



# 2009 ANNUAL REPORT

# Our Vision

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



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# Chairman's report

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**Peter John Aitsi**  
**Chairman**

## Dear members and supporters of Transparency International PNG,

On behalf of the TIPNG board I would like to take this opportunity to thank you for your continued support for the work of TI in 2009. We know the fight against corruption is not an easy task, and it will require a longer term community-wide effort if we are to see real gains. Your contribution to TIPNG as members and supporters is a valued part of this effort.

The challenges before us are significant, however I believe there are small signs that can give us hope and encourage us to hasten our efforts. During 2009 TIPNG commenced work in a number of key areas as part of our implementation of the annual program, which is aimed at achieving the organisation's longer term strategic plan.

Significantly in 2009 we commenced the following activities:

- Community Corruption Perception Survey (CPS) phase 3
- Forest Governance Integrity (FGI) Initiative
- Advocacy and Legal Advice Centre (ALAC)
- TI's Independence Eve Dinner

Along with these new initiatives TIPNG has continued to deliver its core annual programs such as the Mike Manning Youth Democracy Camp, the Sir Anthony Siaguru Walk Against Corruption and our regular public advocacy.

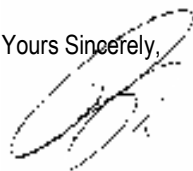
In the latter part of 2009 TIPNG participated in working groups to support the development of the PNG National Anti-Corruption Strategy (NACS). I see this as an encouraging sign, however much work still needs to be done to translate the strategy into real action on the part of our political representatives and the public service. As members of the wider community we need to play an active part in the process by engaging in the implementation where possible to ensure the efforts stay on track.

An important role for TIPNG within the National Anti-Corruption Strategy implementation will be to advocate for rebuilding the independence and effectiveness of our state institutions, and to continue generating public support for upholding the constitutional mandate of our watchdog agencies.

Our focus in the coming year will be on the 2012 elections. TIPNG will be rolling out voter education and community awareness programs, with the aim of assisting our communities to better understand their role within the electoral process and to comprehend the link between the choices they make at the ballot box and the delivery of services to their community.

In closing I extend my sincere thank you to our members, to my fellow TIPNG board members and also to the staff of our secretariat for the support you continue to give to TIPNG. I encourage you to stay committed to the fight.

Yours Sincerely,



**Peter John Aitsi, MBE**  
**Chairman**

# Executive Director's report



**Emily George Taule**

**To all of TIPNG's partners, supporters and members,**

I am delighted to report that 2009 was a big year for TIPNG, with the launch of a number of new activities, the completion of some major projects, and the achievement of some big milestones.

To begin with I am proud to say the Sir Anthony Siaguru Walk Against Corruption was the biggest and best ever. We doubled the participation and funds raised from the previous year, taking the event to new heights. I was very encouraged to note the willingness of the many corporate participants who not only registered their own teams but who sponsored the participation of a school team as well. We are looking forward to building on this success in 2010, with plans to expand to additional provincial centres and attract even more participation in all locations.

2009 was a year of firsts for us. We held the *Corruption is Everyone's Problem - What Have You Done About?* song contest in the NCD, and held what we hope to be first of many Independence Eve commemorative events with many of our key partners and stakeholders. We also witnessed the kick-off of two important and ongoing projects - the Forest Governance Integrity initiative, and the Advocacy & Legal Advice Centre.

The second annual Mike Manning Youth Democracy Camp was held in Goroka, affirming our commitment to ongoing youth civic education and outreach. The 2009 camp also had an international flavor, with representatives from TI Pacific chapters also attending. Along the theme of student outreach, we also completed the Good Governance & Anti-Corruption in Education project. Our next step will be to distribute the curriculum materials produced as part of this project to all schools in PNG.

As always TIPNG pursued better methods of managing our resources in 2009. I must extend thanks to Mr Tim Barker, who during his volunteer assignment here was able to overhaul our finance systems for the better. Our improvements in this critical area of operations will no doubt place us in a greater position to tackle 2010 and implement our many activities and projects.

Nonetheless we face many challenges. Not-for profit groups like TIPNG will always have difficulty competing with the private sector for human resources. This situation will no doubt be compounded by the impact on the local labour market by resource projects such as the PNG LNG. We expect this significant challenge to continue throughout 2010 and beyond.

In addition we are faced with the continuing logistical and communications challenges when conducting provincial awareness and coalition building. TIPNG has tried in 2009 to engage with our provincial partners however it must be acknowledged that more work needs to be done in this regard.

Challenges aside we look forward to the upcoming year and the work ahead of us. While the issues Papua New Guinea faces in terms of governance and corruption seem insurmountable, we nonetheless believe that through sustained action and outreach we can make a difference in the long term. We look forward to 2010 being another good year along this long road to beating corruption in our beautiful country.

**Emily George Taule, BEM**

**Executive Director**

## 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 the **values** of honesty, integrity, transparency of thought and action, freedom of expression, accountability, good governance, national unity, effective communication, and a caring and sharing society.

## 2009 Strategic Priorities

Tackling corruption in PNG is a challenging task. In order to achieve results TIPNG works towards a series of strategic priorities. Every project and activity undertaken by TIPNG falls underneath one or more of these priorities. The strategic priorities are evaluated and amended when required by the changing needs of our stakeholders, members and the community.

In 2009, TIPNG worked towards the following strategies:

### MEMBERSHIP & COALITION BUILDING

*Strengthening the anti-corruption movement across society.*

The struggle against abuse of power cannot be won alone. The support of the private sector, churches, and non-government groups is needed to build better governance. This involves building TIPNG's membership to ensure our mandate is strong. It also involves maintaining coalitions such as the Community Coalition Against Corruption.

**Activities include:**

- Provincial youth & public forums
- Forest Governance Integrity project
- Community Coalition Against Corruption activities
- Support for the Youth Against Corruption Association and the Business Against Corruption Alliance

### CIVIC & ELECTORAL EDUCATION

*Building citizen awareness to secure a corruption-free future.*

TIPNG's view is that the war on corruption will not be short or easy. Therefore priority is given to efforts in education and awareness-raising, particularly youth outreach and electoral education. It is vital that people know their rights and responsibilities as citizens, so they are empowered to hold their government accountable.

**Activities include:**

- Good Governance & Anti-Corruption in Education project
- Mike Manning Youth Democracy Camp
- Provincial public forums
- Anti-corruption song contest

### INTERNAL STRATEGIC DIRECTION

TIPNG has adopted four internal strategic priorities to drive operation improvements. All reflect a strong commitment to capacity building and the belief in building on the strengths of its staff as the foundation of ongoing work. TIPNG's focus in this area is better management of (i) communications, (ii) finances, (iii) information and (iv) office operations.

### ADVOCACY

*Leading public opposition to corruption and abuse of power.*

As PNG's only corruption-focused NGO, TIPNG has a responsibility to speak out against corruption and governance issues and provide a voice on behalf of concerned citizens.

**Activities include:**

- Advocacy & Legal Advice Centre
- Forest Governance Integrity project
- Sir Anthony Siaguru Walk Against Corruption
- Media activity
- Provincial public forums

### LEGISLATIVE INITIATIVES

*Strengthening the legislative foundations for an accountable society.*

Improvements can always be made and a country's laws are no exception. TIPNG strives to build support for legislative initiatives, such as a whistleblower's protection, freedom of information, and an Independent Commission Against Corruption. TIPNG is often consulted on policy matters, such as electoral roll integrity and the maintenance of trust accounts.

**Activities include:**

- lobbying for Freedom of Information Act
- lobbying for Whistleblowers' Protection Act
- lobbying for an Independent Commission Against Corruption

### POLICY RESEARCH

*Acquiring knowledge for better anti-corruption efforts.*

TIPNG supports the efforts of other groups in corruption-related policy research, as well as taking the opportunity to do so itself. Research can inform anything from TIPNG's education and outreach efforts, through to its stance on policy and current affairs.

**Activities include:**

- Corruption Perception Survey
- Forest Governance Integrity project
- contributions to the annual TI Global Corruption Report





# Transparency International PNG

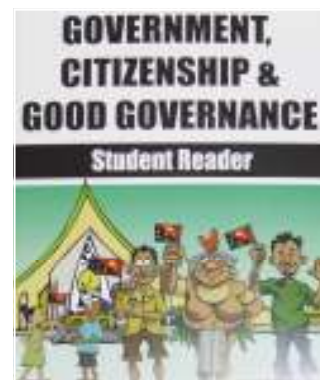
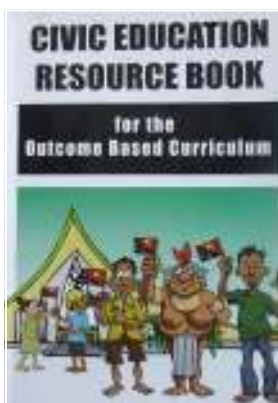
## WORKPLAN 2010

