The Finance Intelligence Unit (FIU), established in 2007, continued work during 2008 and is investigating complaints from major financial institutions. TIPNG remains concerned at the lack of capacity in the FIU, especially in the area of forensic auditing. However TI optimistically notes that Australia's Anti-Money Laundering Assistance Team is providing training and support for the staff of the FIU.

In addition the PNG Country Report also includes an analysis of potential private-public partnerships in PNG and also the ongoing telecommunications competition saga.



Corruptions Perceptions Index

One of the key Transparency International research projects is the annual Corruption Perceptions Index (CPI). This involves analyzing and quantifying the perceptions of corruption in 180 countries (some countries are not included in the survey due to inaccessibility of expert analysis, Fiji being a notable example from the Pacific). Thirteen country analyst and business groups are surveyed, with both resident and non-resident perspectives, over a two-year period (thus the 2008 CPI collates information obtained from surveys conducted throughout 2007 and 2008). The thirteen groups surveyed include the Asian Development Bank, Global Insight and the World Economic Forum.

During 2008 Papua New Guinea was ranked 151 out of 180 countries on the Corruption Perceptions Index. Papua New Guinea's position on the CPI rose by eleven places since 2007, when PNG was ranked 162. Ostensibly this represents an improvement in Papua New Guinea's situation. However it must be kept in mind that the CPI ranking reflects the country's corruption perception in relation to other countries. This means that PNG's improvement in the CPI rankings could be the result of the deterioration of the situation in other countries rather than an improvement in PNG.

A better indication of PNG's improvement is the CPI score itself. In 2008 the overall score obtained by PNG was 2.0. This was unchanged since 2007. Thus Transparency International believes that, according to its research, PNG's corruption situation remains as bad as 2007 levels, despite an improvement when compared to other nations.

Transparency International PNG actively works to promote good leadership and governance. It strives to inform and educate the people on anti-corruption. Without transparency and accountability in government the business environment, economic and humanitarian conditions in PNG cannot improve.

PNG on the global corruption scale

2008 Bribe Payers Index

Another important Transparency International research initiative is the Bribe Payers Index (BPI). The BPI asks business leaders from 26 countries to identify countries and industry sectors they believe bribes are most likely to originate from. Although Papua New Guinea was not among the respondent countries, the results of the BPI still provide significant material for consideration from PNG's perspective.

Notably, the 2008 BPI found that both oil & gas and mining industries were among the top five (out of 19) sectors likely to attempt bribery of public officials. The BPI also found these sectors among the top five most likely to attempt to influence of legislative processes by corrupt means. Given the nature of the PNG economy and the massive future prospects of PNG's extractive industries, the Bribe Payers Index results serves as a timely reminder that we need to be as vigilant as ever if the proceeds from these industries are deployed for the benefit of PNG citizens.



WAC 2007 (above)



Youth democracy camp 2008 (above below)



TIPNG in the NEWS

TI seeks for truth in 'Taiwan scandal'

TRANSPARENCY International (TI) chapter of Transparency International (PNG) is seeking assistance from its Singapore and Taiwanese counterparts to establish the truth about the US\$40 million Taiwan scandal and the US\$40 million account belonging to a politician in Singapore.

TIPNG director Peter Aitsi said they will seek assistance because from past experiences, donors of corruption have never been pursued and have fled a hard shell.

"But now with the allegations of a Government Minister with a US\$40 million (K145 million) Singapore bank account and May's reporting of the Taiwan cash-for-diplomacy scandal, we now want to ensure something is done. If it is false, it is false."



TIPNG director Peter Aitsi, centre, makes a point to reporters yesterday in Port Moresby. With him are directors Fr John Olym, left, and Professor John Morgan.

"The issue is that the public must be satisfied that there are transparent movements in the allegations raised."

"We are not tracking individuals in the Government."

Continued allegations like these would create doubt in the minds of our people," Mr Aitsi said. He said the US\$40 million in the MP's account offshore is significant.

He said the government should be transparent about the health budget to improve the delivery of health services and infrastructure in the country. "This is important," he said.

Probe Taiwan scam - TIPNG

TRANSPARENCY International (PNG) has called on the Government to investigate the reported involvement of six Papua New Guineans named in a court affidavit in Taiwan for reportedly taking bribes.

The Government's inaction and silence over the alleged "Taiwan Dollar for Diplomacy scandal" was an attack on the people's rights and generated further doubt in the minds of the community in the commitment of this Government to deal with corruption, a statement said.

While the scandal case has gone into secondary stage in Taiwan with those allegedly involved resigning or going to court over the allegations, the PNG Government has not acted.

TIPNG chairman Peter Aitsi said the Government must institute immediate investigations instead of being silent.

According to reports in the *Taiwan News*, Taipei District Court summoned former Minister of Foreign Affairs James Huang and former counselor Chang Chiang-sheng as witnesses in the trial of diplomatic mediator Wu Sih-tsai indicted for document forgery.

"On October 23 when these documents are tabled in the Taiwanese courts we hope the names of these six individuals can then be made public, so that they may provide answers to their role in this sorry saga," TI said in the statement.

TIPNG: Investigate \$US40m report

TRANSPARENCY International (PNG) has expressed grave concern over a Post-Courier report on Wednesday alleging the existence of a personal bank account in the name of a government minister or holding substantial sums of money in Singapore said to have been for political treatment.

Members of TIPNG Prof John Morgan, Fr John Olym and Peter Aitsi yesterday urged their chairman Willem Manning to call for the Government to investigate these allegations and find out whether they were true.

They said based on this report, they had in the past been let alone and did not react. "We do not know which specific issues in the report are true, but it raises the issue of corruption and government,"

According to the Post-Courier report, about \$250 million, money from log exports is sitting in a Singapore

bank account for a Government Minister and being used after in a "boon" that is first money.

This \$250 million (K145 million) is from the 21 per cent takings of every log exported overseas, a fund struck in the last Government and has been accumulating since. This money has been going to this private account in Singapore for several years in PNG. From several sources in the country, it was alleged.

Mr Manning said if the allegations were true then it clearly indicated "what we had all feared that the level of corruption in this country had risen to another level and even greater level."

He said the Government must now take real action to ensure we are offering an environment within PNG that does not allow for such alleged activities to take place.

Mr Manning said news reports such as the Taiwan "cash for diplomacy" scandal reported were credible back

ground real doubt in the minds of the public and the wisdom, transparency or the integrity of their government and its leaders.

"The government needs now to come forward and publish data how it is going to deal with these issues when such activities are reported. While the report may be based on alleged activities, for the greater public good they need to be investigated. Where members of Parliament are alleged to be involved it should be the moral responsibility of these members to step down from their office while such investigations are being carried out," he said.

Fr Olym said members of the government had been slow to take action. The Post-Courier said the account was held at a bank in PNG, but what all these organizations, including TI, are doing is highlighting the national issues which need attention and not bury them as had happened in various past issues, including the oil rent finance inquiry.

Minister's US\$40m

By TEREKI KENS

THE Members of the Community Coalition Against Corruption (CCAC) have unanimously called on PNG's Post-Courier to make available documents and copies of the said US\$40 million (K145 million) from log exports allegedly parked in a private Government minister's account in Singapore.

