

ANNUAL REPORT 2013



CONTENTS

Message from the Executive Director	03
Message from the Chairman	04
TI PNG Strategic Focus 2013	05
2014 work plan	06
Corruption Perceptions Index 2013	07
Corruption Perceptions Index 2013 Info graphic Map	08
People Engagement	
Strengthening Anti Corruption Linkages & Networks	09
Improving our website	10
Lunch & Learns	11
Advocacy & Legal Advice Centre	12
Bring Corruption to Light Photo Competition	12
Sir Anthony Siaguru Walk Against Corruption	13
Youth Against Corruption Association	13
Community Coalition Against Corruption	14
Law	
Advocacy for Forest Governance & REDD+	15
Extractive Industries Transparency Initiative	16
Institutions	
PNG Open Parliament	17
Partnerships	18
Values	
National Elections Observation Report	19
Voter Education	20
Mike Manning Youth Democracy Camp	20
School Based Civic Education	21
Launch of PNG Understandings of Corruption Report	22
Effective & Efficient Organisation	23 –24
Membership	25 –28
Board of Directors	29 –30
Board contribution	31 –32
Siaguru Endowment Fund	33
Financial Reports	34 - 49
Acknowledgements	50
TI PNG Membership application form	51

Cover Page

Photo credit: David Manase

David was one of the many participants of the TIPNG *Bring Corruption to Light* photography competition. David titled his photograph "My Home". The young boy is from Gulf and Oro parentage and resides at a settlement in Port Moresby because his parents cannot afford the luxury of a decent home. Sadly, Ivan's immediate future is uncertain as the land his home currently sits on was recently sold off for development. A lot of Papua New Guineans are losing their land and resources through corrupt practices by greedy bureaucrats and individuals. This must come to an end for the sake of our future generation.



MESSAGE FROM THE EXECUTIVE DIRECTOR

Welcome to Transparency International PNG's (TI PNG) 2013 annual report. This report of activities from January to December 2013.

2013 saw us continue with the conviction that corruption is:

- one of PNG's major problem
- that it is dangerous
- that it is unjust
- but most importantly, that it is stoppable.

TI PNG strives to work tirelessly to do our part, to engage with others and make our quest for good governance.

At the heart of our operations in 2013, we were focused on reviewing our systems and developing our capacities. Improving the capacity of the TI PNG chapter is paramount in strengthening our efficiency. A mid-term review of our Strategy (2011-2015) was done to ensure that our work remains effective. Part of the process included a monitoring & evaluation assessment on all our programs. A Human Resource systems review was also conducted to ensure that our systems remain robust. The revised Strategic Plan will be implemented in 2014.

We appreciate the commitment and support demonstrated through our individual membership. Over 500 citizens joined or renewed as members to

support the work of TI PNG and to take on the responsibility of creating change. The increased number of individual membership is an indication that many citizens are aware of the scourge of corruption and are willing to commit to combating it. Corporate membership remained steady in 2013. However, TI PNG's networking with the business sector was strengthened by the 2013 Independence Corporate Breakfast jointly organised by TI PNG, the Port Moresby Chamber of Commerce & Industry and Business Against Corruption Alliance. This event saw the participation of various organisations and strengthened corporate support and commitment. We also continued our networking and partnership with the government sector through our involvement in the National Anti Corruption Strategy Technical Working Group, the Open Parliament Project and the National Land Development Program Advisory Group.

There is much to be proud of at Transparency International PNG. However, we strive to do more to move toward our vision: a country free from corruption. We look forward to take on new challenges and overcome them.

Emily George Taule, BEM

MESSAGE FROM THE BOARD CHAIR



"Zero Corruption! - 100% Development!" These were the words chosen by the organising committee for the 2014 Sir Anthony Siaguru Walk Against Corruption. When I see the crowds massed for the Walk Against Corruption I know that we in Papua New Guinea have the gift of millions of people who know what corruption is, know without doubt how damaging and even deadly it is and know that we are in serious danger of continuing to be simply spectators in the use of the profits being earned from fish, forests, minerals, oil and gas.

PNG is on the way to being a part of the Extractive Industries Transparency Initiative. It will see public disclosure, by companies involved in the mining, oil and gas industries, of all payments they make to government. It will see government publicly disclosing what it receives. It will mean less secrets and more information available to us all with opportunities to assist government being seen to be publicly accountable. It is another reason for us to be convinced that we are improving.

TI PNG continues to draw public attention to the issues which confront us. Millions of kina have disappeared in spurious backdoor deals highlighted by the yet to be acted upon Commission of Inquiry generally into the Department of Finance 2008-9. In recent days we have seen events unfold which indicate that at least some action is taking place.

In partnership with the Community Coalition Against Corruption TIPNG has called repeatedly for reasonable explanation of what appears to have been scandalous behaviour in awarding a medical supplies contract to a company whose tender was ineligible for consideration. It appears the decision to award the company the contract has lost the country another K100m and reduced our reputation even further. We continue demand an explanation and hope to assist reform the procurement procedures which are damaging the credibility of PNG.

We continue to call for official action on the

information provided during the Commission of Inquiry into Special Purpose Business and Agricultural Leases. The shameful details available as a result of the inquiry make it clear that many people were engaged in stealing the lands and forests. The official response has been inadequate and we are shamed by this.

The efforts by all involved in the vast array of TI PNG activities, the amazing efforts of so many people over the years and in particular the last 12 months, all encourage us to believe that there are many good people prepared to say: "ENOUGH! We are not accepting the theft anymore".

You the readers of this report, supporters of the efforts of TI PNG, YACA, CCAC and others fighting against corruption are representatives of the Good People refusing to do nothing as our futures continue to be stolen. You are part of the potentially huge group of helpers we are calling on to assist PNG break loose from the company of the most corrupt countries and rise to where we should be: a country of immense wealth with high levels of public accountability and fair distribution of the fruits of development.

Lawrence Stephens

TI PAPUA NEW GUINEA STRATEGIC FOCUS 2013

Vision

A country where government, politics, business and individual citizens live and operate within the rule of law, are subject to good governance and are free from corruption.

Mission

To inform, educate and empower all Papua New Guineans regardless of who they are or where they are from, to make an active choice against corruption.

Our **Core Values** are: accountability, integrity, good governance, courage, respect and transparency.

Since TI PNG's establishment in January 1997, we have nurtured the collective effort of civil society anti-corruption campaigners and contributed our expertise on corruption issues in Papua New Guinea. We have developed tools and approaches to deter and highlight corruption. Seventeen years on and we continue the fight against corruption, some battles are won, some are lost, but it's a fight that we all must take on if we want good change.

At TI PNG we pursue our work through People Engagement, Law, Institutions and Values.

People Engagement - To build enduring relationships and empower people in PNG to take action against corruption.

Law - To secure the development and more enforcement of laws and standards in PNG and reduce immunity for corrupt acts.

Institutions – To contribute to the effective implementation of the anti-corruption programmes in leading institutions, business and the resources sector.

Values – To contribute to instilling a higher level of integrity in our society as stated in our Constitution.

We have one **Organisational Goal** to be an effective and efficient organisation. We work to ensure continuous improvement to our organisational performance.



Transparency International PNG Inc.

Work Plan 2014

Our **Vision** is a country where government, politics and business operate, and citizens live in a constitutional democracy, are subject to good governance and free from corruption.

Our **Mission** is to inform, educate and encourage people in Papua New Guinea to take action against corruption.

Our **Core Values** are: transparency, accountability, integrity, solidarity, courage, justice and democracy.

Strategic Priorities	PEOPLE ENGAGEMENT	INSTITUTIONS	LAWS	VALUES	ORGANIZATIONAL DEVELOPMENT
Objectives	Strong and sustainable relationships with people and partners to take action against corruption in PNG	The implementation of effective anticorruption initiatives in key public institutions and private sector organizations	More effective enforcement of well-founded laws and standards and reduced impunity for corrupt acts	A higher level of integrity in our society	The leading anti-corruption advocate in PNG with partners who have trust in its systems
Strategic Activities	<ul style="list-style-type: none"> • Membership & Exhibition <ul style="list-style-type: none"> - build and maintain a mass membership of engaged and empowered citizens - implement new strategy • ALAC, YACA, SASWAC <ul style="list-style-type: none"> - provide greater support space and security to speak out against corruption. • CCAC <ul style="list-style-type: none"> - build networks to speak out against corruption 	<ul style="list-style-type: none"> • Open Parliament, EITI • Work with National Land Advisory Board • Law & Justice Sector Committee & PNGEC • Communications on Corruption Issues <ul style="list-style-type: none"> - strengthened working relationships with integrity institutions - hold institutions publicly accountable for the enforcement of their anti-corruption standards and programmes 	<ul style="list-style-type: none"> • Support implementation of National Anti-Corruption Strategy & ICAC • Lobbying for: <ul style="list-style-type: none"> - Whistle Blower Protection Act - Freedom of Information Legislation - Better Electoral legislation • Forestry REDD+ advocacy • Communications <ul style="list-style-type: none"> - Monitoring for incidences of corruption and advocating for those implicated to be punished • School & Community Based Civic Education <ul style="list-style-type: none"> - Increase public understanding and ability to advocate for the application of Rule of Law through civic education programmes 	<ul style="list-style-type: none"> • Youth Democracy Camp • School Based Civic Education • Community Based Civic Education • Siaguru Integrity Award - Ethics and core values centred on integrity will be promoted among youth and future leaders - Promote enhanced codes of leadership and ethics for political and business leaders, held accountable for their work. 	<ul style="list-style-type: none"> • Communications <ul style="list-style-type: none"> - Timely response to issues - Refine and implement communications strategy - TIPNG website always refreshed • Finance <ul style="list-style-type: none"> - Review & enhance Financial & Admin Policies - Timely and accurate financial reporting and payments • Information Management <ul style="list-style-type: none"> - Improve IT system security and maintenance - Improve management & access to hard and soft copies of files - Develop and maintain contact database • Human Resources <ul style="list-style-type: none"> - Implement new HR policies - Identify capacity needs and Create Staff Development Plan - Improve project management skills