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

STRATEGIC PRIORITIES	Electoral & Civic Education	Advocacy	Membership & Building Coalitions	Legislative Initiatives	Policy Research	Capacity Building
	To promote moral leadership through targeted education and awareness programs	To assert the views of civil society in opposing corruption	To maintain and strengthen an association of like minded groups in the fight against corruption	To help design legal instruments to empower anti-corruption institutions	To be able to make better informed decisions when designing strategic activities	To strengthen internal staff capacity
OBJECTIVES						
STRATEGIC ACTIVITIES	<ul style="list-style-type: none"><li>• Youth Democracy Camp with focus on elections</li><li>• Understanding Corruption Through Drama</li><li>• Distribution of civic education materials to all schools</li><li>• Development of accountability tools eg polling manuals</li><li>• Provincial voter education and governance awareness</li><li>• Development and distribution of communications materials</li></ul>	<ul style="list-style-type: none"><li>• Advocacy &amp; Legal Advice Centre and outreach programs</li><li>• Forest Governance Initiative</li><li>• Ongoing anti-corruption awareness through media and communications</li><li>• Walk Against Corruption</li><li>• Talk back shows, debates, school visits</li><li>• Printing of business principles materials</li><li>• Text messaging outreach and membership</li></ul>	<ul style="list-style-type: none"><li>• Strengthening youth movement locally and regionally</li><li>• Strengthen the CCAC and regional forums</li><li>• Strengthen BACA</li><li>• Strengthen links with public servants, church groups, women groups, NGOs and chambers of commerce</li><li>• Better communication with membership</li></ul>	<ul style="list-style-type: none"><li>• Support implementation of UNCAC</li><li>• Support government efforts to implement the National Anti-Corruption Strategy</li><li>• Support work of partners on Independent Commission Against Corruption</li><li>• Lobby for Freedom of Information Act</li><li>• Lobby for Whistle Blower's Protection Act</li><li>• Lobby for Witness Protection Act</li></ul>	<ul style="list-style-type: none"><li>• Corruption Perception Survey Phase 3 with a view to extending nationwide survey</li><li>• Actively promote the work of EITI coalition</li><li>• Forest Governance Integrity project</li></ul>	<ul style="list-style-type: none"><li>• Staff recruitment</li><li>• Staff retention</li><li>• Staff training &amp; professional development</li><li>• Staff reward</li><li>• Office accommodation</li><li>• Office equipment</li></ul>
INTERNAL CORE OPERATION	BETTER COMMUNICATION MANAGEMENT	BETTER FINANCIAL MANAGEMENT	BETTER INFORMATION MANAGEMENT	BETTER OFFICE MANAGEMENT		
	<ul style="list-style-type: none"><li>• Capacity building of Communications Officer</li><li>• Recruit Research/Campaign Officer</li><li>• Refine board liaison on media issues</li><li>• Implement ongoing issues briefs as part of media monitoring</li><li>• Development and publication of information about issues and ongoing projects</li><li>• Management of TIPNG website</li><li>• Maintenance of existing news networks</li><li>• Better relationship management approaches to CCAC and other stakeholders</li></ul>	<ul style="list-style-type: none"><li>• Capacity building of Finance Officer and ED</li><li>• Implement new finance and admin policy</li><li>• Ensure all financial accounts are paid monthly with no arrears</li><li>• Streamline financial reporting</li><li>• Introduction of cash flow planning &amp; monitoring</li><li>• Ensure project accounting is properly followed on all projects including monthly overhead reimbursements</li><li>• Development of finance officer to finance manager capability</li></ul>	<ul style="list-style-type: none"><li>• Capacity building of Information Officer</li><li>• Upgrade server software, email, modems and phones</li><li>• Develop exhaustive mail-out database of members and stakeholders</li><li>• Improve management and use of hard copy and electronic file system</li><li>• Maintain back-up systems and deposit off site</li><li>• Upgrade information network</li></ul>	<ul style="list-style-type: none"><li>• Increased staff productivity</li><li>• Increase staff IT and project management skills</li><li>• Implement new HR structure when funding available</li><li>• Increase organizational capacity to source funding and design projects</li><li>• Maintain an orderly and clear filing system</li><li>• Manage office relocation</li><li>• Delineate office reception duties</li></ul>		

## Good Governance & Anti Corruption in Education project

The UNDP-funded Good Governance & Anti Corruption in Education (GGACE) project finished in October 2009, with the launch of the civic education curriculum materials produced under the project. These curriculum materials are a massive contribution towards the future of PNG, as they will provide teachers in upper primary and lower secondary schools with the resources they need to teach topics such as good citizenship, the role of MPs and parliament, the legislative process and human rights. The GGACE curriculum materials have been distributed to 400 schools around PNG to date, and electronic versions of the resource kits are available. TIPNG is now seeking funding for the printing and distribution of enough resource kits for all schools in PNG.



(Above) The GGACE curriculum resources will be critically important for teaching good governance & anti-corruption education in PNG schools..

## Provincial Forums

Under the Strengthening Anti-Corruption Linkages & Networks (SACL&N) project TIPNG conducted a series of provincial forums held in Goroka, Lae, Madang, Kimbe and Kokopo. These were excellent opportunities for TIPNG to build its coalition with local NGOs, business communities and concerned citizens. All members of the public were invited to the forums, providing an opportunity for TIPNG to share its work and spread its message, as well as give advice to grassroots people on how they too can take part in local anti-corruption initiatives. Meetings with local Chambers of Commerce were an invaluable chance to make connections, assess the concerns of provincial businesses, and secure support for future expansions of the Sir Anthony Siaguru Walk Against Corruption.



(Above) Students were keen audience members at the provincial public forums & (centre) sealing the outreach funding with the Democratic Governance Transition Project.

Businesses were keen to share their concerns regarding corruption with TIPNG.

## KANDEP BY-ELECTION OBSERVATION

In November TIPNG was asked by the PNG Electoral Commission to recruit and lead a team of civil society observers to monitor the Kandep By-election in Enga Province. The TIPNG-led team also included observers from the National Research Institute's electoral studies program, as well as Wabag-based NGO representatives of Caritas PNG and the St Philomena Foundation. The conduct of the observation was a challenging experience but ultimately a rewarding one, building TIPNG's experience for monitoring the upcoming national election in 2012. The preliminary report was submitted in December with a final peer-reviewed report being finalised in March 2010.





# Projects & Activities

## United Nations International Anti-Corruption Day

UN International Anti-Corruption Day is always a big day on TIPNG's calendar and 2009 was no exception. TIPNG hosted a day of informative presentations and entertainment at the National Research Institute's new conference facilities, attended by notable guests from diplomatic missions, government and the private sector. The day also featured the unveiling of the Advocacy & Legal Advice Centre and the public launch of winning entry in the *Corruption is Everyone's Problem - What Have You Done About It?* song competition. Radio sessions were also held to celebrate the day, involving youths selected from the Mike Manning Youth Democracy Camp. These students took the opportunity to share the experiences and lessons from the camp and encourage their audience to get active in the fight against corruption in PNG.



## FOREST GOVERNANCE INTEGRITY IN ASIA PACIFIC



## Forest Governance Integrity Initiative

The Forest Governance Integrity (FGI) initiative is a new TI regional project involving chapters from PNG, Indonesia, China, Malaysia, and the Solomon Islands. The idea is to build a unified regional approach to monitoring the levels of corruption in the Asia-Pacific's forestry sector and, through consultation and research, develop working papers and an anti-corruption monitoring tool to combat poor governance and malpractice in the sector. The FGI PNG unit commenced in May 2009 and immediately launched into wide-reaching consultation with stakeholders across the forestry industry, including government, business and the non-government sector. The FGI does not take an antagonistic approach but rather attempts to bring all players to the table to work out solutions to the sector's governance issues. The FGI project will continue into 2010 and wrap up its first phase in August 2010.

## Anti-Corruption Song Competition

The Strengthening Anti-Corruption Linkages & Networks project also supported the *Corruption is Everyone's Problem: What Have You Done About It?* song contest, held in the NCD from August to October. This presented a chance for TIPNG to connect with Port Moresby's musical community and enlist their support for spreading the anti-corruption message through a new artistic medium. The winning entry from the song competition was launched at the Anti-Corruption Day celebrations on December 9th, and will be used in TIPNG's outreach and promotion efforts in 2010. The entire SACLN project was funded by AusAID through the Democratic Governance Transition Project.

## Advocacy & Legal Advice Centre

The Advocacy & Legal Advice Centre (ALAC) entered its start-up phase in August and during the rest of 2009 has been working on the complaints and processing guides that will streamline the centre's day-to-day work. The ALAC will be able to provide legal advice and assistance for citizens who wish to report or make complaints about acts of corruption they have witnessed or been victim of, as well as providing follow-up services with the authorities to ensure complaints have been properly assessed and acted upon. The ALAC was unveiled at the December 9th Anti-Corruption Day celebrations as the first stage in its ongoing outreach and awareness-raising activities. The centre will be in full operation and open to the general public in April 2010.



# Projects & Activities

ANNUAL REPORT 2009

## Sir Anthony Siaguru Walk Against Corruption

TIPNG's flagship event, the Sir Anthony Siaguru Walk Against Corruption (WAC) was held for the third time on June 14th 2009 - and it was a record breaker! 148 teams representing 105 organisations joined TIPNG in Port Moresby in a great public display of opposition to the corruption and abuse of power that threatens PNG's future prosperity. Even more encouraging was the 93 student teams representing 34 primary, secondary and tertiary institutions from the NCD. TIPNG was thrilled to see so many of PNG's future leaders, administrators, businesspeople and voters taking an active stand against corruption, and was very grateful to the many organisations who sponsored them. On the same day East New Britain put on an impressive event with 36 teams and 12 student teams walking in Kokopo. The WAC raised over K330,000 to help fund TIPNG's ongoing work, a truly humbling contribution from the community to the ongoing struggle for good governance in PNG.



## Corruption Perception Survey

The final report of the Corruption Perceptions Survey (CPS) phase 2 was launched by TIPNG in April 2009. CPS Phase 2 involved surveying 800 people in focus group sessions and 300 people in one-on-one interviews in rural areas of Madang, Milne Bay, Southern Highlands and East New Britain provinces. The findings and observations of the CPS are a reminder that corruption in PNG is a complicated and nuanced issue, and will help guide TIPNG's education and outreach efforts in future. Planning for phase 3 of the CPS started in June 2009, with field work commencing in January 2010.



## Mike Manning Youth Democracy Camp

The second annual Mike Manning Youth Democracy Camp (YDC) was again held at Kefamo Conference Centre, Goroka, EHP, during the June-July school holidays. The ten-day camp was attended by 55 students and out-of-school youth from fourteen provinces, as well as representatives from TI Chapters in Vanuatu and Fiji. Workshops and seminars were held on a variety of important civic education topics such as the process of making laws, elections, the work of parliament, the role of media in democracy, and human rights. A number of guest speakers provided enlightening and inspiring talks to the students, including former Chief Ombudsman Ila Geno and the Eastern Highlands Governor Mal Kela Smith. Many students have taken their valuable experience and conducted anti-corruption awareness raising in their own communities. The YDC was co-funded by AusAID, the PNG Sustainable Development Program, and the UNDP.