The call was made amid numerous threats leveled against the paper for boldly revealing what could be the findings of an investigation of a corrupt financial deal over a period of six years within the forestry sector and the story's sudden stop of its publicity.

High level CCAC meeting urges newspaper to release documents for minister's Singapore account

According to the paper, the US\$40 million (K145 million) is from the 21 per cent takings of every log exported overseas, papers sighted by the Post-Courier yesterday showed the money kept in two Singapore banks (named) have been accumulating since 2002.

From records, the MP had "touched" this account twice since the opening balance of that account in 2002 and since then it has been accumulating.

Two top Government advisers hesitantly told the Post-Courier when approached that this money, which had been deposited every time several logging companies exported logs out of PNG into this private account and has not been used because "the money is too large it will raise concerns if brought into the country in a large amount".

The story which carried headlines and made big splashes on prominent

pages of the two dailies at least two weeks ago gained momentum causing the public to question the identities of the perpetrators involved but since then the issue went silenced.

The reason for the discontinuity of the story is unknown which has raised concerns among the 40 members of the CCAC that convened a high level meeting on Friday.

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Mike John Manning OL OBE - 1943-2008

"He was passionate about PNG and committed himself to tasks that sought to improve the lives of ordinary Papua New Guineans... while I have not always agreed with his views on issues, I respect his courage to speak his mind without fear or favor."

- P.M. Michael Somare, Sunday Chronicle 31/8/08

"He was for the grassroots men and women, the downtrodden, the poor. He was intolerant of injustices and believed strongly in the people having a 'fair go'. For him no one was above the law."

- Sir Rabbie Namaliu speaking at Mike Manning's memorial service in Rabaul, ENB

Transparency International and Papua New Guinea's civil society lost a champion on August 22, 2008. TIPNG Chairman Mike Manning passed away after suffering a heart attack during his usual morning walk near his home in Kenabot, Kokopo, East New Britain. The news shocked the humble TI office in Port Moresby. That very morning Mike had been as active as ever, approving a press release and issuing messages to the Executive Director. A man whose life was devoted to PNG's civil society and good governance carried on this work literally until the hour of his passing. This fact, at least, would not surprise those who knew Mr Manning, whose prodigious work ethic was as irrepressible as his character.

Mike Manning's indomitable spirit was forged at a young age. When he was five years old Mike contracted polio and was forced to live in an iron lung for a year, and was battling the aftermath of this terrible condition for years after as he gained his education. This fighting spirit put him in a good position for his later years, when as Director of the Institute of National Affairs Manning co-authored a report in 2003 damning the parlous state of government standards in PNG. The government response was indignant, and Manning was summoned to appear before the parliament's privileges committee, a precursor to expulsion from the country.

"As a Papua New Guinean, he gave all of his life and was never dismayed but optimistic about everything."

- Deputy Opposition Leader Bart Philemon, Post Courier 27/8/08

"Michael, I salute you for your tireless efforts and contribution to building a corruption free and prosperous PNG."

- Governor General Sir Paulias Matane

The government was forced to sheepishly retreat when reminded that Manning had renounced Australian citizenship and was a PNG national. Mike was no blow-in, blow-out expat. He was a dedicated PNG citizen who did not hesitate when it came to taking on all comers in his fight for an honest, accountable PNG culture of governance.



Mike Manning rest in peace.

TIPNG will make your spirit proud.

In 2003 Mike Manning became chairman of TIPNG, after the passing of founding Chairman Sir Anthony Siaguru. His dedication was not only for the cause of good governance and anti-corruption, but also to Transparency International as a local and global organization. Mike was very active in TIPNG affairs and was also a member of TI's global accreditation board. Other civil society groups in PNG benefited from Mike's energy and wisdom. When he passed away he was also chairman of the Peace Foundation Melanesia and was co-coordinating the revival of the PNG Growers' Association, an agricultural advocacy group.

Mike Manning is survived by his wife Relly and six children. He was buried in Rabaul. The shock and sadness of Mike's passing may have eased, but the example he set is not something that fades so easily. TIPNG hopes to live up to Mike's example in its work towards a PNG society where good governance is the norm.

"He has touched our lives... He was the hope and the destiny of the fight against corruption in this country... I regarded him as a champion of the silent majority and under privileged people... He endured the criticisms of the selfish and ignorant. Nothing could stop him..."

- Lucas Kiap, email to the editor, Post Courier

"I gained strength from Mike's views... He had pride in his country"

- Opposition Leader Sir Mekere Morauta, The National 27/8/08

Meet your Board Directors



Peter Aitsi, MBE – TIPNG Chairman

Mr Peter Aitsi is currently the Country Manager GHD PNG. He has over a decade of experience managing radio broadcasting services and event management at PNGFM Ltd. He was the founding President of the Badili Club of PNG. Peter is also a co-founder of the NGO Leadership PNG.



Richard Kassman—Director

Mr Richard Kassman has been an executive manager in the insurance & risk management industries for over 28 years. He is a Senior Associate of the Australia & New Zealand Institute of Insurance & Finance. Mr Kassman has served as Director of a range of corporate, government-owned and civil society bodies, including the PNG Insurance Council and Air Niugini. He is a founding Director of TIPNG.



Lawrence Stephens - Secretary

Mr Lawrence Stephens works with the PNG Sustainable Development Program Ltd in PNG. A previous coordinator of the Catholic Bishops Conference in Port Moresby. He is also active in providing valuable policy advice to TI PNG on current issues.



Leon Buskens —Director

Leon Buskens is the Managing Director of Nambawan Super Ltd. He sits on a number of NSL investee companies such as Credit Corporation, SP Brewery and Brian Bell and on NGO boards such as the CDI and the Halivim Wantok Charity Fund. He is an independent Director on the Board of Telikom (PNG). He holds a Masters Degree in Business from the Royal Melbourne Institute of Technology



Paul Nindipa – Treasurer

Mr Paul Nindipa is a Bachelor of Commerce graduate from the University of Otago, New Zealand and is an Associate Member of Certified Practising Accountants PNG. He was the President and Treasurer of the Badili Club of PNG, and a member of the PNG Australia Friendship Association. Mr Nindipa is currently a partner with NKA Chartered Accountants.



Ian Tarutia, MBE—Director

Mr Ian Tarutia is the joint Chief Executive Officer of NASFUND and is Chairman of the NASFUND Contributors Savings & Loan Society. He is a Director on the Board of Ramu Sugar, Amalpack, and the PNG Institute of Directors. He is a member of the Australian Institute of Company Directors and the Australian Institute of Securities, Finance and Banking. He is currently President of the Badili Club.



Dr John Nonggorr—Director

Dr John Nonggorr is a graduate of the University of Sydney, the University of London, and the UPNG. He is a practising lawyer, specialising in public law. His academic interests are in indigenous law, mining and natural resources law. He has served as Dean of the UPNG Law School and was a Legal Officer with the Office of the Solicitor General, Department of Justice (PNG).



Michael McWalter—Director

Mr Michael McWalter is a petroleum industry regulation and administration specialist. He is a part-time adviser to the PNG Dept. of Petroleum & Energy, and an oil and gas specialist for the Asian Development Bank and USAID, working respectively for the Governments of Cambodia and the D.R. Sao Tome and Principe. He is also a Director of the Circum-Pacific Council for Energy and Mineral Resources.