CORRUPTION AT A GLOBAL PERSPECTIVE

The Corruption Perceptions Index 2013

Papua New Guinea is still perceived to be “highly corrupt” according to Transparency International’s 2013 Corruption Perceptions Index (CPI). The 2013 CPI ranked Papua New Guinea 144 out of 177 countries surveyed and again scoring 25 out of 100, with 100 being perceived to be “very clean” and zero perceived to be “highly corrupt”. The position compared to last year’s ranking of 154 out of 176 countries has not changed.

PNG’s ranking on the 2013 CPI does not reflect the resource-rich country we are and until serious commitment is made to enhance governance systems and enforcing and upholding mandated processes, our communities continue to suffer from lack of basic services. Greater and immediate political will is needed from the Government and also each and every citizen to combat corruption.

TI PNG commends the O’Neill Government for the establishment of an Independent Commission Against Corruption (ICAC) however, we feel that more needs to be done in strengthening and resourcing the current integrity institutions that enforce best practices and regulations with a view to reducing corruption and promoting good governance. Proactive steps are needed in implementing the National Anti

Corruption Strategy, by pursuing legislation to allow public access to information and whistleblower’s legislation as a matter of priority.

As corruption remains notoriously difficult to investigate and prosecute, public institutions including the Government need to open up and be more transparent about their work. The recent adoption of the Extractive Industries Transparency Initiative (EITI) by the PNG Government is a step in the right direction.

The Government must create a level playing field for business and restore investor confidence by adhering to proper procedures in awarding contracts and other business dealings.

PNG has some of the best rules and laws in the world, but the biggest problem continues to be the lack of enforcement of the law. There is little or no accountability for those who fail to follow the rule of law. The legal loopholes and lack of political will in government facilitate both domestic and cross-border corruption. There needs to be a more intensified effort to combat the impunity of the corrupt, otherwise PNG will continue to be classed as a “highly corrupt” country.

The CPI is a combination of data collected by a variety of reputable organizations and reflects the

views of observers from around the world including experts living and working in the countries evaluated. The information on PNG was sourced from five surveys: Bertelsmann Foundation Transformation Index, Political Risk Services International Country Risk Guide, World Bank Country Policy and Institutional Assessment 2012, Economist Intelligence Unit Country Risk Ratings, and Global Insight Country Risk Ratings.

WHAT WE ARE DOING

TI PNG carries out various projects and activities focused on our Strategic Goals. Its funding comes from memberships fees and project activity. Our projects are mostly funded by international donor agencies, but some funding comes from local businesses.

Apart from our donor funded projects which tend to deal with predictable events, much of our resources are used in reacting to unpredictable day-to-day political events and working with local and international partners. This involves:

- Preparing press releases, on corruption related issues
- Meeting with Government officials and integrity institutions (e.g. EITI, ICAC, Electoral support)
- Meeting with representatives of international agencies and missions
- Attending and contributing to regional and international anti-corruption events.
- Hosting visits from other Chapters (Because TI PNG is seen as a model in the Pacific, our expertise is often called upon).

PEOPLE ENGAGEMENT

Building relationships and empowering people in PNG to take action against corruption.

At TI PNG, we believe that corruption can be stopped through greater public engagement and pressure. It is people that must demand for good governance, accountability and transparency from institutions and ensure that political leadership succeed in their commitments.

Therefore, TI PNG focuses on increasing support and action against corruption from people and organizations. We also support them in their work against corruption.

Strengthening Anti Corruption Linkages & Networks

We work to enable citizens to have a better understanding of corruption and empower them to participate actively to reduce corruption in society.

We strengthen our networks through our outreach awareness, media activities, improving our website and the dissemination of our quarterly newsletter.

MEDIA ACTIVITIES

TI PNG continued to provide regular comments in the media about corruption issues. The most prominent were:

- In February, the government proposed further restrictions on possible motions of no confidence in the Government. Thus, the "*period of grace*", during which a Prime Minister may face a vote of no confidence, is to be increased from 18 months to 36 months. TI PNG argued that a vote of no-

confidence is an important part of the democratic process and that it is a mechanism for accountability. Therefore, TI PNG called on all Members of Parliament to think very carefully about the implications of extending the grace period.

- TI PNG reinforced the sentiments of various civil society groups for the Government to release the Records of the Commission of Inquiry on the Special Agriculture Business Leases (SABL). Papua New Guinean customary landowners have been affected by the SABL policy of the past and current governments and it is only fair that they be given the right to see the Commission of Inquiry report completed and action taken on its findings and recommendations.

Some prominent press statements that were released:

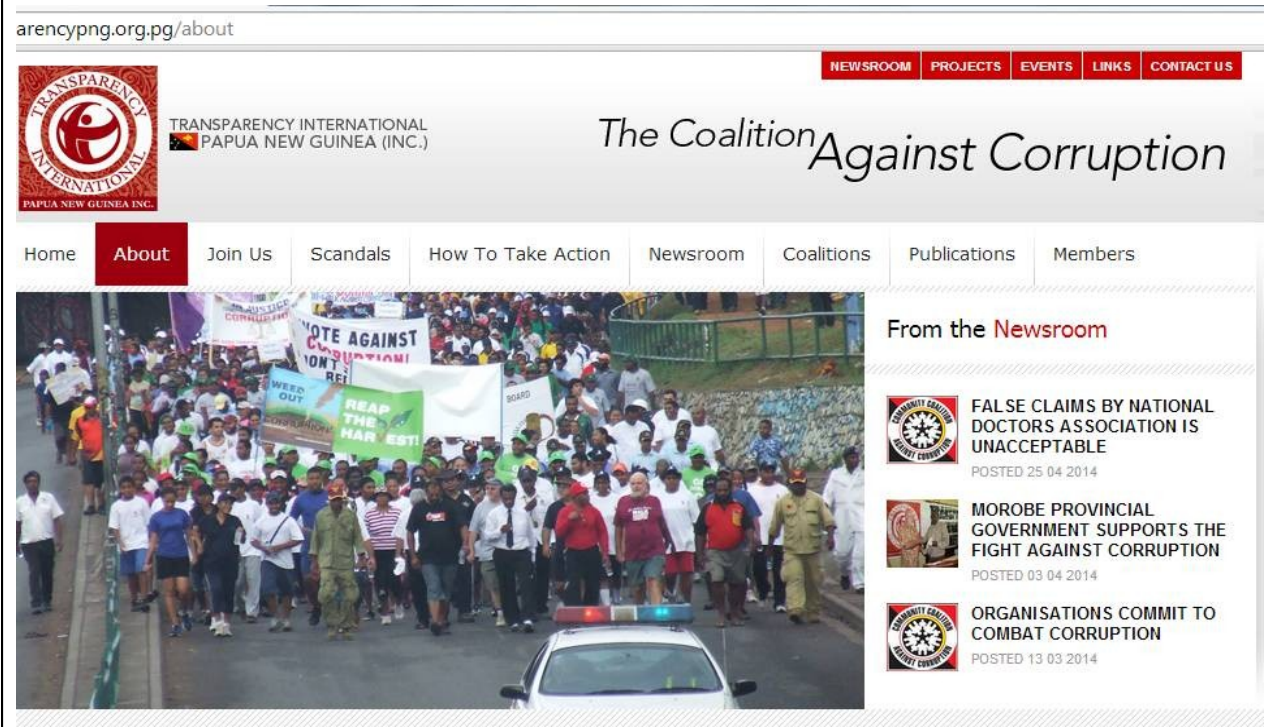
- *Call for more transparency in public procurement*
- *Findings of the Global Corruption Report 2013*
- *TI PNG database shows Public Administration most complained about*
- *The 2015 Games Village Contract*
- *Citizens urged to be the change they want to see*
- *Tinted Government Vehicles*
- *National Parliament Speaker signs MOU with TI PNG to implement Open Parliament Project*
- *TI PNG commends Honorable Charles Abel for transparent reporting of 2012 grants*
- *Youth to gain media skills to create awareness on corruption*
- *PNGEC is commended for declaring LLG Elections*
- *TIPNG welcomes Government move to implement EITI*
- *Transparency International Congratulates NCD operations commander.*
- *TI PNG calls for proper process and procedures in punishing rogue soldiers*
- *TIPNG calls on Health Minister to disclose evidence on the of processes awarding contract to Borneo Pacific Pharmaceuticals*
- *Public Institutions need to be more open and transparent about their work. Papua New Guinea ranks "highly corrupt" on the Corruption Perceptions Index*

Improving Our Website

The TI PNG website went through some reconstruction which included added features: Facebook feed, TIPNG Events tab, Publications tab and a Membership enquiry field

Part of the reconstruction included content management training for TI PNG staff. We hope to populate our website and update it regularly so that it becomes an information hub for PNG corruption fighters. Training on website management will continue in 2014.