# Visits & Consultation

## Melanesian Sub-Regional Consultation on the UNCAC

**Port Moresby — 10th-12th March**

Along with other Pacific TI chapter representatives, TIPNG Chairman Mr Peter Aitsi was invited to address the Melanesian Sub-Regional Consultation on the United Nations Convention Against Corruption (UNCAC) in March. This was a good chance for TIPNG to promote its work to members of government and representatives of the UN. Additionally TIPNG was able to state its case for the implementation of the UNCAC provisions to the government representatives present at the meeting.

## Transparency International Annual Members Meeting

**Berlin, Germany — 17th-18th October**

The Annual Members Meeting (AMM) is the Transparency International's peak global conference, with representatives of TI chapters from over 100 chapters around the world attending. As such the AMM provided a once-a-year opportunity for TIPNG to solidify networks and engage in key debates with other corruption fighters from around the world. TIPNG was represented by Chairman Mr Peter Aitsi and Director Ms Annie Kajir.

Aside from the vital networking opportunities, the 2009 AMM passed resolutions demanding better mechanisms of review for the implementation of the United Nations Convention Against Corruption (UNCAC), as well as calling on governments to introduce stronger laws to protect whistle-blowers world-wide.

## Transparency International Pacific Chapters Meeting

**Auckland, New Zealand — 11th-12th December**

Regular contact between regional TI chapters has always been an important aspect of TIPNG's work. As part of this priority TIPNG Chairman Mr Peter Aitsi and Executive Director Mrs Emily George Taule attended the regular Pacific Chapters Meeting in Auckland during December. A major focus of this meeting was the evaluation and remodelling of the NZAID Pacific Support Program, which is a major support to Pacific TI Chapters and their ongoing development. TIPNG is always ready to engage with key partners such as NZAID in the interests of the strengthening of the chapter and the TI movement across the Pacific.

## FGI development and consultation workshops

The Forest Governance Integrity (FGI) team attended the project kick off meeting in Jakarta in June 09. This was a vital gathering, as the cohesion of this region-wide project depends on maintaining strong connections and implementing unified plans of action. An integral part of the FGI initiative's work will be the development of measurements for assessing the levels of corruption in the forestry sector, as well as anti-corruption tools that can be used by industry players. These were the focus of the tool design workshop held in Kuala Lumpur in October and the consultation workshops held in Port Moresby in September and October.

## Transparency International Regional Program Meeting

**Canberra, Australia — 19th-21st May**

The annual Regional Program Meeting (RPM) is a gathering of executives of the TI Asia-Pacific chapters to discuss their respective operations and identify region-wide opportunities for chapters to support each others work. This important meeting is a chance for TI representatives on a management level to discuss their work and decide on region-wide priorities. In attendance on behalf of TIPNG was Executive Director Mrs Emily George Taule and Director Ms Judith Day.

## Consultation Forum on the Electoral Roll

**Port Moresby — 24th-25th November**

TIPNG Executive Director Emily Taule and Director Dr John Nonggorr were asked to present to the Consultative Forum on the Electoral Roll in November. This forum was hosted by the PNG Electoral Commission (PNGEC) and the Electoral Support Program Phase 2 (ESP2), and brought together stakeholders from across Papua New Guinea with an interest in discussing solutions to the issue of electoral roll integrity. In addition to presenting at the forum, Mrs Taule and Dr Nonggorr also facilitated open discussion sessions on the workshop's major theme. This forum was also a valuable chance to hear the expert opinions of Papua New Guinean and international experts on how to improve the maintenance and integrity of PNG's electoral roll.

## International ALAC workshop

**Berlin, Germany — 19th-27th November**

A meeting of global Advocacy and Legal Advice Centre project representatives was held in November. ALAC PNG's program manager Mrs Nancy Minato attended. The aim of the ALAC workshop was for new and established ALAC projects to share their varied experiences, ideas for overcoming challenges and of course discuss their successes. This kind of knowledge-sharing opportunity was invaluable for newly-established ALAC projects such as the ALAC PNG, as it gave an opportunity to learn from the successes and mistakes of established projects.



TIPNG FGI Research Assistant Alfred Rungol (circled) with other regional FGI staff.

## CORRUPTION PERCEPTION INDEX

Transparency International's Corruption Perception Index (CPI) is a respected measure of government and public sector corruption worldwide and is Transparency International's most recognised global research tool. The CPI draws on data gathered by thirteen well-regarded global institutions including the World Bank, the Asian Development Bank, Global Insight and the World Economic Forum. The data is used to determine a country's score (out of ten), which is compared to other countries' scores to determine the index ranking.

The 2009 CPI ranked Papua New Guinea at 154 out of 180 surveyed countries, with a score of 2.1. This is a slight improvement on the score since 2008, when PNG scored 2.0. However PNG's ranking slipped from the 2008 ranking of 151. So while there has been a very slight improvement in the perception of public sector and government corruption in PNG, the level of this corruption when compared to other countries worsened - again.

While not an absolute measure of society-wide corruption, the CPI allows us to gain a strong indication on how corruption impedes efficient and fair delivery of services and democratic rights. It is an ongoing concern that PNG has consistently ranked among the lowest in the last few years. The experience and perception of outside opinion has a big impact on a variety of factors influencing PNG's ongoing development - including investor confidence, the willingness of donor agencies to engage with the country, and international respect for our governing institutions.



## GLOBAL CORRUPTION REPORT 2008-09

The Global Corruption Report (GCR) is one of Transparency International's flagship publications, providing a thematic focus on the state of corruption globally as well as useful country updates on changing circumstances in the fight for good governance. The GCR 2008-09 was released in September, and featured a PNG update authored by Dr Alphonse Gelu and Dr Sarah Dix of the National Research Institute (NRI).

The 2008-09 GCR's focus was corruption in the private sector, and some alarming international observations were made. Forty percent of the business leaders polled globally reported that a bribe was required when dealing with a public institution, one in five believe they have lost business thanks to corruption, and half believe their costs are inflated by at least ten percent thanks to corruption.

The PNG chapter in the Global Corruption Report noted the establishment of the Police Complaints Ombudsman within the Ombudsman Commission and the Finance Intelligence Unit within the Police Fraud Squad as positive developments. The state of corruption in the forestry sector was highlighted as critical, and the state of governance and oversight in public-private partnerships was reviewed as poor, especially in light of the findings of the Commission of Inquiry into the Finance Department.

TIPNG launched the 2008-09 Global Corruption Report at the National Research Institute in September. Speakers included TIPNG Director Mr Richard Kassman, the co-author of the PNG chapter Dr Alphonse Gelu, and the NRI's acting Director Mr James Robins. TIPNG would like to thank the NRI for its ongoing partnership on governance and corruption related research and policy development, including the Global Corruption Report.

**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.**

# Memberships & Donations

TIPNG is committed to building its membership base of both individual and organizational (corporate) members. Our mandate to speak out on issues of the day comes directly from our membership base. As an organisation that depends on public support it is more vital than ever that supporters of TIPNG make their voice heard by becoming a member.

## Individual Membership

One hundred and eleven (111) people were individual members in 2009. Total contributions from individual members were K2,837.00, with the average contribution being K25.00. Twenty one members contributed K50 or more. TIPNG would like to thank all its individual members for adding their name to the ever-growing group of concerned PNG citizens ready to add their name in support of TIPNG's values and work.

## Corporate Membership

Thirty one (31) organisations were corporate members of TIPNG in 2009. Total contributions from corporate members in 2009 were K111,910. The average corporate contribution was K3,610.00. Eight corporate members contributed K5,000 or more, with the top three contributors being Oil Search Ltd. (K10,000), Ok Tedi Mining Ltd. (K10,000) and the Bank of Papua New Guinea (K25,000). TIPNG would like to thank all our generous corporate contributors for helping to support our operations in 2009.

### Corporate membership: up to K1,000

KPMG Chartered Accountants, Catholic Bishops Conference of PNG & Solomon Islands, Wamp Nga Holdings.

### Corporate members: K1,000 — K5,000

Allens Arthur Robinson, ANZ Bank Ltd, Deloitte Touche Tohmatsu, Internal Revenue Commission, Kenmore Group, Lihir Gold Limited, Telikom PNG, American Home Assurance, Pacific MMI Insurance, National Teachers' Insurance Ltd., Bishop Brothers Engineering, Coca Cola Amatil PNG Ltd., Credit Corporation PNG Ltd., Eda Ranu, Monian Pty. Ltd., Teachers Savings & Loan, PNG Ports Corporation, Nambawan Super Ltd., Trukai Industries, WR Carpenters Group, Johnston's Pharmacy Ltd, Lamana Hotel, NASFUND Ltd., Barrick PNG Ltd.,

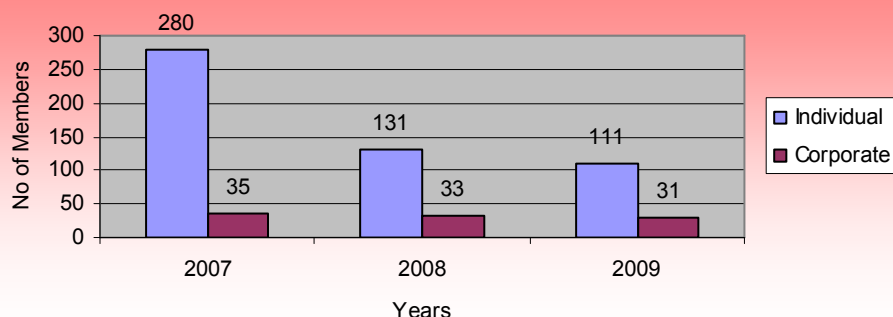
### Corporate members: K5,000 — K10,000

Rio Tinto Minerals PNG Ltd. (K8,000.00)

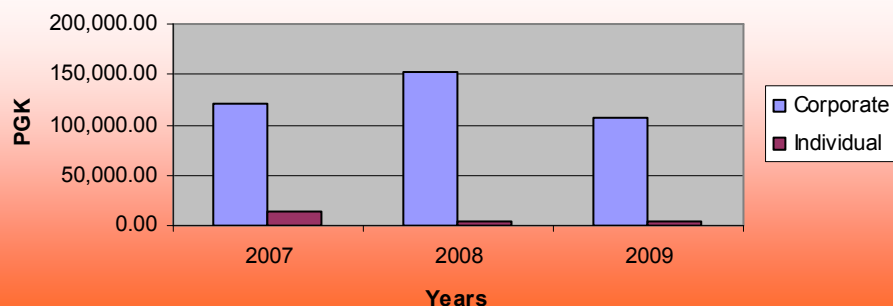
### Corporate members: Over K10,000

OK Tedi Mining (K10,000), Oil Search Ltd. (K10,000) and the Bank of Papua New Guinea (K25,000).