Raymond Chow—Director

Mr Raymond Chow is a graduate in Business Accounting and Law from the University of Western Sydney. He is the Director for Internal Affairs Division of the PNG Internal Revenue Commission. Mr Chow is a member of the Australian Society of Certified Practising Accountants, the Institute of Internal Auditors, and the Information Systems Audit & Control Association.



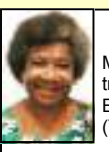
Mel Togolo, CBE—Director

Mr Mel Togolo is a graduate of the UPNG, the University of Leeds and the University of Hawaii. He is the country Manager of Nautilus Minerals Niugini Limited and is on the board of Westpac Bank (PNG) Limited, NASFUND, the Executive Committee of the Business Council of PNG and the Institute of National Affairs and the Jesus Centre Halfway House, an NGO group rehabilitating street and homeless youth. He remains a founding Director of TIPNG



Fr John Glynn—Director

Father Glynn was ordained a Catholic priest in 1980. He was born in Ireland, migrated to Australia in 1961, first came to PNG in 1963, and returned to Australia for studies in 1975. He gained PNG citizenship in 1989 and has continued working as a priest and teacher, primarily in New Ireland, Manus, and Port Moresby. Fr John is patron of the Youth Against Corruption Association.



Anne Kerepia—Director

Ms Anne Kerepia has been affiliated with the Democratic Governance transition Phase Joint Advisory Committee (DGTP JAC) and the Board of the Port Moresby Young Women's Christian Association (YWAC).



Dr Orovu Sepoe—Director

Dr Orovu Sepoe is the Commissioner of the Integrity of Political Parties and Candidates Commission. She holds a PhD from the University of Manchester and a MA in Politics from the University of Warwick. She holds many international academic associations and is affiliated with a number of women's development groups in PNG. Dr Sepoe is a consultant to the Pacific Islands Forum Secretariat, the PNG Electoral Commission and AusAID.



Judith Day—Director

Ms Judith Day is a law graduate from UPNG. She is a former Director of the PNG Banking Corporation and the Rural Development Bank, is currently the Managing Director of Karukaru Enterprises, and is a Director of the Gulf Economic Development Authority. She is a panel member of the Justice Advocacy Group and serves on the Board of the PNG Micro Finance Ltd.

TIPNG Staff profile



EMILY GEORGE TAULE, BEM

Executive Director

Mrs Emily Taule joined TIPNG in early 2006, having worked for more than 20 years in the Government, private and NGO sectors in Papua New Guinea. Emily has worked at a senior level for more than 10 years and is a prominent and well reputed female leader in the PNG business sector. Emily's human resource and organizational management experiences are a great asset at this integral time for TI PNG.



IVAN JEMEN

Research Coordinator - CPS

Mr Ivan Jemen joined TIPNG in August 2008 as a research assistant to the Corruption Perception Survey (CPS) project and now serves as the project coordinator. Previously he served as a Senior Research Officer at Anglo Pacific Research. He holds a Bachelor of Arts in Psychology from the University of Papua New Guinea.



GUIM KAGL

Program Manager - GGACE

Ms Guim Kagl taught in various high schools and international schools and lectured at the PNG Education Institute before joining TIPNG in August 2007. She is now managing the Good Governance & Anti-corruption Education (GGACE) program funded by the UNDP.

Guim also helped coordinate the inaugural National Youth Democracy Camp held in June 2008.



SHIRLEY MAKI

Clerical Assistant

Miss Shirley Maki joined TIPNG as a volunteer during 2008 and is a member of the Youth Against Corruption Association (YACA). She is now engaged as a clerical assistant and helps with TIPNG's administration and information management. Shirley is a former student from the Hohola Youth Development Centre.



TIM BARKER

Volunteer Management Advisor

Mr Tim Barker joined TIPNG in June 2008 as a Management Advisor through the Volunteers for International Development Australia (VIDA) agency. Prior to joining TIPNG Tim worked for ANZ Bank for 20 years in its International Division and also was General Manager of a microfinance NGO in Samoa for two years.



GRANT WALTON

Head Researcher - CPS

Mr Grant Walton has been working as a Head Researcher on the Corruption Perception Survey since July 2008. Grant is a PhD candidate in Development Studies at the University of Melbourne. His thesis is tentatively entitled *Discourses of Corruption in Papua New Guinea: Grassroots and Anti-Corruption Agency perspectives*.



DANIEL GEORGE

Project Assistant - GGACE

Mr Daniel George joined TIPNG in May 2007 as part time administrative assistant for the Voter Education & Good Governance Awareness Project (VEDGAP). He is now the Project Assistant for the Good Governance & Anti-corruption Education (GGACE) project. Daniel also helped coordinate the first National Youth Democracy Camp held in June 2008.



KATE WALAWSKI

Volunteer Legal Advisor & Research Officer

Miss Kate Walawski is a recent graduate from the Graduate Law School at the University of Western Australia and also holds a degree of Music Education with honors at UWA. Kate worked as a volunteer Legal Advisor & Research Officer with TI PNG for in late 2007 and early 2008 through a program supported by Australian Volunteers International and the UWA Progressive Law Students' Association.



HENRY YAMO

Public Relations Officer

Mr Henry Yamo joined TIPNG in March 2008 after working for the Sunday Chronicle newspaper for six months. He completed a Bachelor of Communications Arts in Journalism in 2007 at Divine Word University and previously worked as a primary school teacher for nine years.