Find us on www.transparencypng.org.pg.



Lunch & Learns

As part of our membership drive and strengthening our networks, TI PNG embarked on Lunch & Learns in late 2012.

Lunch and Learns involve TI PNG staff talking to organisations about what we do in our mission to inform and educate citizens about corruption and how they can get involved to stop it. This awareness exercise is usually conducted at lunch break hence the name “*lunch & learn*”.

In 2013, lunch & learns were conducted with organizations and schools. Some of the organizations visited were:

- Rio Tinto Minerals
- Nambawan Super Limited
- Nationwide Rent a Car (Avis)
- Investment Promotion Authority
- Certified Practicing Accountants of PNG,
- PNG Ready Mix Concrete Limited

- National Agriculture Quarantine Inspection Agency
- PNG Immigrations and Citizenship Services Authority
- Catholic Bishops Conference
- Department of Finance
- Department of Labor & Industrial Relations
- Mineral Resources Authority
- Auditor Generals Office
- RMK Lawyers

From the lunch and learns, we were able to:

- Generate meaningful discussions on corruption
- Register individual and corporate memberships
- Work with the PNG Immigrations and Citizenship Services Authority to establish a corruption complaints desk.

Provincial Outreach Awareness

Outreach awareness were carried out in Madang, Kavieng, Alotau and Wewak.

Public forum were held at these centres and were well attended by interested citizens, former election candidates, church leaders, public servants, young people and various community leaders.

Discussions were centered around incidents in the provinces regarding abuse of power by authorities and what the public could do to hold them accountable.

Some solutions suggested by citizens to enhance dialogue between them and their elected representatives were the use of media (using local radio to host talk back shows, press statements), petitions, and holding peaceful public forums with elected representatives. Citizens also suggested integrating anti-corruption awareness at community level.



Advocacy & Legal Advice Centre

In 2013, the Advocacy & Legal Advice Center (ALAC), embarked on a “*Know Your Land Rights*” The campaign came about due to a high number of corruption complaints on land issues received by ALAC.

The campaign targeted customary landowners in provincial centres to educate them about their land rights and responsibilities through open public forums. The aim is to help them make informed decisions about long term land use. Forums were conducted in Kimbe, Alotau, Wewak and Manus. Other provinces are planned to be covered in 2014.

The Advocacy & Legal Advice Centre is a service to the general public that provides free legal assistance to victims and witnesses of corruption. It is an

avenue for advocacy and to educate the public on their rights and responsibilities to counter corruption. ALAC does not investigate nor does it prosecute because TI PNG does not have the legislative authority to do so. But ALAC can readily provide legal assistance in terms of structuring complaints, referring complainants to the correct authorities and building bridges with state agencies to combat corruption.



Bring Corruption to Light Photography Competition

To commemorate International Anti Corruption Day on December 9, TI PNG ran a photography competition to encourage citizens to visualize the effects of corruption in PNG. The photo competition was themed “*Bring Corruption to Light*”. Most of the photos received highlighted the lack of service delivery as a direct result of corruption.

The winner of the 2013 Anti Corruption Photography Competition was Mr Patrick Koliwan. He named his photograph “*Kikori International Airport*”. The photo competition was to encourage people to report

corruption. Taking the photographs is one part of the action, now we have to gather support and together hold those responsible accountable for their misdeeds. We need to emphasize to the government of the day and other relevant authorities that anti-corruption must be and remain a major development agenda priority.



Winning photograph: “*Kikori International Airport*”- A few years ago money was poured into clearing hundreds of acres of land for an “international” airport for Kikori District. It never eventuated. The barren land now serves as a playground for kids. The original Kikori airstrip remains condemned and the only two ways to get into the station are a treacherous 12 hour drive from Mendi or an even more risky 10 hour dinghy ride on open seas from Kerema town.

Sir Anthony Siaguru Walk Against Corruption 2013

More than 6,000 people took part in the 7th annual Sir Anthony Siaguru Walk Against Corruption in Port Moresby, Kokopo, Kimbe, Madang, Alotau, Lihir, Kavieng and Lae in 2013. This was the first time the walk was held in more centers.

The Walk raised over K237,000, TI PNG is grateful to the registered teams and organizations that have participated in the 7th Sir Anthony Siaguru Walk Against Corruption. The volunteer provincial SASWAC Committees and other volunteers who assisted during the event made this possible.

The Walk creates greater awareness about

corruption, provides citizens an opportunity to peacefully demonstrate their opposition to corruption and it raises much needed funds for the Siaguru Endowment Fund (SEF). The SEF is a back-up stream of funds which will ensure the future operations of TI PNG in the event that donors give less support to anti-corruption activities.

The theme of the 2013 Walk Against Corruption was *"Be the Change!"* The theme challenged citizens to be the change they want to see in their community by developing good attitudes.



Youth Against Corruption Association

PNG youth face a lot of challenges in their lives and are often the forgotten victims of corruption, left without the opportunity to voice their opinions and a chance to live better lives. Young people are pressured to practice corruption, and to do nothing and say nothing when they see others being corrupt.

In 2013, the Youth Against Corruption Association (YACA) trained more than 200 young people with skills vital in the fight against corruption. These young people are now engaged and meaningfully contribute to informing their own peers on being the change they want to see.

Since its rejuvenation in Port Moresby in 2012, YACA has expanded into Lae and the movement is gaining momentum. To sustain progress, TI PNG will continue to design and develop tools to guide the young people in showing leadership in the fight against corruption.



Community Coalition Against Corruption

The Community Coalition Against Corruption (CCAC) is an alliance of organisations who have pledged themselves to mobilize and campaign on issues related to corruption that are of national interest. CCAC was established in 2002 through the combined efforts of TI PNG, the PNG Media Council, Office of the Public Prosecutor, PNG Chamber of Commerce, Ombudsman Commission and the main line churches of PNG.

Over the years, CCAC has grown with the support of social action groups, faith based organisations, Non-Government Organisations and various others.

Towards the end of 2013, CCAC took on the national issue involving the awarding of a contract to Borneo Pacific Pharmaceuticals to be the sole supplier of medical kits to the Government.

The concern was driven by two matters; after tenders closed there was a relaxation by the Central Supply & Tenders Board (CSTB) on drug supplier standards enabling unqualified bidders to be considered; and then the award was made to an

originally unqualified bidder at a price almost 50% higher than the lowest tender- a staggering difference of K23.4million.

The CCAC asked the CSTB through the Minister for Health to disclose how the K71 million contract awarded to Borneo Pacific Pharmaceuticals was in the nation's interest.

The CCAC also called on the Minister for Health and other relevant authorities to consider carefully the impacts of such a questionable deal, especially when the lives of Papua New Guineans were directly concerned.

There has been no response from the CSTB or the Minister for Health but CCAC is set to apply more pressure on this issue in 2014.



LAW

Securing the development and enforcement of laws and standards in PNG and reduce immunity for corrupt acts.

To secure the development and more effective enforcement of laws and standards in PNG and reduce immunity for corrupt acts.

Papua New Guinea has some of the best laws in the world, but the biggest problem continues to be the lack of enforcement of the law. There is little or no accountability for those who fail to follow the rule of law. The legal loopholes and lack of political will in government facilitate both domestic and cross-border corruption. When justice does not prevail, impunity is rife and implications for public trust are demeaned.

We advocate for the inclusion of effective enforcement of laws in Papua New Guinea. We work towards seeing that justice fulfils its key function to prevent and punish corruption.

Advocacy for Forest Governance & REDD+

At TI PNG, we are determined to combat corruption in all sectors. Through our Forest Governance Programme, we aim to gain greater commitment by authorities and develop concrete measures in the forestry and climate change sectors to pursue a strong anti-corruption agenda.

Through advocacy, TI PNG aims to increase the capacity and willingness of stakeholders in addressing governance issues in the forestry sector. TI PNG does these through training workshops, community outreach and stakeholder meetings with authorities.