TIPNG Financial Members



Membership contributions





## TIPNG slams raise for MPs

NATIONAL 24 MARCH 09

TRANSPARENCY International PNG Inc (TIPNG) does not believe that the general increase in the cost of goods and services is basis for Members of Parliament to raise their allowances while the people of PNG suffer from rising costs.

The anti-corruption agency has stated that if anything was to be done, it should be for MPs to find out how the people were coping with increases in the cost of living and find ways the general population.

In a statement released yesterday, TIPNG termed as "immoral" the action of Parliament in increasing MPs' allowances on the backdrop of rising costs in Papua New Guinea.

Chairman Peter Aitsi said what MPs should be concerned about is the delivery of services to their constituents, not themselves.

Parliament last week passed on voices recommendations for the Salaries and Remuneration Committee to increase

accommodation and transport allowances for MPs because many of them could not afford reasonable accommodation in Port Moresby and were allegedly living with "wantoks" in settlements.

Mr Aitsi said there seemed to be two standards in the country, one for politicians and another for ordinary citizens and this was costing the country dearly.

"When the parliamentarians wanted a salary review, it seemed to be automatic, however, when our nurses, teachers, policemen wanted a salary review it takes 10 years," Mr Aitsi said.

"If our politicians are truly concerned about the good of the community, then why aren't they finding out why the cost of living is so high?" The good minister for public service well knows the skyrocketing cost of real estate in Port Moresby.

"It is not just the politicians who are suffering; it is all of the public, including many public and private sector workers."

## TIPNG pushes for reports

THE Parliamentary Public Accounts Community has come under scrutiny by the Transparency International.

TIPNG on Friday said it was dismayed that the committee has not tabled any reports of its findings to Parliament since 2007.

The PAC has not tabled any report to Parliament for more than 20 months despite supposedly conducting investigations into the Government trust accounts, the Office of the Attorney-General, and two investigations into the use of public accounts during 2004-05 by the Finance Department.

TIPNG is also concerned that accusations of gross incompetence levelled against Government department heads last September by the PAC Chairman Timothy Bonga have not been addressed by the PAC or by Parliament.

These concerns are raised in light of the recent revelations before the Commission of Inquiry into the Finance Department during the past fortnight alleging that millions of kina in public money was incorrectly paid out to individuals and companies.

TIPNG believes continued failure by both the PAC and the Parliament to take action on these revelations has already contributed immensely to the widespread deterioration of the Public Service and to the abuse of the Finance Management Act.

Chairman of TI Peter Aitsi said: "The Parliament has failed to do anything whatsoever since the PAC's 2007 report, and the current PAC activities are crawling so slowly, it's ridiculous."

"I am concerned the hard-earned public confidence in the PAC may be eroded given the PAC's present lack of diligence, Papua New Guineans deserve better."

Mr Aitsi said TIPNG supported the work of the PAC but urged it to speed up outstanding investigations and table its findings in Parliament so that instances of negligence and incompetence in the

## TIPNG left out of forum

TRANSPARENCY International questions the consolation and "oversight" of the Benefit Sharing Agreement in Kokopo after their invitation to attend the forum was cancelled.

TIPNG in stressing their grievance said even though they were given late notice that they would be participating they made every possible move to be prepared.

The invitation was extended to them as an independent observer by the LNG developer Esso Highlands, but was cancelled unexpectedly.

TIPNG questioned why they were not invited by the Department of Petroleum Energy to attend the forum.

They called on the Minister for Petroleum and Energy William Duma and the department to explain why such a critical element in the BSA forum had been excluded.

## 'Corruption promotes lawlessness'

NATIONAL 31-08-09

By DULCIE AITSI

CORRUPT practices create an environment of lawlessness, chairman of Transparency International PNG (TIPNG) Peter Aitsi said.

He told participants at the PNG Institute of Directors workshop in Port Moresby last Thursday that the country was governed by a set of laws under the Constitution

and they were meant to be observed by everyone.

"In a functioning state, there are institutions that have a role to reinforce these laws and regulations to keep a check and balance on the general integrity of the society," he said.

But, he added, in PNG many of these institutions, particularly Parliament, have not been hon-

ouring their role, resulting in "what we have has a lawless culture being promoted by these very institutions that should be upholding our national integrity."

He said the most worrying development was the growing lack of public trust for the police.

Mr Aitsi said people were asking "how can I trust the police when they

do not protect me".

He added there was a growing feeling that the police will protect only those who have money.

Mr Aitsi said another aspect of corruption and its relationship to crime was that corruption took away the Government's ability to provide services like schools, hospitals and roads.

He hoped the work-

shop would contribute to efforts by all stakeholders to call on the Government to provide the leadership in tackling the "law and order problem".

The workshop held in Port Moresby and aims to identify the underlying causes and the various form of criminal activities that are currently crippling the nation.

## Young and old walk against corruption

THE old and young alike took to the streets of Port Moresby early yesterday morning in a show of solidarity against corruption.

The annual Walk Against Corruption was led by Governor-General Sir Paulias Matane.

He told a huge crowd comprising students, public and civil servants and members of the disciplined forces and the public that he wanted to see a

"walk for happiness" in four years' time instead of walking against corruption.

The walk started from Murray Barracks to Manus Airport, Biome, Labasa Service Station and back to the Murray Barracks area.

Banners screaming "Hang up on corruption", "Keep doing transparency", "Uproot corruption, sow righteousness" and

"Stop" were waved early morning commuters.

Transparency International (TIPNG) chairman Peter Aitsi said in a statement that such overwhelming support demonstrated that the people of PNG were willing to peacefully oppose the misuse and mismanagement of their country, their resources and government.

"TIPNG acknowledged

also the ever-growing public mandate and the growing support against corruption... public frustration grows with every act of graft, dishonesty and incompetence that surfaces.

"The overwhelming message is more evident that the public wanted a change; that change must be led from the top by our elected leaders," Mr Aitsi said.



60 Port workers and family members displaying a banner supporting yesterday's early morning walk against corruption. (Illustration by ELLA NGAMU)



# Namah has missed the point: TIPNG

TRANSPARENCY International PNG (TIPNG) says that Forestry Minister Belden Namah has missed the point in his public statements last week in the two daily newspapers.

TIPNG asserts there is a principle of not mixing politics with business that should be adhered to. The anti-corruption watchdog said this principle applied to all leaders and MPs, not just Mr Namah.

Furthermore, TIPNG said that demanding this principle being upheld was in the public interest and in the interest of the integrity of political office.

TIPNG said it stood by its public statements published

in the *Post-Courier* on July 20, and said Mr Namah could still make a choice between representing the people of Vanimo-Green River and his money-making enterprises.

TIPNG reminded Mr Namah that at no stage in its previous statements did it make any claims other than those reported in the media, made no particular accusations against Mr Namah, and hence had no case to answer for regarding Mr Namah's incorrect belief that TIPNG made defamatory remarks.

TIPNG also reminded Mr Namah that the questions asked regarding his involvement in the

Samoa property affair were relevant to the public interest and in support of the principle of not mixing politics and business.

TIPNG said if Mr Namah was not comfortable being publicly questioned, he should not be an MP.

TIPNG acknowledged that Mr Namah and his business partners had developed infrastructure in his electorate, however, said that it was the role of government bodies, not individual MPs to provide services and infrastructure.

It said that questions remain as to whether Mr Namah's infrastructure

investments in Vanimo-Green River electorate were for the benefit of the citizens living there or to assist the operations of Mr Namah's own logging company.

TIPNG added that Mr Namah could use his position as an MP and NEC minister to educate the people of his electorate on the responsible roles of leadership in PNG rather than succumbing to financial demands on his person.

It said the use of a government logo by Mr Namah on a press statement to defend himself personally was inappropriate.

# TIPNG clears air on report

## Ti says 'no motive' on PAC efforts

TRANSPARENCY International Papua New Guinea (TIPNG) said yesterday in a press statement that it does not intend to diminish the Public Account Committee's standing or efforts.

"We only sought to determine the current status of the PAC activities given the apparent and rather prolonged period of silence," they said.

TIPNG said the impetus for the media article released on the media on February 3 arose out of a general public concern expressed to TIPNG, that the PAC had not been as active over 30 months in overseeing the use of government funds and had remained silent since 2007.

"In drafting the article, TIPNG reportedly gathered information from a variety of sources to ensure the accuracy of the report. As a consequence of these inquiries, it was established that the last PAC report was tabled to the Parliament on April 19, 2007 and since then there had been limited public information relating to the activities of the PAC. TIPNG, as a public advocate, felt compelled to voice these public concerns by raising them via the media. The PAC had not tabled any report to the Parliament for more than 30

months," the statement read. They said TIPNG believes the PAC should continue to inform the public of current investigations and what the PAC is undertaking and their substantive actions taken in addressing the gross abuse of process and procedures that occurs in public entities.

"As citizens and taxpayers, the people have the right to know the extent of the PAC investigations and what has been achieved so far in terms of the completed reports. TIPNG believes that the public deserves to be informed in order that they feel assured of the PAC's hard work and the ongoing investigations that the PAC has continued to.