Transparency International PNG

WORKPLAN 2009

TO STRENGTHEN DEMOCRACY, GOOD GOVERNANCE AND THE RULE OF LAW IN PNG

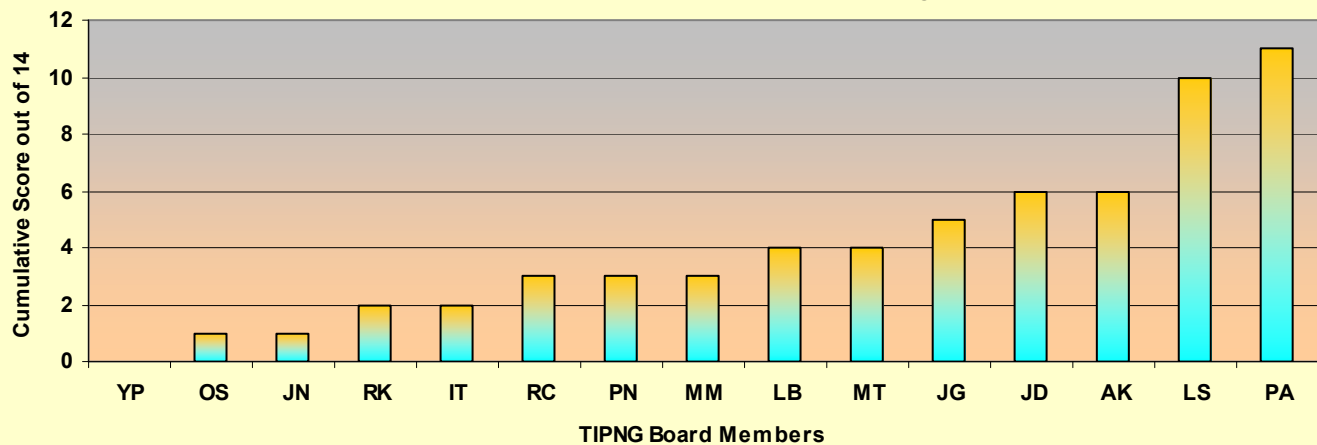
STRATEGIC PRIORITIES	Advocacy	Civic & Electoral Education	Membership & Building Coalitions	Legislative Initiatives	Policy Research
	OBJECTIVES	OBJECTIVES	OBJECTIVES	OBJECTIVES	OBJECTIVES
	To assert the views of civil society in opposing corruption in our society	To promote moral leadership through targeted education and awareness programs	To maintain and strengthen an association of like minded groups in the fight against corruption	To help design legal instruments to empower international integrity institutions	To be able to make better informed decisions when designing strategic activities
STRATEGIC ACTIVITIES	<ul style="list-style-type: none"> Advocacy Legal Advice Centre Forest Governance Initiative Ongoing anti-corruption awareness through media and communications 	<ul style="list-style-type: none"> UNDEF GGACE Youth Democracy Camp Seek donor support for initiatives such as the Understanding Corruption through Drama project 	<ul style="list-style-type: none"> Building membership, especially active contributors Strengthening youth movement Strengthen the CCAC Strengthen links with public servants, church groups, women groups, NGOs and Chambers of Commerce Better communication with membership Publish new corporate brochures Plan and implement DGTP SACL&N project 	<p><i>Lobbying for:</i></p> <ul style="list-style-type: none"> <i>Independent Commission Against Corruption</i> <i>Freedom of Information Act</i> <i>Whistle Blower's Act</i> <i>Witness Protection Act</i> 	<ul style="list-style-type: none"> <i>Corruption Survey Phase 3</i> "EITI—Research on Revenue Issues"
INTERNAL CORE OPERATIONS	BETTER COMMUNICATION MANAGEMENT	BETTER FINANCIAL MANAGEMENT	BETTER INFORMATION MANAGEMENT	BETTER OFFICE MANAGEMENT	
	<ul style="list-style-type: none"> Capacity building of Communications Officer Refine board liaison on media issues Implement ongoing issues briefs as part of media monitoring Development and publication of information about issues and ongoing projects Management of TIPNG website Maintenance of existing news networks Better relationship management approaches to CCAC and other stakeholders 	<ul style="list-style-type: none"> Upgrade Finance and Admin policy Ensure all financial accounts are paid monthly with no arrears Streamline financial reporting Introduction of cash flow Planning & Monitoring Ensure project accounting is properly followed on all projects including monthly overhead reimbursements Development of finance officer to finance manager capability 	<ul style="list-style-type: none"> Ongoing capacity building of Information Officer Upgrade server software Develop exhaustive mail-out database of members and stakeholders Improve of management and use of hard copy and electronic file system Maintain back-up systems Ongoing handling of complaints and reports of corruption 	<ul style="list-style-type: none"> Increased staff productivity Increase staff IT and project management skills Implement new HR structure when funding available Increase organizational capacity to source funding and design projects Maintain an orderly and clear filing system Manage potential office relocation Delineate office reception duties 	

KEY: Bold –New Activities Normal—current/ongoing activities *Italics –2007 activities pending*

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Board Performance

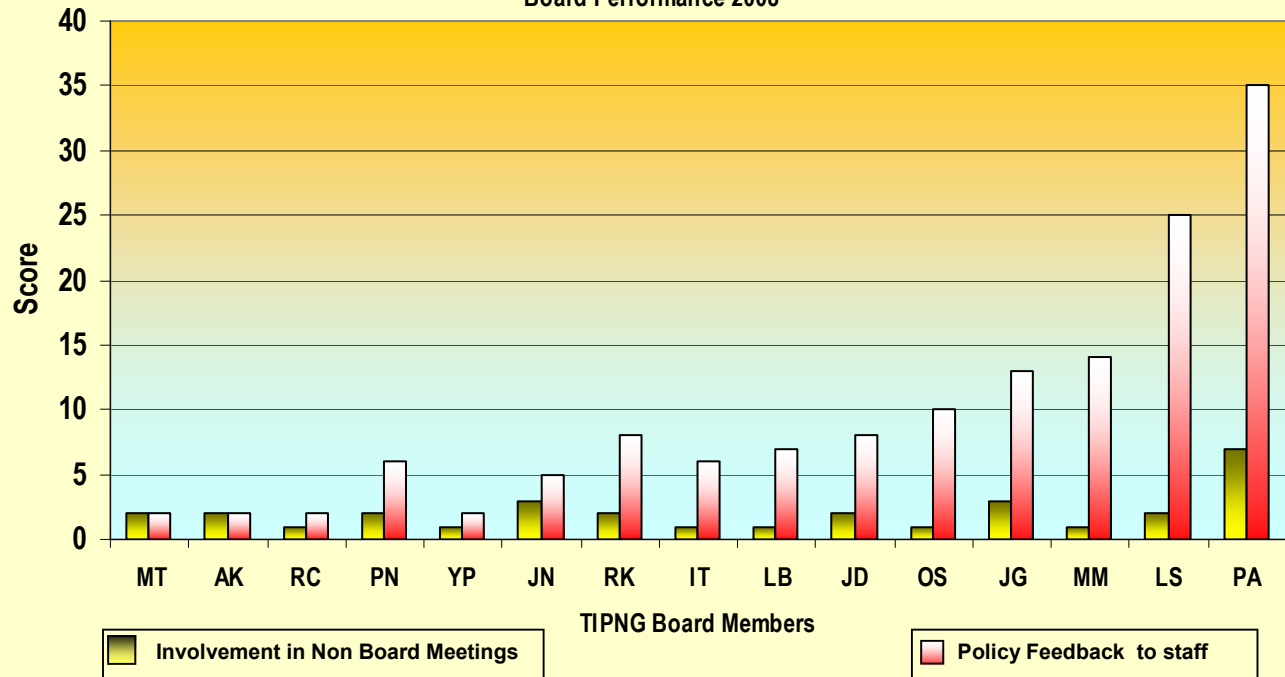
Directors' attendance at official board meetings



(YP) Yasap Popoitai, (OS) Dr Orovu Sepoe, (JN) Dr John Nonggorr, (RK) Richard Kassman, (IT) Ian Tarutia, (RC) Raymond Chow, (PN) Paul Nindipa, (MM) Mick McWalter, (LB) Leon Buskens, (MT) Mel Togolo, (JG) Fr John Glynn, (JD) Judy Day, (AK) Anne Kerepia, (LS) Lawrence Stephens, (PA) Peter Aitsi

In 2008 a total of 14 board meetings including 4 full board, 3 management committee, 3 project sub committee, 3 special, 1 extra ordinary and 1 strategic planning meetings were held after the 2007 AGM.

Board Performance 2008



TIPNG Board members are volunteers who give their time and expertise to ensure the reputation and image of TIPNG is maintained both internally and externally.

Board members are appraised on their contribution of time, feedback and liaison with management and involvement in non board activities as representatives of TIPNG.