REDD + in PNG

Reducing Emissions Deforestation and Degradation (REDD) is a scheme through which countries are paid to reduce deforestation. The REDD+ project aims to ensure that payments for REDD meet their intended objectives, in light of the concern that often, the benefits intended for landowners, are often

diverted elsewhere, resulting in lack of development, lack of basic services and a deteriorating standard of living.

Following some workshops and stakeholder meetings, we have produced a REDD Risk Assessment Report for PNG. The report contains a diagnosis of possible corruption risks on REDD+ in PNG. The assessment points to specific weaknesses in policy and practice and can be used as a benchmark for measuring future developments in REDD+ in PNG.

The Report will be launched in 2014 and TI PNG looks forward to engaging with stakeholders to mitigate the risks highlighted in the publication.



Extractive Industries Transparency Initiative

The Extractive Industries Transparency Initiative (EITI) is a global standard that promotes revenue transparency from natural resources. EITI is a system of reconciling payments company and government revenues at the country level and sharing this information with citizens.

In April 2013, TI PNG took leadership in facilitating a civil society workshop on the Extractive Industries Transparency Initiative (EITI) concept. Participants were from churches, women's groups, disabled persons, youth groups, NGOs, selected resource owner groups, Trade Unions as well as international NGOs.

The theme of the workshop was *"Communicating the EITI – Enhanced Dialogue and Building Trust between the State, Industry and Citizens"*. The workshop was aimed at communicating the EITI and its benefits to the wider civil society, develop a civil society communication strategy on the EITI and to identify and legitimize civil society representation on the EITI multi stakeholder group for PNG.

Subsequently, in November 2013, the Government of PNG signed an MOU governing the establishment of the formal PNG EITI Multi Stakeholder Group (MSG) the last update. The MOU was signed by the Treasurer, Hon Don Polye MP on behalf of GOPNG and subsequently attested to by seven industry and seven civil society representatives.

The signing of the MOU and launching of the PNG EITI MSG is a milestone for TI PNG. TI PNG was instrumental in providing leadership and guidance for civil society engagement in the EITI

process since 2010. Advocacy on EITI at provincial and regional level in 2014 will be done in collaboration with the PNG EITI National Secretariat.

The EITI aims to strengthen governance by improving transparency and accountability in the extractives sector. It has a robust yet flexible methodology for monitoring and reconciling company payments and government revenues at the country level. Companies publish what they pay and governments publish what they receive in an EITI Report.

Governments benefit from following an internationally recognized transparency standard that demonstrates commitment to reform and anti-corruption, leading to improvements to the tax collection process and enhanced public trust and stability in an often-volatile sector.

Companies benefit from a level playing field in which all companies are required to disclose the same information. They also benefit from an improved and more stable investment climate in which they can better engage with citizens and civil society. Citizens and civil society benefit from receiving reliable information about the sector and a multi-stakeholder platform where they can better support the government and where necessary hold companies and government to account.



INSTITUTIONS

Contributing to the effective implementation of ant-corruption programmes in leading institutions, businesses and the resource sector

TI PNG understands that to progress the fight against corruption, we need to engage with a range of businesses, levels of government, regulatory bodies and financial institutions. These institutions have made some progress to curb corruption but we continue to seek opportunities to work with them strategically and critically in order to bring change.

We aim to see all public and private institutions become responsible, transparent and accountable and transparent in all matters affecting the public interest.

PNG Open Parliament

Access to information about Members of Parliament and parliamentary process is crucial for the empowerment of the people when choosing leaders. Access generates interest among our citizenry, and promotes transparency, accountability and the best parliamentary practices.

TI PNG with the agreement the Office of the Speaker of National Parliament has established a database of information on the parliament and its members. This information will be accessible to the public through a variety of mediums. This supports the Speaker's vision to restore, reform and modernise the PNG national parliament. The project is not designed to criticize individuals Members of Parliament or the institution of the Parliament itself.

The Open Parliament Project is a two year project funded by the European Union and implemented jointly by TI PNG and the Office of the Speaker.

The project aims to:

- Encourage and help MPs to share information with the public about themselves and the work

they do.

- Enable the public to have a better understanding of the roles and responsibilities of their elected representatives—the MPs.
- Provide a platform for the public to communicate with their elected representatives
- Provide a platform for the MPs to communicate with the public
- Increase the public's awareness of the functions of the parliament, its committees and its proceedings

The information database will be through a website, a mobile access mechanism, production of annual reports on parliament and media activities.

Visit the Open Parliament website on:

www.parliament.gov.pg

The full system will go live in June 2014.



Working in Partnerships

TI PNG works to ensure that clear anti-corruption and transparency standards will be adopted by major institutions. We are often invited to be part of various committees and advisory boards of different institutions. TI PNG values these opportunities and tries to better understand the key leverage points for civil society and where we can make a genuine difference.

TI PNG is represented on the National Land Development Program Advisory Board, Law & Justice Sector, Forestry and Climate Change committees. We work in partnership with Parliament through the Speaker's Office to implement the Open Parliament Project. As part of the National Anti Corruption Strategy Technical Working Committee and the EITI Multi Stakeholder Group, we provide our expertise on corruption and approaches to curb it. TI PNG also works with the PNG Electoral Commission to ensure that the integrity of our electoral processes are upheld.

Our private sector partnership was strengthened during the Independence Corporate Breakfast jointly hosted by TI PNG, the Port Moresby Chamber of Commerce & Industry and the Business Against Corruption Alliance. The keynote speaker was the Chairman of the Commonwealth Foundation, Sir Anand Satyanand. Sir Anand is a lawyer who served as a judge for 12 years and then as a Parliamentary Ombudsman. He was New Zealand's 19th Governor General from 2006 to 2011.

We maintained engagement with corporate organizations through their participation in the Sir Anthony Siaguru Walk Against Corruption and other outreach activities including our lunch & learns and distribution of our quarterly newsletter.

Our focus on youth was enhanced with the formation of Youth Against Corruption Associations in many schools in the National Capital District. YACA is gradually moving into other provinces and we look forward to being part of establishing a network of youth who are committed to creating change.

We welcome any opportunity to work with others to pursue transparency and good governance.



VALUES

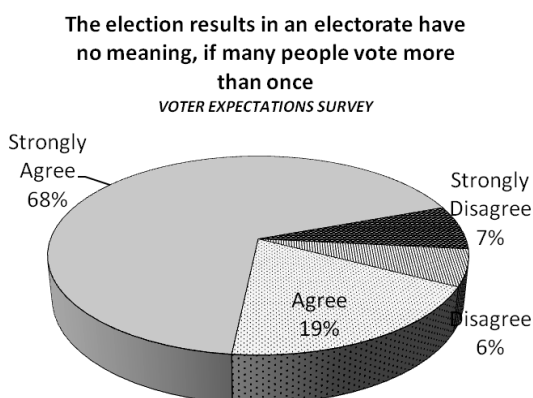
Contribute to instilling a higher level of integrity in our society as stated in the PNG Constitution.

TIPNG has learnt that progress in stopping corruption must include promoting values. TIPNG aspires to see a higher level of integrity demonstrated by organizations and people, especially youth and those in positions of power. We work to develop and implement programmes to promote integrity in youth, future leaders and people in current leadership positions.

National Elections Observation Report

During the 2012 national elections, TI PNG fielded 282 observers. This was the largest number of volunteers we had ever engaged. These observers came from all sectors of society and from a range of urban and rural locations. The information they collected at polling and counting sites were drawn together in the TI PNG 2012 Elections Observations report. The Report also discusses key issues around election integrity. The Domestic Elections Report was launched in February 2013.

- It was TI PNG's view that the 2012 National Parliamentary Elections were seriously flawed to the extent that our democratic traditions continue to be seriously compromised – and as a consequence the trust in the electoral process continues to dissipate.
- Prime Minister Peter O'Neill responded to our report stating that the 2012 elections were significantly better than the 2007 elections with less violence. He believed that the elections were generally fair given the presence of domestic and election observers.
- We are now engaging with the government, PNG Electoral Commission, Constitutional and Law Reform Committee and other key stakeholders to implement change according to the recommendations in the Report.

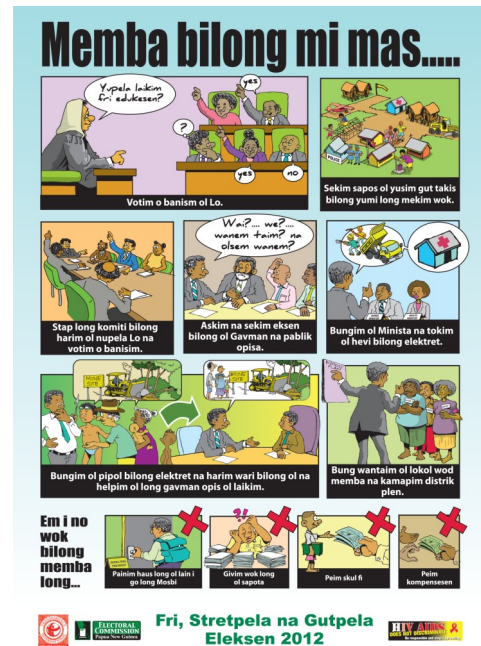


Graph: The results from our Voter Expectations Survey found that 87% of participants thought that the results of an election in an electorate are meaningless if people can vote more than once. The Voter Expectations Survey was an initiative of TI PNG and was conducted to find out what voters wanted from the national election in terms of integrity.