"It also believes that the PAC, appointed by the Parliament is mandated to act in its capacity on behalf of the people to carry out inquiries; and to make all findings accessible to the wider community and not just to a privileged few with access," TIPNG Chairman Peter Aisi said.

He said TIPNG asserts that the Government should be fully committed to ensure the permanent committee of the Parliament is provided the necessary support through resources and man-power and level of commitment by the stakeholders.

# 'Corruption deeply-seated in Govt'

CORRUPTION has become deep-seated and has its roots firmly planted in the arms of Government, National Research Institute acting director James Robins said yesterday.

Mr Robins also said the corruption in the private sector should not be overlooked "because it takes two to tango".

Speaking at the launch of Transparency International (TI) annual global corruption report, Mr Robins said it had become a way of life and only a collective and religious effort by all concerned would end

this scourge.

Mr Robins said that unless drastic measures were taken now, simple citizens would continue to bear the costs and suffer as a result.

"Wherever corruption occurs, it is the everyday citizens who bear the costs of such destructive crimes in either monetary, services or material terms," he said.

Corruption, he reiterated, had become "an entrenched, endemic disease that is perpetrated by politicians, bureaucrats and public servants in positions of influence".

And private enterprises

do not assist preventing corruption by entertaining it, he added.

"As private enterprise is usually the other party in most business transactions, the saying it takes two to tango adds elements of civil society to the corruption network," he said bluntly.

The TI global reports had primarily looked at legal, judicial and constitutional changes and the political will needed to address corruption.

In PNG, major stakeholders in the law and justice sector and the National Research Institute (NRI) had a hand in

the reports.

Mr Robins said NRI had corruption as one of its areas of research in its 2009-13 corporate plan.

NRI has also set up a corruption research committee to look at the various instruments of Government that have been empowered to address corruption.

It would also look at the various avenues and potential perpetrators of corrupt dealings.

"It is NRI's job to keep you all informed on what is happening in the anti-corruption area, alongside TI (PNG)," Mr Robins said.

# TIPNG urges restraint

TRANSPARENCY International PNG (TIPNG) has urged all citizens and organisations to exercise clear-headed restraint in the wake of last week's controversial decision by Parliament to adjourn until November.

TIPNG acknowledged the frustration felt by many over the adjournment, and also the concern of observers that it could be in violation of the Constitution.

The watchdog, however, urged people not to let themselves be manipulated by anyone encouraging violence or unrest.

It said the way to resolve the issue was through clarifying the situation in relation to constitutional requirements, and then ensuring Parliament adhered to its constitutional obligations.

# Body to fight corruption

By HARLYNE JOKU

THE fight against corruption will be more vigorous now that the Business Against Corruption Alliance (BACA) has been launched.

BACA is the brainchild of PomCCI (Port Moresby Chamber of Commerce and Industry), and TIPNG where 348 registered companies are determined to stamp out corruption, particularly in issues such as increased bribing and bribery related to the issuing of work permits, visas and licenses.

Businesses, particularly in Western countries, practise by a code of ethics and business representatives in PNG registered under PomCCI want to see a similar practice in the country.

In PNG, businesses when

certified are required to operate in a certain way but some of them do not comply, Ron Seddon, the president of PomCCI said.

"Prices are not regulated. Some businesses are allowed to operate without having proper work permits and visas. Many practising good business are complaining that they just cannot get things done quickly unless they have to pay more under the table for it. We have to say no to this. We'd like to see regulated prices and practise on a level playing field," Mr Seddon said.

The British High Commissioner has assisted the establishment of BACA by assisting with funding of K\$4,537 to establish the BACA secretariat and recruit a co-ordinator.

British High Commissioner David Dunn said corruption was

a human trait that was depriving business and national development all over the world.

"Fighting it is the responsibility of everyone. The British Government is pleased to support this excellent initiative where PNG business and its employees are taking a stand to say 'no' to corruption and 'yes' to fair and transparent and open business environment for all," he said.

PomCCI president Ron Seddon said a society that fought all forms of corruption was one that was good for legitimate businesses that saw compliance as the norm.

"This alliance will be a small start by our members telling government, investors, suppliers and consumers that we aim to do our business fairly, properly and in a non-corrupt manner. Most importantly, 'You can trust us'."

Mr Seddon said, TIPNG chairs Peter Aisi said corruption has direct effect on the cost of doing business in PNG.

"Corruption whether it is the form of bribes or inflated processes costs companies money. This increased cost doing business is in most cases passed on to the consumer. The unfortunate truth is a developing country like PNG, the producers who suffer as a consequence to rise," Mr Aisi said. BACA will review existing code of conduct and practice with industries and business groups and make it available to PomCCI and other relevant stakeholders. This information then be used to draft member criteria for the BACA.

— EDITORIAL, page 12

**EMILY GEORGE TAULE, BEM — Executive Director**

Mrs Emily Taule, BEM joined TIPNG in 2006, having worked for more than 20 years in the government, private and NGO sectors in PNG. Emily has worked in senior management for more than 10 years and is a prominent and well reputed female leader in the PNG business sector.

**NANCY MINATO — Project Manager, ALAC**

Nancy Minato joined TIPNG in July 2009. She was previously the Program Coordinator with the Media Council of PNG. She has worked as a curriculum writer, secondary and distance education teacher with the National Education Department. She holds a Master in Arts in Learning Innovations & Management from Queensland University of Technology.

**HENGEBE HOLE — Finance Manager**

Mr Hole is an accounting graduate from the University of Technology, Lae. He joined TIPNG in September 2009 after working in finance and auditing positions at All Omega Accountants, the National Youth Commission, and the PNG Tourism Promotion Authority.

**HENRY YAMO — Public Relations Officer**

Mr Henry Yamo joined TIPNG in March 2008 after working for the Sunday Chronicle newspaper. He completed a Bachelor of Communications & Arts in Journalism in 2007 at Divine Word University. He was also previously the media officer for the Mendi Muruks Rugby League team and has also worked as a primary school teacher.

**MARCUS PELTO — Project Director, CPS**

Marcus Peltó is an international development consultant with expertise in civil society, public governance and management. He has worked with the Transparency International movement in the Pacific region since 2005. He is currently Project Director of the Corruption Perceptions Survey phase 3.

**DANIEL GEORGE — Project Assistant, ALAC**

Mr Daniel George joined TIPNG in May 2007 as administrative assistant for the Voter Education & Good Governance Awareness Project. Daniel was coordinator of the 2008 and 2009 Mike Manning Youth Democracy Camps, and was project assistant for the Good Governance & Anti-Corruption in Education project.

**GUIM KAGL — Project 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 was the project manager for the Good Governance & Anti-Corruption in Education (GGACE) program.

**IVAN JEMEN — Research Coordinator, CPS**

Mr Ivan Jemen joined TIPNG in August 2008 as a research coordinator of the Corruption Perception Survey (CPS) project. 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.

**LOUISE PAKAKOTA — Administration & Information Officer**

Louise Pakakota joined TIPNG in September 2009, after serving in a similar position at Child Fund PNG for five years. She holds a certificate in accounting with the Institute of Business Studies and a diploma in Business majoring in Accounting with the International Training Institute.

**GEORGE BUTLER — Volunteer Communications Advisor**

Mr George Butler joined TIPNG in February for a 12-month Australian Volunteers International (AVI) assignment. George's main task was to build capacity of TIPNG's communications and outreach potential and assist in strategic planning and other activities. George is a Communications graduate (with honours) at the University of Technology, Sydney, Australia.

**SIMON JENKINS — Civic Education Consultant**

Simon works with TIPNG on a number of civic education projects, notably the Youth Democracy Camp and the Good Governance and Anti Corruption in Education project. He has conducted civic education work with other TI chapters worldwide, including the Solomon Islands, Bangladesh and Kyrgyzstan. He has qualifications in the fields of education and linguistics.

**TIM BARKER — Volunteer Finance & Management Advisor**

Mr Tim Barker was a Finance & Management Advisor through the Volunteers for International Development Australia (VIDA) agency from June 2008 to November 2009. Prior to joining TIPNG Tim worked for the ANZ Bank for 20 years in its International Division and also was General Manager of a microfinance NGO in Samoa for two years.

**MICHAEL AVOSA — Project Manager, FGI**

Michael Avosa is Program Manager for the Forest Governance Integrity Program. He holds a diploma in forestry from Bulolo University College and a post-graduate certificate in Land Use Science from Brown University, USA. Michael is a founding board member of the Forest Certification Services Ltd. and the Center for Environmental Research & Development Inc.

**ALFRED RUNGOL — Research Assistant, FGI**

Alfred Rungol joined TIPNG in June 2009. He previously worked as Chief Surveyor and Planner at Border International Timber Company, and also has worked with Cloudy Bay Sustainable Forestry. He holds a degree in Forestry and Environmental Application from the University of Technology, Lae.



# Meet TIPNG's directors



## Peter Aitsi, MBE — Chairman

Mr Peter Aitsi is currently the Country Manager of GHD Hassall PNG and Chairman of the Digicel Foundation. 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 and was also co-founder of the NGO Leadership PNG.



## Lawrence Stephens — Secretary

Mr Lawrence Stephens is a Program Manager with PNG Sustainable Development Program Ltd. He was a General Secretary of the Catholic Bishops Conference of PNG & the Solomon Islands and has lived and worked throughout PNG for 34 years. He also holds board positions in several non-government organizations.



## 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 the CPA PNG. He is a former President of the Badili Club of PNG and is currently a Partner for NKA Chartered Accountants.



## Dr John Nonggorr — Director

Professor John Nonggorr is a graduate of the University of Sydney, the University of London, and UPNG. He is a respected authority on constitutional, indigenous, and natural resource law. He has served as Dean of the UPNG Law School, was a Legal Officer with the Office of the Solicitor General, and until recently represented the Electoral Commission of PNG.



## Raymond Chow — Director

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



## Anne Kajir — Director

Annie Kajir is the Executive Director of the Environmental Law Centre. She is known for her legal work representing landowners in landmark forestry corruption cases, and was awarded the prestigious Goldman Environmental Prize in 2006 for these efforts.