Siaguru

Launched in December 2007, the Siaguru Endowment Fund (SEF) is a financial mechanism to provide for the ongoing operational and capacity-building costs of TI PNG. It aims in the long term to immunise TI PNG from the year-to-year variations of donor and membership fundraising. SEF funds are managed by professional accounting firm KPMG Chartered Accountants and is overseen by a board of advisors.

The Siaguru Endowment Fund (SEF) has seen some generous financial support thrown behind it since its official launch, particularly throughout 2008. The SEF has had a number of contributions in the past year from business and corporate organisations which has brought the invested amount to a respectable figure of K1, 032, 000. Generous contributions came from Lihir Gold Limited and Ok Tedi Mining, who contributed K250,000 and K125,000 respectively to the SEF during 2008.

Major fundraising for SEF came from the Walk Against Corruption (WAC) walkathon that was staged on June 1. In 2008 the walk was held in Kokopo and Port Moresby, with 1,500 people representing 78 organisations participating. The WAC was made possible thanks to the efforts of the working committee, comprised of 14 dedicated volunteers representing Kina Finance, NASFUND, CIS, TIPNG, Nambawan Super, and Blake Dawson Lawyers. Over K195,000 was raised in both locations which is twice the amount raised in 2007.



Endowment Fund



For a copy of the full information memorandum, contact the
TI PNG Office on +675 320 2188
or
email: tipng@daltron.com.pg

Key financial information

- K1, 032, 000 raised so far.
- Annual funding from the SEF will comprise of the following components:
 - Interest of 5% earned on the principle investment
 - Principle withdrawals of PGK25,000, increasing by 15% per year

Key Players

- The SEF Advisory Board comprises of Dame Meg Taylor; Professor Ross Garnaut, AO FASSA; Lady Mina Siaguru; Mr Wilson L Kamit, CBE; and Mr Peter Aitsi, MBE
- The Trustee to the SEF is KPMG Nominees PNG Limited.



The Siaguru Endowment Fund, established in memory of Sir Anthony Siaguru, will ensure financial stability for TI PNG over a period of 20 years

Memberships & Donations

Individual Membership

131 individual members joined or renewed their memberships during 2008. This is a loss of 149 members compared to 2007, or a reduction of approximately 53%.

A total of K3,425 was donated by the 131 individual members who contributed during 2008. The average amount donated by individual members was K25, however 30% of individual members contributed the minimum fee of K5. The total amount contributed by individual members was K10,390 less than contributions during 2007, a reduction of approximately 75%.

Corporate and Community Service Member Donations

33 Corporations and other organizations were members of TI PNG during 2008. This is 2 fewer than 2007.

A total of K152,574 was donated by TI PNG's 2008 corporate and organizational members. This is an increase of K30,899 during 2008. The average amount donated by these members was K4320, with 90% of corporate and community service members contributing more than K1,000.

Corporate membership: up to K1,000

Internal Revenue Commission, Allen's Arthur Robinson & Co., KPMG Chartered Accountants.

Corporate membership: K1,000 - K5,000

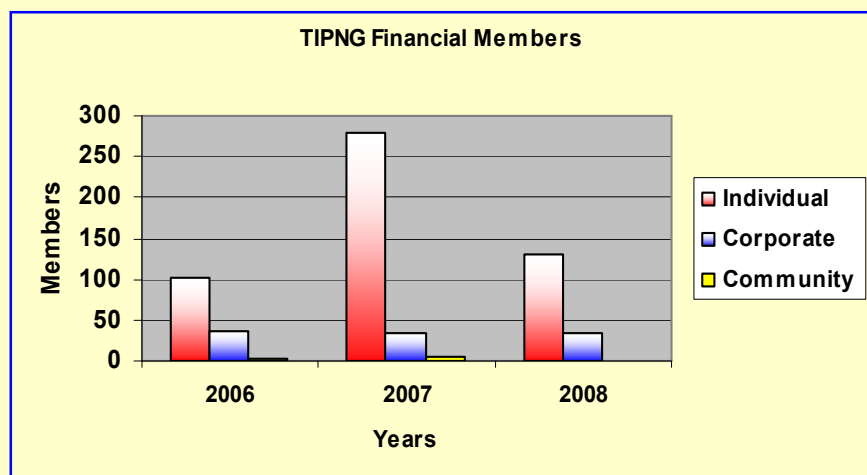
Barrick Gold, IPA, LJ Hooker, SP Brewery, TSL, Coca-Cola Amatil, PNG Harbours, Triple Plate Junction, Deloitte, Monian Ltd, AIG, CIC, Pacific MMI, BAT, Eda Ranu, Nambawan Super, Credit Corporation, Ramu Sugar, WR Carpenters, Trukai Industries, Esso Highlands.

Corporate membership: K5,000 – K10,000

BSP, NASFUND, Johnston's Pharmacies, Steamships Trading Co., Lamana Hotel, Rio Tinto, Ok Tedi Mining.

Corporate membership: Over K10,000

Curtain Brothers and Bank of Papua New Guinea.



2008 in pictures

ANNUAL REPORT 2008



TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Page No.
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Income and Expenditure Statement	4
Balance Sheet	5
Cash Flow Statement	6
Notes to and forming part of the Financial Statements	7
Unaudited detailed Income and Expenditure Statement	17

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

STATEMENT BY COMMITTEE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. The deficit for the year ended 31 December 2008 amounted to K 73,810 (2007 - Surplus of K66,768).
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(a) 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 report and notes, set out on pages 4 to 16, give a true and fair view of the financial position of the Association as at 31 December 2008 and the results and cash flows of the Association for the year ended 31 December 2008;
 - (b) 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:


 Committee Member


 Committee Member

Dated in Port Moresby, this 25th day of March, 2009



PricewaterhouseCoopers
ABN 52 780 433 757

6th Floor Credit House
Cuthbertson Street
PO Box 484
PORT MORESBY
PAPUA NEW GUINEA
Website: www.pwc.com.pg
Telephone (675) 321 1500
Facsimile (675) 321 1428

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

We have audited the accompanying financial report of Transparency International Papua New Guinea Inc which comprise the balance sheet as at 31 December 2008 and the income statement, cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Association Committee's responsibility for the financial statements

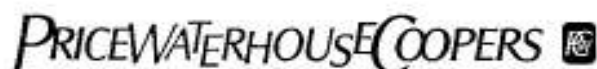
The Association Committee is responsible for the preparation and fair presentation of the statement of accounts and has determined that the accounting policies described in Note 1 to the statement of accounts, which form part of the financial report, are appropriate to meet the requirements of the Association Committee's financial reporting requirements under the Associations Incorporation Act (the Act).

The Association Committee is responsible for the preparation and fair presentation of this statement of accounts in accordance with the Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of statement of accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting



policies used and the reasonableness of accounting estimates made by the Association Committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for the purpose of fulfilling the financial reporting obligations of the Association. We disclaim any assumption of responsibility for any reliance on this audit report or on the statement of accounts to which it relates to any person other than the members or for any purpose other than that for which they were prepared.

Our audit did not involve an analysis of the prudence of business decisions made by the association.

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

Opinion

In our opinion the statement of accounts in all material respects of the financial position of Transparency International Papua New Guinea Inc as of year end 31 December 2008 and its results for the year then ended in accordance with the accounting policies described in Note 1 to the financial report.