Voter Education

Voter Education is education in support of the electoral process where the primary target is the voter. The Voter Education Project aims to build integrity in the electoral processes through civic awareness. The project was focused on increasing the quality of governance and reduce corruption by assisting voters to make a more informed decision when voting. The project conducted civic awareness through radio panel discussions and advertising, cartoon strips in the newspapers, regional and provincial forums and through street drama.

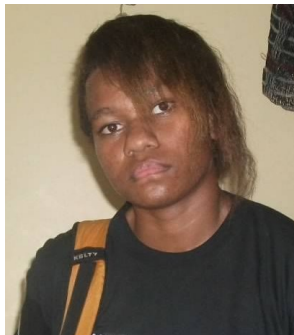
It is important to continue voter education to ensure that voters are well informed and prepared to exercise their voting rights and express their political will through elections.



Mike Manning Youth Democracy Camp

TI PNG runs the Mike Manning Youth Democracy Camps (MMYDC) yearly in an effort to equip young leaders from all over PNG with basic advocacy and leadership skills and notions of human rights and democracy. The MMYDC is part of TI PNG's efforts to build relationships and empower people in PNG to take action against corruption and also contribute to instilling a higher level of integrity as stated in the PNG constitution. In 2013, 60 students from all over the country attended the camp and some of them have taken on the challenge to make a difference in their communities and schools.

Meet Raylance Mesa and Stanley Phillipae who attended the 2013 Mike Manning Youth Democracy Camp.



Raylance Mesa

School: Lae Secondary, Morobe Province

After the camp, Raylance returned to Lae and started a YACA group at her school. After her year 12 exams, Raylance went home to Finschafen and carried out community awareness on the things she had learned at the camp.

She then returned to Lae and collected some books to bring back to Finschafen to start up a Library at the Community School. She also plans to help her people combat sea level rise to save their island.



Stanley Phillipae

School: Tusbab Secondary - Madang Province

Stanley secured a partnership with NBC radio in Madang using it to broadcast educational information about what youth can do to fight corruption.

He has conducted awareness outreach with primary school students and clean-a-thons in Madang

School Based Civic Education

For youth to be able to make the best contribution to our country they need to understand how governance processes and our laws are supposed to work. They need to understand concepts like human rights, democracy, rule of law and advocacy and be able to apply these in their communities. *“The successful realization of Vision 2050 depended on the level of citizen participation and ownership.”* Pg 14, Vision 2050

TI PNG believes there are inadequate materials in schools for teachers to teach civics. In 2008/9 TI PNG had a pilot civic education project for some schools which was well received. We now want to expand and revise the materials and take it to all upper primary and secondary schools.

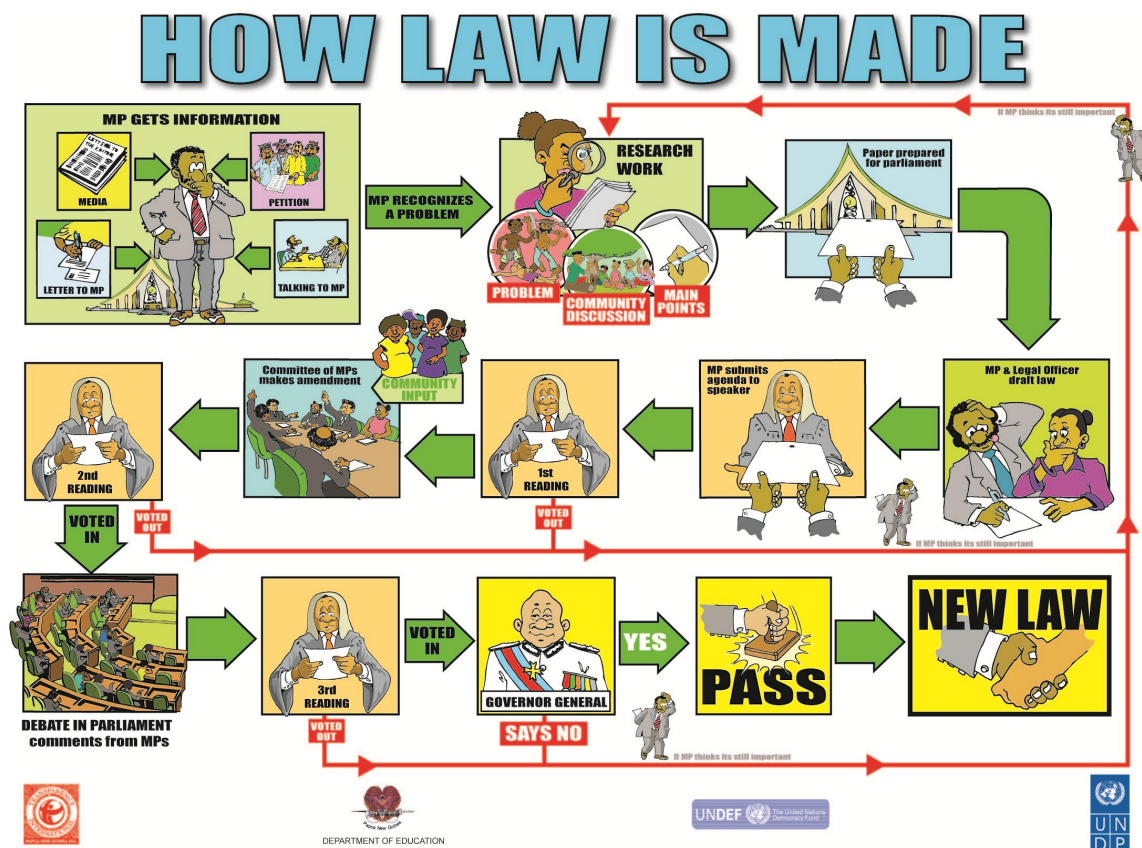
The School Based Civic Education Project envisions that students will be better able:

- to identify the functions and processes of civil society and state institutions and the way they contribute to national integrity.
- to apply skills of active citizenship which model and promote democratic governance in their own community.
- to interact with state institutions and thus demand and articulate for better governance.

Through the Project, TI PNG will produce the following:

- Civic Education Resource Book for Grade 7-12 teachers with 300 interactive exercises
- Student reader with short stories explaining key concepts
- Background Information Book for Teachers
- DVD of Civic Education Videos & Presentations & Sample Lessons
- Review and extend poster set
- Training for all secondary social science teachers & limited training for grades 6-8 teachers

Although the original project materials were designed for the OBE curriculum, the government is now reviewing it. The PNG education system is therefore in a transition to a suitable curriculum. Rather than wait until the new curriculum is ready TI PNG will produce the materials and then later link it to the new curriculum. We believe that the government will always be keen to promote active citizenship and therefore the materials will match the new curriculum.



Launch of PNG Understandings of Corruption Report

Many Papua New Guineans are concerned about corruption, but do not know how to report it. Citizens are also seriously concerned that those involved in corruption will not be prosecuted.

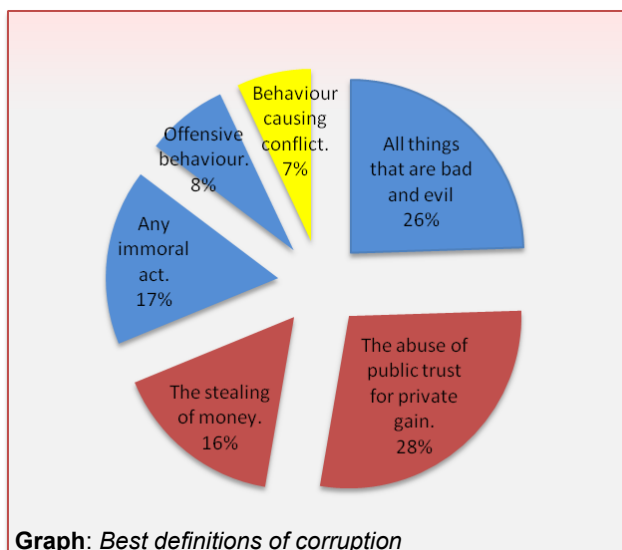
These are some of the findings from a survey carried out by TI PNG. The survey report entitled *Papua New Guinean Understandings of Corruption*, presents findings from nine provinces: Enga, Eastern Highlands, East Sepik, Milne Bay, Madang, National Capital District, New Ireland, Southern Highlands and Sandaun provinces. Researchers spoke to over 1800 respondents about their perceptions of corruption and anti-corruption.