## Anne Kerepia — Director

Ms Anne Kerepia is a well known women's advocate and NGO worker. She was previously a member of the Democratic Governance Transition Phase Joint Advisory Committee (DGTP JAC) and currently serves on the Board of the Port Moresby Young Women's Christian Association (YWCA).



## Fr John Glynn — Director

Father John Glynn has worked as a priest and a teacher in New Ireland, Manus and the NCD since 1963. He is well known for his charitable work in Port Moresby's settlements through the WeCARE! Foundation. Fr Glynn is now Chaplain and Counsellor at Jubilee Catholic Secondary School and is patron of the Youth Against Corruption Association (YACA). He also currently serves on the Board of the Digicel Foundation and the Independent Media Standards Committee.



## Richard Kassman, OBE — Director

Mr Richard Kassman is a founding Director of TIPNG and brings to the Board extensive experience at board and managerial levels in the private & public sectors. His role as a business, civil society and Government liaison is well recognized in PNG and the region.



## Charlie Gilichibi — Director

Charlie Gilichibi is currently the IT Manager and Special Projects Coordinator at NASFUND. He is the executive officer of the Badili Club, and a member of the PNG Institute of Directors. He is also a mentor in AusAID's Careers in Development program. He holds a Bachelors degree in IT from the University of Canberra, a Diploma in Economics from the International Training Institute and will complete his MBA in 2010 at UPNG.

## Gail Edoni — Director

Gail Edoni is currently the Government Relations Officer for the Summer Institute of Linguistics, and was previously the Principal of the Ukarampa International (Secondary) School. She is the Secretary of the Board for the Bible Translation Association of PNG, and a member of the Boards of the Missionary Association of PNG and the PNG Evangelical Alliance. Mrs Edoni is heavily involved in HIV and AIDS awareness and leadership training of church leaders.



## Michael McWalter — Director

Mr Michael McWalter is a petroleum industry regulation and administration specialist and a part-time adviser to the PNG Department of Petroleum & Energy. He is also engaged as an oil and gas specialist for the Asian Development Bank in Cambodia, USAID in the Democratic Republic of Sao Tome & Principe, and the World Bank in Ghana. Mr McWalter is a Director of the Circum-Pacific Council for Energy and Mineral Resources.



## Mel Togolo, CBE — Director

Mr Mel Togolo is a graduate of the UPNG, the University of Leeds and the University of Hawaii. He is currently Country Manager of Nautilus Minerals, and was formerly a General Manager, Corporate Affairs, for Placer Niugini Ltd and President of the Business Council of PNG. He serves on the boards of Westpac, NASFUND, the Jesus Centre Halfway House and the Institute of National Affairs. He also sits on the Executive Committees of the Mama Graun Conservation Fund and the Business Council of PNG.



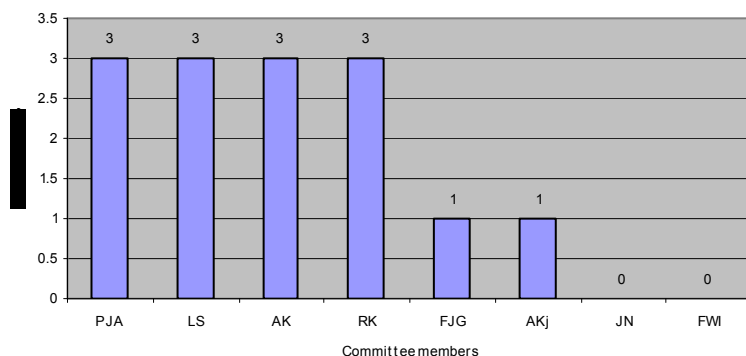
## Judith Day — Director

Ms Judith Day is a law graduate from UPNG. She is a former Director of the PNG Banking Corporation and the Rural Development Bank. She is currently a Director of PNG Micro Finance Ltd, a Director of SGS (PNG) Ltd and Managing Director of Karukuru Enterprises Ltd.

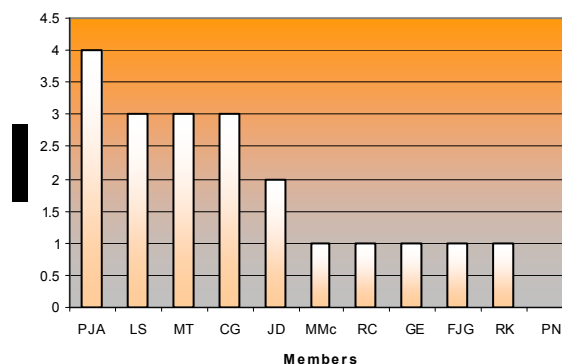
# Board performance

ANNUAL REPORT 2009

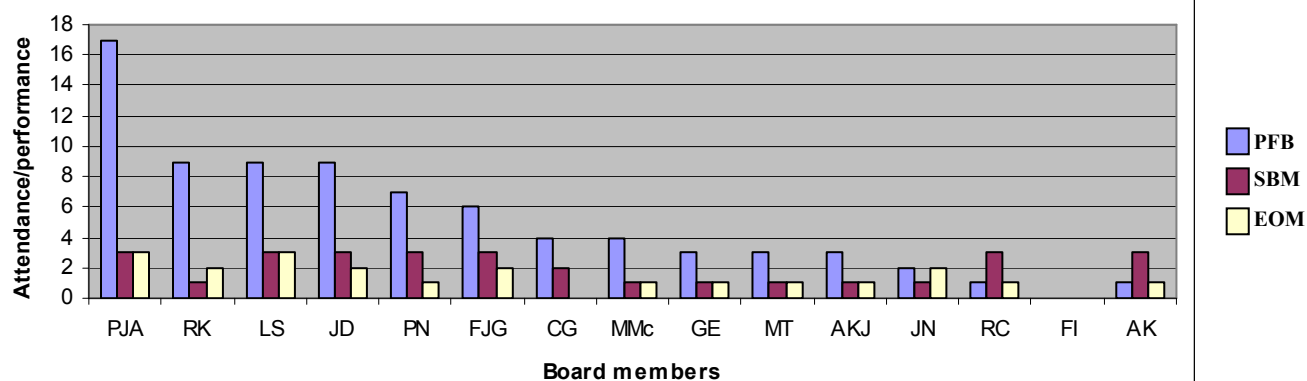
Project Sub Committee meetings



Management Sub Committee Meeting



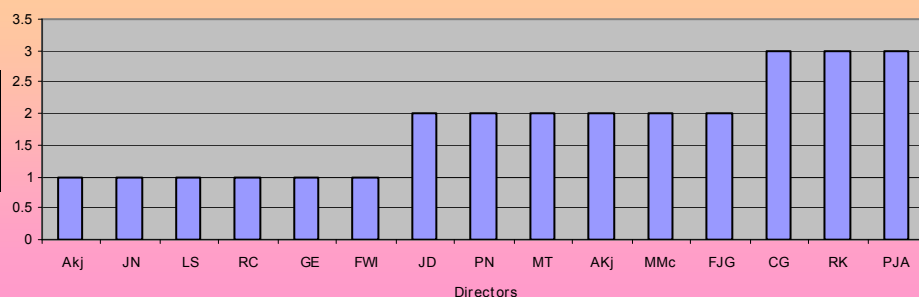
## Board Performance 2009



PFB = Policy Feed Back SBM = Special Board Meeting EOM = Extra Ordinary Meeting

(PJA) Peter Aitsi, (RK) Richard Kassman, (LS) Lawrence Stephens, (JD) Judy Day, (PN) Paul Nindipa, (FJG) Fr John Glynn, (CG) Charlie Gilichibi, (MMc) Mick McWalter, (GE) Gail Edoni, (MT) Mel Togolo, (AKj) Anne Kajir, (JN) Dr John Nonggorr, (RC) Raymond Chow, (FI) Fiu Igara, (AK) Anne Kerepia

Full Board Meetings



Twelve (12) board meetings were scheduled in 2009 being 4 full board meetings, 4 management sub-committee meetings, and 4 project sub-committee meetings. One full board meeting was converted to a strategic planning meeting.

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, liaison with management and activities undertaken as representatives of TIPNG.



# Siaguru Endowment Fund

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

The Siaguru Endowment Fund has seen some generous financial support thrown behind it since its official launch. The SEF has had a number of contributions in the past year which has brought the invested amount to a respectable figure of K1,439,640. In late 2009 Lihir Gold Ltd added to previous generous contributions by pledging AU\$200,000 over two years to the SEF.

The Sir Anthony Siaguru Walk Against Corruption is another source of major funding for the SEF. Of the more than K330,000 raised by the 2009 event, half was deposited into the SEF while the remaining funds were diverted to fund TIPNG's core operations. TIPNG would like to thank all those who contributed to the great success that was the 2009 Walk Against Corruption.



## Key financial information

- K1,439,640 raised so far.
- K326,096 in contributions during 2009.
- K80,323 interest earned in 2009.
- Overall target of K2,000,000.
- A lifespan of 20 years once target reached, with principal withdrawals starting at K25,000 and increasing by 15% per year.

## Key Players

- The SEF Advisory Board comprises of Dame Meg Taylor; Professor Ross Garnaut, Lady Mina Siaguru, Mr Wilson Kamit, and Mr Peter Aitsi.
- The Trustee is KPMG Nominees PNG Ltd.

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

# 2009 in pictures

ANNUAL REPORT 2009





# Financial reports

## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

### STATEMENT BY COMMITTEE MEMBERS FOR THE YEAR ENDED 31 DECEMBER 2009

1. The surplus for the year ended 31 December 2009 amounted to K 197,103 (2008 - Deficit of K73,810).
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 2009 and the results and cash flows of the Association for the year ended 31 December 2009;
  - (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 26 day of MARCH, 2010



PricewaterhouseCoopers  
ABN 52 780 433 757

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

## Independent auditor's report to the members of Transparency International Papua New Guinea Inc

### Report on the financial statements

We have audited the accompanying financial report of Transparency International Papua New Guinea Inc which comprise the balance sheet as at 31 December 2009 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.