Report on other legal and regulatory requirements

The Papua New Guinea Companies Act 1997 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) in our opinion proper accounting records have been kept by the company, so far as appears from our examination of those records;
- ii) we have obtained all the information and explanations we have required; and
- iii) in conducting our audit we followed applicable independence requirements of Certified Practising Accountants Papua New Guinea.

PricewaterhouseCoopers

By: J. C. Seeto
Registered under the Accountants Act 1996
Port Moresby
25 March 2009

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 K	2007 K
Income			
Project funding	4	596,067	829,641
Core funding	4	465,352	512,548
		<u>1,061,419</u>	<u>1,342,189</u>
Expenses			
Project expenses		(596,067)	(829,641)
Core expenses		(468,156)	(445,780)
Other expenses		(71,006)	-
		<u>(1,135,229)</u>	<u>(1,275,421)</u>
Surplus/ (deficit) for the year		<u>(73,810)</u>	<u>66,768</u>

The above income and expenditure statement is to be read in conjunction with the notes on pages 7 to 16.

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

BALANCE SHEET
AS AT 31 DECEMBER 2008

	Notes	2008 K	2007 K
MEMBERS' FUNDS			
Members' funds brought forward		292,293	225,525
Surplus / (deficit) for the year		(73,810)	66,768
TOTAL MEMBERS' FUNDS		<u>218,483</u>	<u>292,293</u>
Represented by:			
NON-CURRENT ASSETS			
Property, plant and equipment	5	<u>41,056</u>	<u>56,818</u>
CURRENT ASSETS			
Cash and cash equivalents	6	181,416	254,098
Accounts receivable	7	129,450	149,144
Prepayments		4,596	-
		<u>315,462</u>	<u>403,242</u>
TOTAL ASSETS		<u>356,518</u>	<u>460,060</u>
CURRENT LIABILITIES			
Creditors and accruals	8	14,090	49,724
Other liabilities	9	16,840	-
Unspent core funds	10	11,440	3,238
Unspent project funds	11	86,852	110,490
Employee provisions	12	8,813	4,315
		<u>138,035</u>	<u>167,767</u>
TOTAL LIABILITIES		<u>138,035</u>	<u>167,767</u>
NET ASSETS		<u>218,483</u>	<u>292,293</u>


 Committee Member


 Committee Member

Signed in accordance with a resolution of the Association Committee at Port Moresby.

This 25th day of March, 2009

The above balance sheet is to be read in conjunction with the notes on pages 7 to 16.

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 K	2007 K
Cash flows from operating activities			
Subscription and donation received		173,847	135,490
Other income and activity receipts		323,792	260,224
Payments to suppliers and employees		(561,967)	(420,350)
Net cash inflow / (outflow) from operating activities		(64,328)	(24,636)
Cash flows from investing activities			
Interest income	4	638	1,380
Proceeds on disposal of fixed assets		5,000	-
Purchase of fixed assets		(3,427)	(5,575)
Net cash outflow from investing activities		2,211	(4,195)
Cash flow from financing activities			
Project funding received		582,514	773,855
Project funds paid out		(593,080)	(965,802)
Net cash inflow / (outflow) from financing activities		(10,566)	(191,947)
Net cash inflow / (outflow) during the year		(72,683)	(220,778)
Cash and cash equivalents brought forward		254,098	474,876
Cash and cash equivalents carried forward	6	181,416	254,098

The above cash flow statement is to be read in conjunction with the notes on pages 7 to 16.

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

(a) Basis of accounting

In the opinion of the Chairperson of the Association, Transparency International Papua New Guinea Inc is not a reporting entity because there are no users dependent on general purpose financial reports. The financial statements have been drawn up as a special purpose report for distribution to the members to comply with the rules of the Association and must not be used for any other purpose.

The Balance Sheet and Income and Expenditure Statement have been prepared on a going concern basis using the accruals basis of accounting. They have been prepared on the basis of historical cost they do not take into account changing money values or current valuations of non-current assets. Except where noted, the accounting policies have been consistently applied.

The Association has prepared an unaudited Detailed Income and Expenditure Statement on pages 17 and 18, in addition to the Balance Sheet and Income and Expenditure Statement on pages 4 and 5. The Income and Expenditure Statement has been prepared on an accruals basis.

The Committee has determined that the accounting policies adopted are appropriate to meet the needs of the users of the Association's financial statements and has determined that it is not necessary to include all the detailed disclosures, required by International Financial Reporting Standards and other mandatory professional reporting requirements in Papua New Guinea as these are in excess of legal requirements under the Associations Incorporations Act.

(b) Revenue recognition

Revenue is recognised as follows:

(i) Project funding

Funding received by the Association as manager for specified projects is treated as a liability (unspent project funds) and reduced as project expenses are incurred.

(ii) Core funding

Revenue is recognised when it is received into the bank account except where the terms of the funding agreement require initial recognition of a liability (unspent core funds) which is then reduced as core expenses are incurred.

The financial members of the Association are made up of individuals, volunteers and corporate members. The membership subscription fees are not enforceable to the members. However, the members contribute to the organisation what ever the amount they wish to donate. The association maintains an up to date register of members. Subscriptions and donations income are recognised on the basis of the year for which subscriptions are paid. Subscriptions received in advance are shown as other liabilities.

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

(c) Income tax

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.

(d) Property, plant and equipment

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:

Motor vehicle	30%
Office equipment	20%
Office furniture	15%

(e) Cash

For the purposes of the Balance Sheet cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(f) Accounts receivable

These represent amounts recoverable from donors, partners and other parties for expenses incurred for core and project activities.

(g) Creditors and accruals

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.

(h) Employee provisions

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

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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 organisation 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 organisation 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 organisations 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
- (vi) to arrange, provide organise 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.

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

3. LIABILITY OF 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. REVENUE

	2008 K	2007 K
Project funding		
CDS - Towards 2007	(8,549)	11,224
UNDP - VEDGAP Funds	31,336	250,494
ESP2 - Civic Educ. & Comms Cpg	6,883	298,429
ESP2 - Domestic Observer Training	(1,280)	14,123
BHCom - Support - TIPNG 06/07	2,000	-
MDI - Dissemination of info	9,381	31,364
CDS- Coalition Building	(7,602)	77,127
CDS- Toward 2007- Phase 2	4,777	46,280
UNDEF-GGACE Funds	209,060	100,600
US-YDC Project	125,998	-
AusAID Corruption Perception Survey	224,063	-
	<u>596,067</u>	<u>829,641</u>
	2008 K	2007 K
Core funding		
Subscriptions and donations	157,001	135,490
Interest income	638	1,380
Gain on disposal of Fixed Asset	686	-
Management Fees	-	155,223
Reimbursements	21,960	42,398
IPBC-JN Board sitting Fees	-	6,206
Transparency International Berlin	-	-
NZ Aid - Core Funding	178,674	154,967
NZ Aid - Pacific Womens Speaker Event	12,493	-
TI Berlin - Fundraising/Coalitions	12,525	-
TI Berlin - Travel reimbursement	50,145	-
EU-Youth Event	10,000	-
British High Comm - CCAC Public Forum	12,419	-
Other	8,812	16,884
	<u>465,353</u>	<u>512,548</u>
Total income	<u><u>1,061,420</u></u>	<u><u>1,342,189</u></u>