The report showed that corruption continues to affect the lives of many Papua New Guineans. Almost half of all respondents had personally found out about a case of corruption over the past two years. Of those who had personally found out about corruption, 77% said that they were personally affected by it. As a result, three quarters said that the government should prioritise the fight against corruption.

Despite this, only one quarter knew the process for reporting corruption. Seventy-five per cent said that they did not report corruption because those involved would not be prosecuted.

Most respondents believed that poor law enforcement, or poor leadership, caused corruption.

The survey also asked respondents to rate some of the country's anti-corruption organizations during the survey period – 2010 to 2011. While 70% said that the Churches were effective in keeping the government accountable, only 20 – 30% said that the police and parliament were effective.



Graph: Best definitions of corruption

During the survey, when respondents evaluated scenarios depicting corruption, most said that the scenarios were unacceptable, but fewer said they would cause harm. This suggests that people are concerned about corruption, but many do not believe that it directly impacts on their lives.

TI PNG is already using the findings of the research to design its anti-corruption programs.

TI PNG encourages policy makers, academics and researchers to make use of the research findings presented to inform their own work. Further research into areas beyond the scope of this research is also encouraged.

Table: Reasons for not reporting corruption

Reason For Not Reporting	Doesn't affect (%)	Affects a little (%)	Affects a lot (%)	Affects totally (%)	TOTAL (%)
Didn't know where to report it.	13	20	25	42	100
Couldn't prove anything.	12	21	35	32	100
The report would have been useless because the responsible parties would not have been prosecuted	12	13	32	44	100
Those who report only want to create more problems.	27	23	25	25	100
Those who report end up suffering the most.	28	21	25	25	100
Everybody knows about these cases and no one reports them.	11	14	30	45	100
The corruption was so trivial and of little importance that it was not worth reporting it	13	23	29	36	100
Would not have received protection from possible retaliation.	14	24	27	35	100
Did not want to betray anyone.	17	19	24	40	100

EFFECTIVE AND EFFICIENT ORGANISATION

Continue to improve organisational performance

TI PNG has a great team of committed, young passionate staff combined with the depth and breadth of knowledge from the directors. TI PNG works towards maximising the use of resources to encourage effective and efficient organisational performance.

Our staff strive to do more by diversifying and integrating their skills to carry out our mission and work towards the reality of our vision.

- Improving the capacity of our staff is important in strengthening our efficiency. In 2013, the staff of TI PNG attended a lobbying training, a skill vital for our campaigns. This training was facilitated by the International Foundation for Electoral Systems (IFES) and also covered strategic planning, public speaking and prioritising key issues.
- The Advocacy & Legal Advice Centre (ALAC) team attended the Pacific Regional database training in Melbourne conducted by the TI- Secretariat. The ALAC database will assist our officers in providing meaningful corruption complaint statistics that can be used for advocacy.
- In-house trainings has enabled us to acquire better Information Technology and website content management skills. We learn more from each other during our in-house seminars ranging on variety of topics from climate change and REDD+, EITI, civic education and fundraising.



Pacific Chapter Exchanges

In May, TI PNG's Events & Outreach Coordinator, Ms Hane Toua, visited sister chapter in Fiji as part of the Pacific chapter exchange to strengthen communications and working relationships between TI chapters in the Pacific region. Ms Toua took part in TI Fiji's Youth Integrity Initiative Workshop and gave a presentation on "mobilizing youth against corruption" and provided examples of youth initiatives in Papua New Guinea and abroad.

Then in July, Mrs Tokasa Alefaio and Dr Joseph Veramu from TI Fiji came to PNG and took part in TI PNG's Mike Manning Youth Democracy Camp and other TI PNG activities including the observation of the LLG elections in the Central province.

TI global views that most challenges and triumphs faced are regional in nature hence efforts in information sharing are not only important and beneficial but will enhance the anti-corruption advocacy in the region.



(L-R) Hane from TI PNG, Diane Wqavakatoga (Fiji Workshop participant) & Kelly Barker, former TI Fiji staff sharing a light moment during the youth workshop in Fiji.

TI PNG has also hosted chapter exchange for TI Solomon Islands and Vanuatu and looks forward to more knowledge sharing with other TI Chapters next year.

Strengthening our relevance

In 2013, TI PNG underwent a review of its Human Resource systems. The review was focused on recruitment, role of Board, employee contracts, appraisal processes, induction programs, and Board reporting. Interviews were conducted with Program Managers and some new staff as well as several Board directors.

We seek to improve the capacity of the organisation at all levels to focus on designing and strategically implementing projects and programmes. We aim to strengthen our ability to demonstrate and communicate the impact of our work so that our work is better understood.



YOUR SUPPORT MATTERS

In 2013, our corporate membership remain steady at 30 organizations while our individual membership rose to an overwhelming 517 members. Most of these members are youth who are energetic and have shown commitment to curb corruption.

Your support gives us the mandate to represent you in the ensuring that good governance prevails at every level of society. Your support gives us the voice to speak out against all forms of corruption.

You are at the heart of everything we do.

Corporate Membership

- | | |
|---|--------------------------------------|
| 1. Air Niugini Limited | 16. Milne Bay Resources Ltd |
| 2. Auditor Generals Office | 17. Mirupasi Lawyers |
| 3. Bishop Brothers Engineering | 18. Monier Limited |
| 4. Catholic Bishops Conference | 19. Nambawan Super Limited |
| 5. Certified Practicing Accountants PNG | 20. Nationwide Rent a Car |
| 6. Eda Ranu | 21. Ningerum Transport Limited |
| 7. Fresh Produce Development Agency | 22. Office of higher Education |
| 8. Gadens Lawyers | 23. Ok Tedi Mining Limited |
| 9. Hastings Deering Ltd | 24. Pacific MMI Limited |
| 10. Independent Timbers & Stevedoring | 25. PNG Chamber of Mines & Petroleum |
| 11. Investment Promotion Authority | 26. PNG Ports Corporation |
| 12. Johnstons Pharmacies Ltd | 27. PNG Power Limited |
| 13. Kenmore Group of Companies | 28. PNG Ready Mix Concrete Ltd |
| 14. KPMG | 29. Rio Tinto Minerals (PNG) Ltd |
| 15. Lehy Lewin Nutley Sullivan Lawyers | 30. Steamships Trading Company |

Individual Membership

- | | | | |
|----------------------------|--------------------------|-----------------------|-------------------------|
| 1. Abel Yaba | 22. Amo Xaviour | 43. Antonia Swagien | 64. Bernard Buyoyo |
| 2. Abigail Mek | 23. Andrea Neman | 44. Anua Aihi | 65. Bernard Popen |
| 3. Abigail Waula | 24. Andrew George Ulioa | 45. Apinah Wenani | 66. Bertha Joan Hetunou |
| 4. Aimos Jennifer | 25. Andrew David | 46. Arianne Kassman | 67. Bertha Lynne Sawyer |
| 5. Aiva Aihi | 26. Andrew Gibson | 47. Asa Emmanuel | 68. Boas Hiahowi |
| 6. Aiveso Kaina | 27. Andrew Mopio | 48. Askurar Rose | 69. Boura Goru Kila |
| 7. Albert Amos | 28. Andy Pape | 49. Awape Sammy | 70. Bruce Molio |
| 8. Albert Tapan | 29. Angai Howard | 50. Awwa Minembi | 71. Bruno Kaire |
| 9. Albert Saul | 30. Angela Aihi | 51. Barbara Kassman | 72. Bubuung Teine |
| 10. Ali Tepi | 31. Angelica TSong | 52. Barbra Thomas | 73. Calvin Sio |
| 11. Alice Token | 32. Angelyne Simon | 53. Barbra Konde | 74. Cameron Kandambui |
| 12. Alison Martin | 33. Anne-Marie Miyoni | 54. Barry Semese | 75. Carlos Itimbien |
| 13. Allan Kwalu | 34. Anna Michael | 55. Bathsheba Anton | 76. Carol Peter |
| 14. Allan Andrew Eko | 35. Anna Kaiap | 56. Beatrice Wani | 77. Carolyn Sanis |
| 15. Alphonse Israel | 36. Anna Ofa | 57. Belinda Kanau | 78. Cathy Angai |
| 16. Angelyne Limbiye | 37. Annith Malagui Klink | 58. Ben Maliwan | 79. Cathy Rumints |
| 17. Alphonse Alofa Rai'ava | 38. Anasca Pakop | 59. Ben Makmop | 80. Charlene Ruppumae |
| 18. Althea Kavi | 39. Anthony Akeke | 60. Benedick Suar | 81. Charles Tongia |
| 19. Amanda Malagui | 40. Anthony Ambu | 61. Benjamin Boffeng | 82. Charlie Gilichibi |
| 20. Amanda Harper | 41. Anthony Mandut | 62. Bernadette Kaukia | 83. Chris Yamboi |
| 21. Abraham Wakoi | 42. Antonia Ganim | 63. Bernard Bill | 84. Chris Oroho |