## Transparency International Papua New Guinea Inc (continued)

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 2009 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

J. Richardson  
Engagement Leader

J. C. Seeto  
Partner

Port Moresby

Date: March 2010



TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2009

		2009	2008
	Notes	K	K
<b>Income</b>			
Project Funding	4	899,196	596,067
Core Funding	4	763,335	465,352
		<u>1,662,531</u>	<u>1,061,419</u>
<b>Expenses</b>			
Project Expenses		899,196	596,067
Core Expenses		364,362	468,156
Other Expenses	13	201,070	71,006
		<u>1,464,628</u>	<u>1,135,229</u>
<b>Surplus/(Deficit) for the year</b>		<u>197,903</u>	<u>(73,810)</u>



Committee Member



Committee Member

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

This 26 day of MARCH, 2010

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


# Financial reports

## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

### BALANCE SHEET AS AT 31 DECEMBER 2009

		2009	2008
	Notes	K	K
<b>MEMBERS' FUNDS</b>			
Members' funds brought forward		218,483	292,293
Surplus/(deficit) for the year		197,903	(73,810)
<b>TOTAL MEMBERS' FUNDS</b>		<b>416,386</b>	<b>218,483</b>
Represented by:			
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	5	32,292	41,056
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	6	1,578,024	181,416
Accounts Receivable	7	71,957	129,450
Prepayments		-	4,596
		1,649,981	315,462
<b>TOTAL ASSETS</b>		<b>1,682,273</b>	<b>356,518</b>
<b>CURRENT LIABILITIES</b>			
Creditors & Accruals	8	7,288	14,090
Other Liabilities	9	515	16,840
Unspent Core Funds	10	-	11,440
Unspent Project Funds	11	1,248,983	86,852
Employee Provisions	12	9,101	8,813
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,265,887</b>	<b>138,035</b>
<b>TOTAL LIABILITIES</b>		<b>1,265,887</b>	<b>138,035</b>
<b>NET ASSETS</b>		<b>416,386</b>	<b>218,483</b>

  
Committee Member

  
Committee Member

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

This 26 day of MARCH, 2010

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 2009

	Notes	2009 K	2008 K
<b>Cash flows from operating activities</b>			
Subscriptions and donations received		114,747	173,847
Other income and activity receipts		646,156	323,792
Payments to suppliers and employees		(530,963)	(561,967)
Net cash inflow/(outflow) from operating activities		229,940	(64,328)
<b>Cash flows from investing activities</b>			
Interest Income		5,803	638
Proceeds on disposal of fixed assets		-	5,000
Purchase of Fixed Assets		(1,265)	(3,427)
Net cash inflow/(outflow) from investing activities		4,538	2,211
<b>Cash flows from funding activities</b>			
Project funding received		2,129,776	582,514
Project funds paid out		(967,645)	(593,080)
Net cash inflow/(outflow) from funding activities		1,162,131	(10,566)
Net cash inflow/(outflow) during the year		1,396,609	(72,683)
Cash and cash equivalents brought forward		181,416	254,098
Cash and cash equivalents carried forward	6	1,578,024	181,416

  
Committee Member

  
Committee Member

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

This 26 day of MARCH, 2010

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 2009

#### 1. ACCOUNTING POLICIES

##### (a) Basis of accounting

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, in addition to the Balance Sheet and Income and Expenditure Statement on pages 4 and 5.

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 cash basis.



## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

#### (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 represents amount recoverable from donors for expenses incurred on operating and managing donor funded programs.

#### (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 2009

#### 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 2009

#### 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

	2009 K	2008 K
<b>Project Funding</b>		
BHCom - Support - TIPNG 06/07	-	2,000
CDS - Coalition Building	-	(7,602)
CDS - Towards 2007 - Phase 2	-	4,777
CDS Towards 2007 project	-	(8,549)
ESP2 - Civic Education & Communications	-	6,883
ESP2 - Domestic Observer Training	-	(1,280)
MDI - Dissemination of info	-	9,381
UNDP - VEDGAP Funds	-	31,336
UNDEF - GGACE Funds	273,955	209,060
YDC Project	182,277	125,998
AusAID Corruption Perception Survey Funds	158,678	224,063
ALAC	125,939	-
Forest Governance Initiative	105,634	-
Corruption Through Drama	11,783	-
Ausaid - Strengthen Linkages	40,930	-
	<u>899,196</u>	<u>596,067</u>
<b>Core Funding</b>		
Subscriptions & Donations	114,747	157,001
Interest Income	5,803	638
Gain on sale of fixed asset	-	686
British High Commission	21,276	12,419
NZAID (TINZ) - Core funding	174,592	178,674
NZ AID - Pacific Women Speaker	-	12,493
EU Funding	-	10,000
Ti Berlin Fundraise/Coalition	11,440	12,525
Ti Berlin Travel Reimbursement	1,858	50,145
Reimbursements	11,288	21,960
Miscellaneous	22,279	8,811
2008 Cheque Fraud Recovery	18,782	-
Walk Against Corruption	329,130	-
Receipts from Closed Projects	52,140	-
	<u>763,335</u>	<u>465,352</u>
<b>Total Income</b>	<u>1,662,531</u>	<u>1,061,419</u>

# Financial reports

## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

#### 5. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles K	Office Equipment K	Office Furniture K	Total K
<b>Cost</b>				
At 1 January 2009	44,041	53,096	4,825	101,962
Additions	-	720	545	1,265
Disposals	-	-	-	-
At 31 December 2009	44,041	53,816	5,370	103,227
<b>Depreciation</b>				
At 1 January 2009	22,564	36,427	1,914	60,906
Charge for the year	6,230	3,309	490	10,029
Disposals	-	-	-	-
At 31 December 2009	28,794	39,736	2,404	70,935
<b>Net Book Value</b>				
At 31 December 2009	15,247	14,080	2,966	32,292
<b>Net Book Value</b>				
At 31 December 2008	21,477	16,668	2,911	41,056

#### 6. CASH AND CASH EQUIVALENTS

	2009 K	2008 K
Bank of South Pacific - Core Funding Account	80,885	146,521
ANZ Bank - UNDEF Project Funding Account	2,583	261
BSP Bank - YDC Project Funding Account	64,001	277
BSP Bank - CPS Project Funding Account	51,669	34,156
Petty cash	200	200
BSP Term Deposit	250,000	-
Bank of South Pacific - DGTP	510,858	-
Bank of South Pacific - CPS	396,124	-
Bank of South Pacific - ALAC	187,648	-
Bank of South Pacific - FGI	34,056	-
	<u>1,578,024</u>	<u>181,416</u>



## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

#### 7. ACCOUNTS RECEIVABLE

	2009 K	2008 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	5,344	-
TI New Zealand	7,196	-
ALAC	4,395	-
UNDEF	-	436
GST Refundable	51,872	33,933
Staff Advances	235	-
Security Bond	2,915	-
	<u>71,957</u>	<u>129,450</u>

#### 8. CREDITORS AND ACCRUALS

	2009 K	2008 K
Internal Revenue Commission	-	427
Other creditors and accruals	7,288	13,663
	<u>7,288</u>	<u>14,090</u>

#### 9. OTHER LIABILITIES

	2009 K	2008 K
Prepaid Subscriptions	<u>515</u>	<u>16,840</u>

#### 10. UNSPENT CORE FUNDS

	2009 K	2008 K
TI Berlin - Fundraising and Comms		
Balance brought forward	11,439	13,684
Receipts	-	10,280
Expenditure	(11,439)	(12,525)
Balance carried forward	<u>-</u>	<u>11,440</u>

# Financial reports

## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

#### 11. UNSPENT PROJECT FUNDS

	2009 K	2008 K
<b>GGACE Project</b>		
Balance brought forward	261	8,299
Receipts	265,973	201,022
Expenditure	(273,955)	(209,060)
Adjustments	15,035	-
Balance carried forward	7,314	261
<b>YDC Project</b>		
Balance brought forward	295	55,434
Receipts	296,550	70,859
Expenditure	(182,277)	(125,998)
Adjustments	(43,477)	-
Balance carried forward	71,091	295
<b>Voter Education &amp; Democratic Governance Awareness Project</b>		
Balance brought forward	-	6,166
Receipts - UNDP	-	25,059
Expenditure	-	(31,336)
Adjustments	-	111
Balance carried forward	-	-
<b>Support for Communications Advisor Project</b>		
Balance brought forward	-	2,000
Receipts - BHC	-	-
Expenditure	-	(2,000)
Balance carried forward	-	-
<b>TI (PNG) Capacity Building Project</b>		
Balance brought forward	6,342	6,342
Income - BHC	-	-
Expenditure	-	-
Adjustments	(6,342)	-
Balance carried forward	-	6,342
<b>Media for Development Initiative</b>		
Balance brought forward	3,484	3,484
Income	-	9,380
Expenditure	-	(9,380)
Adjustments	(3,484)	-
Balance carried forward	-	3,484

## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

#### 11. UNSPENT PROJECT FUNDS (Continued)

	2009 K	2008 K
<b>CDS - Coalition Building</b>		
Balance brought forward	18,657	11,055
Receipts	-	-
Expenditure	-	(10,398)
Adjustments	(18,657)	18,000
Balance carried forward	-	18,657
<b>CDS - Towards 2007 Project Phase 2</b>		
Balance brought forward	6,475	3,473
Receipts	-	-
Expenditure	-	(4,777)
Adjustments	(6,475)	7,779
Balance carried forward	-	6,475
<b>CDS - Towards 2007 Project</b>		
Balance brought forward	17,267	8,718
Receipts	-	-
Expenditure	-	(708)
Adjustments	(17,267)	9,257
Balance carried forward	-	17,267
<b>Civic Education and Communications Campaign Project</b>		
Balance brought forward	3,888	10,771
Receipts	-	-
Expenditure	-	(6,883)
Adjustments	(3,888)	-
Balance carried forward	-	3,888
<b>Domestic Observer Project</b>		
Balance brought forward	(3,974)	(5,253)
Receipts	-	-
Expenditure	-	(358)
Adjustments	3,974	1,637
Balance carried forward	-	(3,974)
<b>Corruption Perception Survey</b>		
Balance brought forward	34,156	-
Receipts	572,612	258,219
Expenditure	(158,678)	(224,063)
Adjustments	(9,566)	-
Balance carried forward	438,524	34,156