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

5. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles K	Office Equipment K	Office Furniture K	Total K
Cost				
At 1 January 2008	51,791	53,839	3,928	109,558
Additions	-	2,255	1,172	3,427
Disposals	(7,750)	(2,998)	(275)	(11,023)
At 31 December 2008	44,041	53,096	4,825	101,962
Depreciation				
At 1 January 2008	17,539	33,619	1,582	52,740
Charge for the year	9,982	3,160	362	13,503
Disposals	(4,956)	(352)	(30)	(5,337)
At 31 December 2008	22,564	36,427	1,914	60,906
Net Book Value				
At 31 December 2008	<u>21,477</u>	<u>16,668</u>	<u>2,911</u>	<u>41,056</u>
Net Book Value				
At 31 December 2007	<u>34,252</u>	<u>20,220</u>	<u>2,346</u>	<u>56,818</u>

6. CASH AND CASH EQUIVALENTS

	2008 K	2007 K
Bank of South Pacific - Core Funding Account	146,521	123,562
Bank of South Pacific - CDS Project Funding Account	-	10,800
Bank of South Pacific - ESP2 Project Funding Account	-	10,455
ANZ Bank - UNDP Project Funding Account	-	36,541
ANZ Bank - UNDEF Project Funding Account	261	17,107
BSP Bank-YDC Project Funding Account	277	55,433
BSP Bank- CPS Project Funding Account	34,156	-
Petty cash	200	200
	<u>181,416</u>	<u>254,098</u>

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

7. ACCOUNTS RECEIVABLE

	2008 K	2007 K
SPIA Insurance	6,178	-
Asia Development Bank	5,824	-
NZ AID	12,493	-
POMCCI	1,136	-
Bank of South Pacific	69,450	-
TI Berlin	-	12,152
NZ Aid	-	140
Management Fees	-	118,985
UNDEF	436	1,205
GST Refundable	33,933	15,600
Staff Advances	-	1,062
	<u>129,450</u>	<u>149,144</u>

The Bank of South Pacific receivable pertains to a cheque fraud perpetrated by a former staff member. The person involved were dismissed in October 2008. The matter was reported to the relevant section of the PNG Police Department and is under investigation. Bank of South Pacific refunded the full amount of this claim in January 2009. See also Note 13.

8. CREDITORS AND ACCRUALS

	2008 K	2007 K
Internal Revenue Commission	427	-
Other creditors and accruals	13,663	49,724
	<u>14,090</u>	<u>49,724</u>

9. OTHER LIABILITIES

	2008 K	2007 K
Prepaid Subscriptions	16,840	-

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

10. UNSPENT CORE FUNDS

	2008	2007
	K	K
TI Berlin - Fundraising and Comms		
Balance brought forward	13,684	-
Receipts	10,280	26,952
Expenditure	<u>(12,525)</u>	<u>(13,268)</u>
Balance carried forward	<u>11,440</u>	<u>13,684</u>
NZAID	<u>-</u>	<u>(10,446)</u>
	<u>11,440</u>	<u>3,238</u>

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

11. UNSPENT PROJECT FUNDS

	2008 K	2007 K
GGACE Project		
Balance brought forward	8,299	-
Receipts	201,022	108,830
Expenditure	(209,060)	(100,600)
Balance carried forward	<u>261</u>	<u>8,230</u>
YDC Project		
Balance brought forward	55,434	-
Receipts	70,859	55,433
Expenditure	(125,998)	-
Balance carried forward	<u>295</u>	<u>55,433</u>
Voter Education & Democratic Governance Awareness Project		
Balance brought forward	6,166	84,878
Receipts - UNDP	25,059	171,782
Expenditure	(31,336)	(250,494)
Adjustments	111	-
Balance carried forward	<u>-</u>	<u>6,166</u>
Support for Communications Advisor Project		
Balance brought forward	2,000	32,000
Receipts - BHC	-	-
Expenditure	(2,000)	(30,000)
Balance carried forward	<u>-</u>	<u>2,000</u>
TI (PNG) Capacity Building Project		
Balance brought forward	6,342	6,342
Receipts - BHC	-	-
Expenditure	-	-
Balance carried forward	<u>6,342</u>	<u>6,342</u>
Media for Development Initiative		
Balance brought forward	3,484	18,499
Receipts	9,380	16,349
Expenditure	(9,380)	(31,364)
Balance carried forward	<u>3,484</u>	<u>3,484</u>

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

11. UNSPENT PROJECT FUNDS (Cont)

	2008 K	2007 K
CDS - Coalition Building		
Balance brought forward	11,055	-
Receipts	-	88,182
Expenditure	(10,398)	(77,127)
Adjustments	18,000	-
Balance carried forward	<u>18,657</u>	<u>11,055</u>
CDS - Towards 2007 Project Phase 2		
Balance brought forward	3,473	-
Receipts	-	49,758
Expenditure	(4,777)	(46,285)
Reclassification from core account	7,779	-
Balance carried forward	<u>6,475</u>	<u>3,473</u>
CDS - Towards 2007 Project		
Balance brought forward	8,718	19,942
Receipts	-	-
Expenditure	(708)	(11,224)
Adjustments	9,257	-
Balance carried forward	<u>17,267</u>	<u>8,718</u>
Civic Education and Communications Campaign Project		
Balance brought forward	10,771	30,718
Receipts	-	278,481
Expenditure	(6,883)	(298,428)
Balance carried forward	<u>3,888</u>	<u>10,771</u>
Domestic Observer Project		
Balance brought forward	(5,253)	-
Receipts	-	-
Expenditure	(358)	(14,123)
Adjustments	1,637	-
Balance carried forward	<u>(3,974)</u>	<u>(5,253)</u>

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

11. UNSPENT PROJECT FUNDS (Cont)

	2008	2007
	K	K
Corruption Perception Survey		
Income - AusAID	-	-
Balance brought forward		-
Receipts	258,219	-
Expenditure	(224,063)	-
Balance carried forward	<u>34,156</u>	-
Total unspent project funds carried forward	<u>86,852</u>	<u>110,490</u>

Adjustments relate to reconciliation of projects during 2008 to determine final unspent liabilities. The relevant donors have been informed in 2009 of the final unspent liabilities for either final payment or reallocation of funds for future approved projects.

12. EMPLOYEE PROVISIONS

	2008	2007
	K	K
Employee Provisions	<u>8,813</u>	<u>4,315</u>

13. OTHER EXPENSES

	2008	2007
	K	K
Write off of TI Berlin Advance	(12,152)	-
Write off of staff loans	(1,062)	-
Miscellaneous expenses	(9,715)	-
2007 Walk Against Corruption expenses	(21,445)	-
Funeral Expenses	(2,190)	-
Internal Cheque Fraud Losses	(24,442)	-
	<u>(71,006)</u>	<u>-</u>

The Internal Cheque Fraud Losses relate to misappropriation of funds by a former staff member who was dismissed in October. The matter was reported to the relevant section of the PNG Police Department and Bank of South Pacific and is currently under investigation. A claim for some of these losses is currently being assessed by Bank of South Pacific.

14. CONTINGENT LIABILITIES

The entity had nil contingent liabilities at year end.