85. Christopher Lam	136. Etira Steven	187. Jack Bagita	238. Jonathan Kraip
86. Clarence Gangai	137. Eunice Samai Reu	188. Jack Penias	239. Jonathan Holingu
87. Claydis Charles	138. Evoa Simegun	189. Jackandua Eliot	240. Jones Paul
88. Clinton Manai Tabel	139. Feliana A Koriwa	190. Jacob Kaiap	241. Josephine Gull
89. Clyde Hota	140. Finley Tworere	191. Jacob Ninkama	242. Joshua Sialis
90. Clyde Willis	141. Fidler Kohuli	192. Jacob Taule	243. Joshua Maine
91. Conelia Ravi	142. Florence Yahamani	193. Jahmenn Sagem	244. Joyce Amot
92. Comeleah Jajaem	143. Fr John Glynn	194. James Pilis	245. Junior Jacob Taule
93. Cescenthia Tarama	144. Fr Willie Suai	195. James Japele	246. Kaiva Kayasen Ipai
94. Crystal Arango	145. Francis Tavonga	196. James Popo Bauai	247. Kalechris Maha
95. Dagia Aka	146. Francis Koson	197. James Gore	248. Kalyna Taule
96. Daisy P Semer	147. Francis Roximou	198. Jamin Gumbishua	249. Kami Jorden
97. Daniel George	148. Frank Wonea	199. Janeane Kerapi	250. Karaho Teoti Asimi
98. Daniella Hombi	149. Freddy Samo	200. Janessa Mou	251. Karol Kakavu
99. Daniella Edim Vaieke	150. Fredrick Angoman	201. Janet Luma Murikie	252. Kase James
100. Daphne Kallan	151. Gada Nigu	202. Janet Paul	253. Kates Andrew
101. Darius Arnold	152. Gail Edoni	203. Janke Joe	254. Keke Dayom
102. Darius Bobonde	153. Geary Dominic	204. Jason Rabi	255. Kelos Edwin
103. Darlene Hannette	154. Gena Kaiulo	205. Jayson Hela	256. Kenneth Mollock
104. David Tozomosii Dada	155. Gennie James	206. Jean Talitz Sovek	257. Kerison Sio
105. David Espire Eigen	156. Georgina Temo	207. Jeanlyn Sabak	258. Keron Kilip
106. David Sepmat Gavara	157. Gerad Gabud	208. Jeffery Bagita	259. Kevin Lali
107. David Auri	158. Gizella Waram	209. Jetis Mune	260. Kiliapain Ba'afe
108. David Aniap	159. Gloria I Beremu	210. Jemimah Taganny	261. Kimberly Buka
109. Dawitaimo Heau	160. Goini Loko	211. Jemimah Monape	262. Kimberly Bomet
110. Delilah Wasi	161. Gotaly Bando	212. Jenny Thomas	263. Korua Vira
111. Des Blake	162. Grace Phillipae	213. Jenny Thomas Jnr	264. Kubaty Simon
112. Diana Songo	163. Grace Sabadi	214. Jeremy John	265. Kuten Berrau
113. Diba Samano	164. Grace Lawtul	215. Jerry Sio	266. Kymerlee Cholai
114. Dickson Edwin	165. Grace Alipet	216. Jerry Bagita	267. Lavinia Yablan
115. Dominic Wasida	166. Grace Apenda	217. Jerry Henson	268. Laviong Grace
116. Dorraine Kapo	167. Graffy Hataba	218. Jessica Iropu	269. Lawrence Stephens
117. Douveri Henao	168. Gray Masa	219. Jessica Dangi	270. Laythan Tapat
118. Dr Able Yamba	169. Gregory Gambasim	220. Jessy Herris	271. Leigh Rice
119. Dr Harry Sakulas	170. Habia Babe	221. Jiman Melvina	272. Leilani Ose
120. Eddie Thomas	171. Hadassah Semark	222. Jimmy Kobila	273. Leo Manarip
121. Edna Sonnyara Kewa	172. Hane Toua	223. Joachim K Salin	274. Leo Kayver
122. Edward Tangole	173. Heather Apo	224. Joanne Uyam	275. Linda Angli
123. Edward Pelemon	174. Helix Yaupen	225. Job Kawak	276. Linus Suwun
124. Efraim Dimson	175. Henry Waguba	226. Jobbie G Ferea	277. Lisa Gloria Larry
125. Elias Kombut	176. Henry Okole	227. Joe Sembe	278. Lisa Costigan
126. Elijah Terry	177. Hezron Warike	228. Joel John Kawasali	279. Loa Carolyn Morea
127. Elijah Cha'ngau	178. Hupsi Andrew	229. Joel Gamuk Puri	280. Lohia Toua Dayom
128. Elsheba Agon	179. Ian Tarutia	230. John Simbai	281. Lonny Yanpa
129. Elstone Marcus Suzze	180. Ian Short	231. John Donigi	282. Lorraine Thomas
130. Elvi Posia	181. Ishmael Gamed	232. John Varey	283. Lota Rapila
131. Emily George Taule	182. Israel Kine	233. John Warangi	284. Louis Ronald
132. Emmanuel Bents	183. Israel Naemon	234. John Kriosaki	285. Lucinda Kisip'
133. Emmanuel Narokobi	184. Itupa Numu	235. John Karani	286. Luen Anthony
134. Enos Wageng	185. Jacinta Gava	236. John Simbai	287. Lynus Ipar
135. Esmin Peter	186. Jancita K Dengan	237. Jonathan Tuwong	288. Maca Ratabua

289. Mayhaymen Moi	340. Natachee Namiu	391. Renee W Parai	441. Smith Karl
290. Madeline Vincent	341. Natalie Brown	392. Reverend Vagi Noho	442. Solomon Mark
291. Madison Rageau	342. Naulam Benjamnin	393. Rex Akeke	443. Solomon Mape
292. Magdaline Bitu	343. Naurli Benjamin	394. Rexley Unini	444. Sonia Keu
293. Maisy Malala	344. Naurli Darley	395. Richard Wayne	445. Sonia S Sioni
294. Makalai Bell	345. Nella Wuriam	396. Richard Weightman	446. Sr Celine Yakasere
295. Malakai Zephaniah	346. Nelson S Kufur'her	397. Richard Kassman	447. Stacey Niaka
296. Malcolm Nama	347. Nelson Kamako	398. Richard H Samano	448. Stanislynn Kari
297. Marcus Pelto	348. Nen Samarithy	399. Ricky Joseph	449. Stanley Phillipae
298. Margaret Kawa	349. Newman Kum	400. Robert Mamba	450. Steve Bueng
299. Margreth Jalum	350. Nichola Raiko	401. Robert Tamatai	451. Steven Layton
300. Maria Amol	351. Nickson Yaga	402. Robert Igara	452. Steven Siang\
301. Marie Paul	352. Nicky Aizue	403. Robin Jamie	453. Steven Bonamu
302. Marimum Haivivi	353. Nigel Uyam Kelim	404. Robin Komauat	454. Suesan Sellick
303. Mark Memedu	354. Nigel L Totona	405. Robin K Kawat	456. Susannia Awaisa
304. Martha Apandang	355. Nigul Christopher	406. Roland Manua	457. Suwi Chris
305. Martha Kaia	356. Noella Overari	407. Rosa Poro	458. Suzie Kukuian
306. Martha Sere	357. Nollen Uram	408. Rosemary V Sovek	459. Tadius Sesega
307. Martin Kori	358. Norrish KandeK	409. Roshinah Wari	460. Tagou Kamning
308. Martina Balangu	359. Obert Gamutzh	410. Roslyn Mea	461. Tamarah Munjin
309. Mary A'aru	360. Obert Amos Charlie	411. Rovena P Munzika	462. Tamasombo Maslen
310. Maryanne Gitai	361. Oma Wamu	412. Ruddie Artango	463. Tanya Angi
311. Marylyne Siginkamrai	362. Pagasa Sabina	413. Rufina Peter	464. Tau Kabai
312. Masi Lawrence	363. Paliame Palisah	414. Runniel Korarome	465. Terence Taba
313. Mathew Sam	364. Pame Kwai	415. Ruth Tamosen	466. Thomas Dedmai
314. Mathew Mumu	365. Pan Hai Bin	416. Ruth Kewa	467. Thompson Yanang
315. Mathilda Philipae	366. Pan Yuan Bian	417. Salika Gaga	468. Titus Yang
316. Mavi Ranau Winas	367. Pandu Jethro	418. Salvador Gongi	469. Titus Wokina
317. Mega Gai	368. Patricia Kauva	419. Sam Ahabh	470. Topio Lucas
318. Melanie Tamosen	369. Patrick Margo	420. Sambotumua Norbert	471. Tracey John
319. Melissa Rufen	370. Patrina V Kaboanga	421. Sebastine Dabuna	472. Troy Taule
320. Merlyn Norman	371. Paul Aiwal	422. Seini Fisi'ihoi	473. Uboi Fafani
321. Merolyn Pipiran	372. Paul Barker	423. Serah Tambai	474. Urum Moses
322. Messy Guddy	373. Pearl Walters	424. Serah Napo	475. Ururu Hubert
323. Methusesah Wabira	374. Peri Malcham	425. Serena Sasingan	476. Valinah William
324. Michael Willih	375. Peter Kunump	426. Seu N Adrian	477. Vanessah P Yawing
325. Michael Terania	376. Peter Davamosi	427. Shane Savora	478. Vau V Leveni
326. Michael McWalter	377. Peter Aitsi	428. Shannie Kiram	479. Vele Rupa
327. Michael Apul Phillips	378. Peterson S Baina	429. Sharon Kepas	480. Verberna Rema
328. Michelle Wong	379. Philemon Umkana	430. Sharon Penias	481. Veronica Wangilen
329. Michelle Hau'ofa	380. Philip Dagun	431. Sheila Lokoloko	482. Vincent Banimo
330. Milenorne Pilo	381. Pastor Lip T Kinako	432. Shirley Marjen	483. Vincent Ako
331. Miranda Joshua	382. Pr Yasam Aiwara	433. Siawa S Danaben	484. Volka Su
332. Mondo Kagl	383. Rachael Siopo	434. Simeon Baintaro	485. Wagira John
333. Mopal Erickson	384. Rangit Jonty	435. Simeon Sarea	486. Wallis Yakam
334. Morea Arua Morea	385. Raphael Kaiap	436. Simeon Yak	487. Wangisombi Jethro
335. Mogan Jicky	386. Raylance Mesa	437. Simon Humbi	488. Wasa Malu
336. Moro Magundu	387. Raymond Gamuna	438. Simon Jenkins	489. Wendy Alu
337. Morumba Dua	388. Rebecca Gawareng	438. Simon Waia	490. Wial Bobonga
338. Moses Dika Johnson	389. Regina Yarus	439. Sisa Kini	491. William Lorro
339. Myllanina Yangmari	390. Regina Iraag	440. Sixtus Ipan	492. William Mien