# Financial reports

## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

#### 11. UNSPENT PROJECT FUNDS (Continued)

	2009 K	2008 K
<b>ALAC Inception Phase</b>		
Balance brought forward	-	-
Receipts	64,841	-
Expenditure	(58,232)	-
Balance carried forward	6,609	-
<b>ALAC Implementation Phase DFID</b>		
Balance brought forward	-	-
Receipts	36,431	-
Expenditure	(65,041)	-
Adjustment	4,306	-
Balance carried forward	(24,304)	-
<b>ALAC Implementation Phase AUS</b>		
Balance brought forward	-	-
Receipts	194,000	-
Expenditure	(2,686)	-
Balance carried forward	191,334	-
<b>FGI Project</b>		
Balance brought forward	-	-
Receipts	139,190	-
Expenditure	(105,634)	-
Adjustments	10,509	-
Balance carried forward	44,065	-
<b>Understanding Corruption Drama</b>		
Balance brought forward	-	-
Receipts	523,982	-
Expenditure	(11,783)	-
Adjustments	(16)	-
Balance carried forward	512,183	-
<b>Strengthening Linkages</b>		
Balance brought forward	-	-
Receipts	36,197	-
Expenditure	(40,930)	-
Adjustments	6,900	-
Balance carried forward	2,167	-
<b>Total unspent project funds carried forward</b>	<b>1,248,983</b>	<b>86,852</b>

## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

#### 11. UNSPENT PROJECT FUNDS (Continued)

Adjustments relate to reconciliation of projects during 2009 to determine the final unspent liabilities. The relevant donors have been informed in 2010 of the final unspent liabilities for either final payment or reallocation of funds for future approved projects.

#### 12. EMPLOYEE PROVISIONS

	2009 K	2008 K
Annual leave	<u>9,101</u>	<u>8,813</u>

#### 13. OTHER EXPENSES

	2009 K	2008 K
Write off of TI Berlin Advance	-	12,152
Write off of staff loans	-	1,062
Miscellaneous expenses	1,070	9,715
2007 Walk Against Corruption expenses	-	21,445
Funeral Expenses	-	2,190
Internal Cheque Fraud Losses	-	24,442
Donation to Siaguru Endowment Fund	<u>200,000</u>	<u>-</u>
	<u>201,070</u>	<u>71,006</u>

The internal cheque fraud losses relate to misappropriation of funds by a former staff member who was dismissed in October 2008. The matter was reported to the relevant section of the PNG Police Department and Bank of South Pacific.

#### 14. CONTINGENT LIABILITIES

The entity had nil contingent liabilities at year end (2008: Nil)

# Financial reports

## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

### DETAILED INCOME AND EXPENDITURE STATEMENT (UNAUDITED) FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 K	2008 K
<b>Project Funding</b>		
BHCom - Support - TIPNG 06/07	-	2,000
CDS - Coalition Building	-	(7,602)
CDS - Towards 2007 - Phase 2	-	4,777
CDS Towards 2007 project	-	(8,549)
ESP2 - Civic Education & Communications	-	6,883
ESP2 - Domestic Observer Training	-	(1,280)
MDI - Dissemination of info	-	9,381
UNDP - VEDGAP Funds	-	31,336
UNDEF - GGACE Funds	273,955	209,060
YDC Project	182,277	125,998
Corruption Perception Survey Funds	158,678	224,063
ALAC	125,939	-
Forest Governance Initiative	105,634	-
Corruption Through Drama	11,783	-
Ausaid - Strengthen Linkages	40,930	-
	<u>899,196</u>	<u>596,067</u>
<b>Project Expenses</b>		
BHCom - Support - TIPNG 06/07	-	2,000
CDS - Coalition Building	-	(7,602)
CDS - Towards 2007 - Phase 2	-	4,777
CDS Towards 2007 project	-	(8,549)
ESP2 - Civic Education & Communications	-	6,883
ESP2 - Domestic Observer Training	-	(1,280)
MDI - Dissemination of info	-	9,381
UNDP - VEDGAP Funds	-	31,336
UNDEF - GGACE Funds	273,955	209,060
YDC Project	182,277	125,998
Corruption Perception Survey Funds	158,678	224,063
ALAC	125,939	-
Forest Governance Initiative	105,634	-
Corruption Through Drama	11,783	-
Ausaid - Strengthen Linkages	40,930	-
Total Project Activities – Expenses	<u>899,196</u>	<u>596,067</u>
<b>Net Surplus/(Deficit) for the year</b>	<u>-</u>	<u>-</u>



## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

### DETAILED INCOME AND EXPENDITURE STATEMENT (UNAUDITED) FOR THE YEAR ENDED 31 DECEMBER 2009

INCOME	2009 K	2008 K
<b>Core Funding</b>		
Subscriptions & Donations	114,747	157,001
Interest Income	5,803	638
Gain on sale of fixed asset	-	686
British High Commission	21,276	12,419
NZAID (TINZ) - Core funding	174,592	178,674
NZ AID - Pacific Women Speaker	-	12,493
EU Funding	-	10,000
TI Berlin Fundraise/Coalition	11,440	12,525
TI Berlin Travel Reimbursement	1,858	50,145
Reimbursements	11,288	21,960
Miscellaneous	22,279	8,812
2008 Cheque Fraud Recovery	18,782	-
WAC Fees	329,130	-
Receipts from Closed Projects	52,140	-
	<u>763,335</u>	<u>465,352</u>

# Financial reports

## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

### DETAILED INCOME AND EXPENDITURE STATEMENT (UNAUDITED) FOR THE YEAR ENDED 31 DECEMBER 2009

EXPENSES	2009 K	2008 K
<b>Core Expenses</b>		
Advertising	18,098	1,604
Accounting Fees	-	5,848
Audit fees	3,000	3,000
Bank Charges	(488)	242
Consultancy fees	-	720
Conferences & Meetings	12,573	4,170
Depreciation	10,031	13,504
Electricity	3,646	4,475
General	818	3,241
Hire of Facilities	-	109
Internet	16,738	30,634
Computer Repair	3,433	1,023
Insurance	9,656	6,506
Legal costs	880	350
Gain/Loss on Fixed assets	-	(30)
Motor Vehicle - Fuel	8,511	11,226
MV Repair & Maintenance	6,410	12,178
Office Maintenance	79	928
Petty Cash	-	697
Stationery	7,547	14,733
External Printing	9,908	8,256
Postage	1,395	1,389
Rental - Mogoru Motu	47,606	26,351
Staff Amenities	2,576	1,551
Subscriptions	227	305
Telephone & Facsimiles	20,313	22,826
Travel & Accommodation	49,780	57,999
Travel losses	-	18,366
Training Expenses	(330)	900
Salaries paid to Core Staff	155,076	148,064
Project Staff Salary Clearing	12,142	0
Youth Against Corruption Association	-	10,000
CCAC Expenses	5,083	17,713
WAC Expenses	25,378	14,293
Asset Disposal/Write-off	-	2,646
EU Youth Event	-	9,846
Pacific Women's Speaker Event	-	12,493

## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

### DETAILED INCOME AND EXPENDITURE STATEMENT (UNAUDITED) FOR THE YEAR ENDED 31 DECEMBER 2009

EXPENSES	2009 K	2008 K
<b>Core Expenses (continued)</b>		
Electricity Paid – Badili	2,400	-
Mogoro Motu Project Electricity	(10,860)	-
Badili Project Electricity	(4,400)	-
Kandep By Election	4,611	-
Internet (Badili)	3,702	-
National Projects Internet Use	(9,040)	-
FGI Project Internet Use	(2,414)	-
ALAC Project Internet Use	(2,228)	-
Global Corruption Report	2,009	-
Staff Deductions - MV	(4,626)	-
Project Allocation – MV	(6,600)	-
Internal Printing	7,974	-
Project Printing Allocation	(3,427)	-
Project Postage Allocation	(560)	-
Rental – Badili	18,258	-
National Projects Rent	(18,650)	-
FGI Project Rent	(7,600)	-
ALAC Project Rent	(13,100)	-
Project Telephone Allocation	(5,140)	-
Core Staff Project Allocations	(37,359)	-
FGI 20% Chapter Contribution	19,876	-
SCALN Project Contribution	1,450	-
Other Expense	1,070	71,006
Donation to SEF	200,000	-
	<u>565,432</u>	<u>539,162</u>
 Net Surplus/(Deficit) for the year	 <u>197,903</u>	 <u>(73,810)</u>



# Acknowledgements & thanks

The staff and board of Transparency International PNG Inc.  
sincerely thank the following who have supported us  
throughout 2009.

- All our 2009 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 significant funding and support for TIPNG and other Pacific TI chapters through the Pacific Support Program.
- Our major donors who fund our important projects and capacity building incentives. They include:  
The UNDP, AusAID, British High Commission, Transparency International Secretariat (TIS),  
European Commission in Papua New Guinea, Papua New Guinea Sustainable Development Program (PNGSDP) and DFID.
- Price Waterhouse Coopers for their ongoing audits.
- The National Research Institute, Dr Alphonse Gelu and Dr Sarah Dix for research collaboration and assistance with the Global Corruption Report.
- The Law & Justice Sector Program.
- The Institute of National Affairs (INA), Consultative Implementation & Monitoring Council (CIMC), Family Sexual Violence Action Committee (FSVAC) and the Rural Industries Council (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.



Australian Government  
AusAID



# Membership Form

ANNUAL REPORT 2009

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## Transparency International (PNG) Inc.

### Membership

#### Application Form

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

#### 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](mailto:tipng@daltron.com.pg)  
Website: [www.transparencypng.org.pg](http://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.



**JOIN TRANSPARENCY INTERNATIONAL PNG**

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