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC
DETAILED INCOME AND EXPENDITURE STATEMENT (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 K	2007 K
INCOME		
Project Funding		
BHCom - Support-TIPNG 06/07	2,000	-
CDS - Coalition Building	(7,602)	77,127
CDS - Towards 2007 - Phase 2	4,777	46,280
CDS - Towards 2007 project	(8,549)	11,224
ESP2 - Civic Education & Communications	6,883	298,429
ESP2 - Domestic Observer Training	(1,280)	14,123
MDI - Dissemination of info	9,381	31,364
UNDP - VEDGAP Funds	31,336	250,494
UNDEF - GGACE Funds	209,060	100,600
YDC Project	125,998	-
Corruption Perception Survey Funds	224,063	-
	<u>596,067</u>	<u>829,641</u>
Project Expenses		
BHC - Materials Dev. & Distr	2,000	-
CDS - Coalition Building	(7,602)	77,127
CDS - Towards 2007	(8,549)	11,218
CDS - Towards 2007 Phase 2	4,777	46,285
ESP2 - Civic Education & Communications	6,883	298,430
ESP2 - Domestic Observer Training	(1,280)	14,123
MDI - Dissemination of info	9,381	31,364
UNDP - VEDGAP	31,336	250,494
UNDEF - GGACE Project	209,060	100,600
Youth Democracy Camp (YDC)	125,998	-
Corruption Perception Survey	224,063	-
	<u>596,067</u>	<u>829,641</u>
Net Surplus / (Deficit) for the year	<u>-</u>	<u>-</u>

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC
DETAILED INCOME AND EXPENDITURE STATEMENT (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2008

INCOME	2008	2007
	K	K
Core Funding		
NZAID (TINZ) - Core funding	178,674	154,967
Subscription & Donation	157,001	135,490
TI Berlin Travel Reimbursement	50,145	-
Reimbursements	21,960	42,398
TI Berlin Fundraise/Coalition	12,525	-
NZ AID - Pacific Women Speaker	12,493	-
British High Commission	12,419	-
EU Funding	10,000	-
Miscellaneous	5,601	-
Gain on sale of fixed asset	2,206	-
Extra Ordinary Income	1,690	-
Bank a/c Interest	638	286
Contingency funds Interest	-	1,094
IPBC - JN Board sitting fee	-	6,206
GCR Contribution (TIS)	-	1,538
Write-off unspent proj. funds	-	15,345
Management Fees	-	155,224
	465,352	512,548

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC
DETAILED INCOME AND EXPENDITURE STATEMENT (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	K	K
Core Expenses		
Advertising	1,604	4,920
Accounting Fees	5,848	-
Audit fees	3,000	-
Bank Charges	242	409
Consultancy fees	720	-
Conferences & Meetings	4,170	3,582
Depreciation	13,504	19,426
Donations	-	320
Electricity	4,475	-
General	3,241	3,969
Hire of Facilities	109	625
Internet	30,634	22,909
Computer Repair	1,023	-
Insurance	6,506	6,801
Legal costs	350	350
Motor Vehicle - Fuel	13,156	15,103
MV Repair & Maintenance	12,178	-
Office Maintenance	928	831
Petty Cash	697	-
Stationery	14,733	9,978
Printing	8,256	-
Postage	1,389	989
Rental	26,351	34,459
Staff Amenities	1,551	3,645
Subscriptions	305	299
Telephone & Facsimiles	22,826	13,161

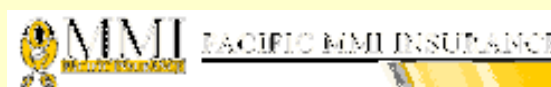
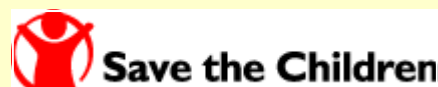
TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC
DETAILED INCOME AND EXPENDITURE STATEMENT (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	K	K
Core expenses (continued)	18,366	-
Travel losses	900	-
Training Expenses	148,064	154,691
Wages & Salaries	10,000	-
Youth Against Corruption Association	17,713	-
Community Coalition Against Corruption	-	103,277
EU Payment	9,846	-
EU Youth Event	12,493	-
Pacific Womens Speaker Event	-	15,610
SEF Expenses	14,293	-
WAC Expenses	686	5,539
Gain on disposal of fixed asset	71,006	-
Other Expenses	<u>539,162</u>	<u>447,787</u>
Net Surplus / (Deficit) for the year	<u><u>(73,810)</u></u>	<u><u>64,761</u></u>

Acknowledgement & thanks

The staff and board of Transparency International PNG Inc.
sincerely thank the following who have supported us
throughout 2008.

- The Port Moresby Chamber of Commerce and Industry for devoting time and resources for printing of the 2006, 2007 & 2008 annual reports.
- All our 2008 individual and corporate members for your financial support and siding with us in our ongoing fight against corruption in PNG.
- Our media and community partners involved in the Community Coalition Against Corruption.
- New Zealand AID for providing the bulk of our core funding.
- Our major donors who fund our important projects and capacity building incentives. They include:
The UNDP, AusAID, British High Commission, Transparency International Secretariat (TIS), US State Department, European Commission in Papua New Guinea, PNGSDP, Save the Children in PNG & Oxfam International, Air Niugini & Pacific MMI Insurance
- Our partners in research and development for helping us stay one step ahead.
- Price Waterhouse Coopers for their ongoing audits.
- The INA, CIMC, FSVAC and RIC for being supportive neighbors.
- All the good citizens of PNG who continue to fight for and believe in a PNG democracy that prospers on principles of justice, equality, transparency and accountability.
- Finally, heartfelt thanks to the late Michael Manning for the lifetime of inspiration and hard work.



Membership Form

Photocopy this page and pass it on to your friends, family and colleagues so they can join the fight against corruption.



Transparency International (PNG) Inc.

Membership

Application Form

NAME:	_____
ORGANISATION:	_____
MAILING ADDRESS:	_____
PHONE: (home)	_____
PHONE: (work)	_____
MOBILE:	_____
FAX:	_____
EMAIL:	_____

Membership packages —Tick to indicate your contribution

Corporate

- | | |
|-----------------------------------|-----------|
| <input type="checkbox"/> Platinum | K250, 000 |
| <input type="checkbox"/> Gold | K125, 000 |
| <input type="checkbox"/> Silver | K50, 000 |

Individual/Family

- | | |
|-----------------------------------|----------|
| <input type="checkbox"/> Platinum | K20, 000 |
| <input type="checkbox"/> Gold | K10, 000 |
| <input type="checkbox"/> Silver | K1, 000 |

Other Options

- ☐ K500
 ☐ K200
 ☐ K100
 ☐ K50
 ☐ K10
 ☐ K5
 Other K _____

Minimum membership fee K5.00

POST TO:

Transparency International (PNG) Inc
 P O Box 591, Port Moresby, NCD
 Tel: 320 2188/2182 Fax: 320 2189
 Email: tipng@daltron.com.pg
 Website: www.transparencypng.org.pg

PAYMENT METHOD:

By Cheque: Post membership form to the above address .

By account transfer:

Make transfer to BSP (POM Branch) Acc# 1000038232
 then post membership and receipt to the above address.

DO NOT SEND CASH BY MAIL