493. William Malt
494. Wilson S Wutga
495. Wrondimi Jobby
496. Xanadu Voyorite
497. Yambun Wal
498. Yaras Daniel
499. Yohhain Aihi
500. Yuangi Laisa
501. Zana Zoriry
502. Zaraleena Adamson
503. Zeena Tatakali
504. Zora Kera
505. Anne Penias
506. Carolyne Seeto
507. Emma Maima
508. Kase Shane
509. Michael Sasi
510. Newman Wawengen
511. Oliver Norbetau
512. Sebastine Guarim
513. Yvonne Ngutlick
514. Christine Kula
515. Hazel Duduwega
516. Sophia Raim
517. Karen Modewa

FAMILY & ASSOCIATIONS

1. Ainiu Eloliuane Ne Pakena
2. Bugeg Educational Troupe
3. Arua F Toua & Family
4. Nicholas Patrick Tokmun & Family

OUR BOARD OF DIRECTORS



LAWRENCE STEPHENS

Chairman

Experience and expertise:

Sustainable community, organisational and social development program management, social and political advocacy, NGO governance. Management and team leadership. Current board member of Dove Travel, Rural Airstrip Agency, Word Publishing, Finance Board Catholic Bishops Conference, Finance Committee Arch Diocese Mt Hagen.

First elected: 2005

Positions held: Chairman, Secretary



GAIL EDONI

Secretary

Experience and expertise:

Education Management and International Accreditation, workshop facilitator, staff development and leadership training, Consultant to the National Department of Education on Vernacular Education, Community Development, international consultant, assisting nonprofits, served on MAPANG Board, Evangelical Alliance Board, currently serving on PNG Bible Translation Association board.

First elected: 2009



MICHELLE HAU'OFA

Acting Treasurer & Board Director

Experience and Expertise: Private sector background, property development & management, business development, experience in public sector and in community development, advocate of individual and corporate social responsibility. Currently serves on the board of the PNG Tribal Foundation and Board of Buk bilong Pikinini as Dame Carol Kidu's alternate.

First Elected: 2013



PETER AITSI, MBE

Board Director

Experience and Expertise:

Commercial manager, managed leading organisations, working with civil society organisations. Current member on the boards of PNGFM, City Pharmacy, Coral Sea Hotel Group, and IPBC. Vice President of PNG Chamber of Mines & Petroleum.

First Elected: 1999

Positions held: Chairman



CHARLIE GILICHIBI

Board Director

Experience and Expertise:

Information Technology, business administration. Currently Vice President of UPNG MBA Alumni, president of Yangorru-Saussia Professional Network.

First Elected: 2009



SISA KINI

Board Director

Experience and Expertise:

Social impacts, communication for development, business administration, NGO work. Former executive director of Community Development Initiative Foundation.

First Elected: 2010



MICHAEL MCWALTER

Board Director

Experience and Expertise: Oil and gas expert working with governments around the world to promote good petroleum resource management and regulation, and good petroleum resource revenue management, frequently working with the World bank, Asian Development Bank and USAID. Current member of the Catholic Bishops Finance Board, Vice President of the Circum-Pacific Council for Energy and Mineral Resources, Treasurer and Delegate-at-Large for the Asia Pacific Region of the American Association of Petroleum Geologists.

First Elected: 2004



JOHN TOGUATA, CBE, QPM

Board Director

Experience and Expertise: Anti-corruption advocacy, worked with law agencies including the PNG Ombudsman Commission, former police officer.



FR JOHN GLYNN, OL

Board Director

Experience and Expertise: Secondary school teacher, school administration, priest and parish administration, NGO formation and administration, Social and pastoral counselling and support, limited writing and broadcasting experience. Currently patron, founder and board member of WeCARE! Foundation, Patron Founder of the Youth Against Corruption Association, chaplain and counsellor.

First Elected: 2002

RESIGNED

GOINI LOKO

Board Director

First elected: 2012

PAUL NINDIPA

Treasurer

First elected: 2005



EMMANUEL NAROKOBI

Board Director

Experience and Expertise: Law, designer, business owner, actor, photographer, blogger, DJ, event manager, media.

First Elected: 2012



RUFINA PETER

Board Director

Experience and Expertise: Agricultural economics, agricultural science, business, senior researcher, policy and planning, work experience in the public and private sector. Member of PNG Women in Agriculture Development Foundation

First Elected: 2013



DOUVERI HENAO

Board Director

Experience and Expertise: Executive Director of Business Council of Papua New Guinea, researcher, policy oversight.

First Elected: 2013



DES BLAKE

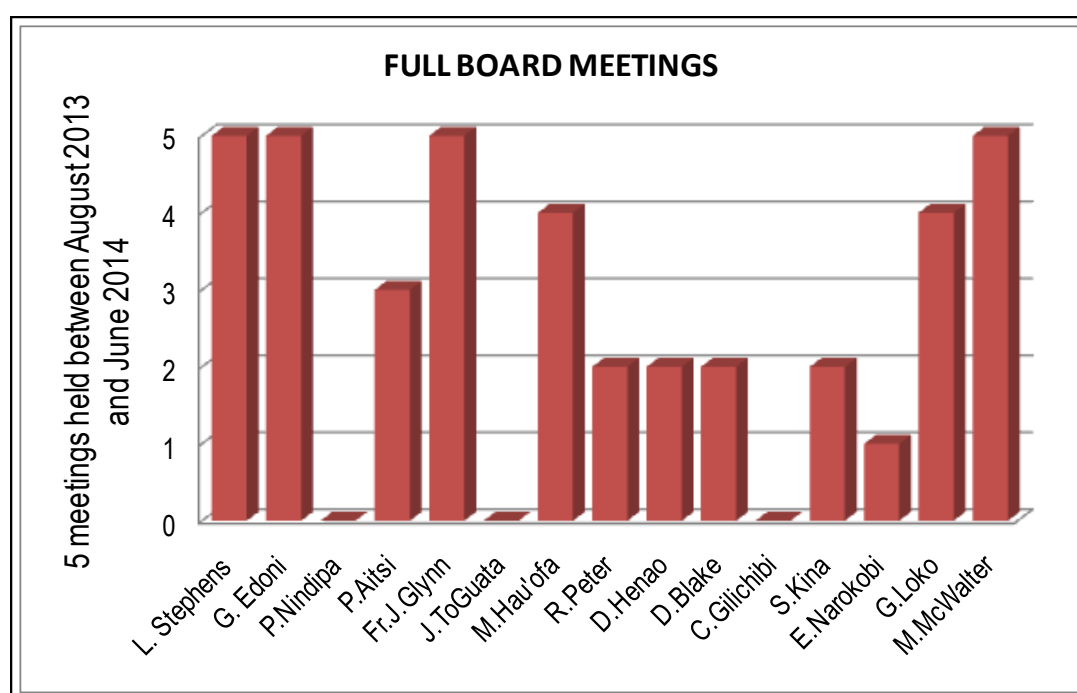
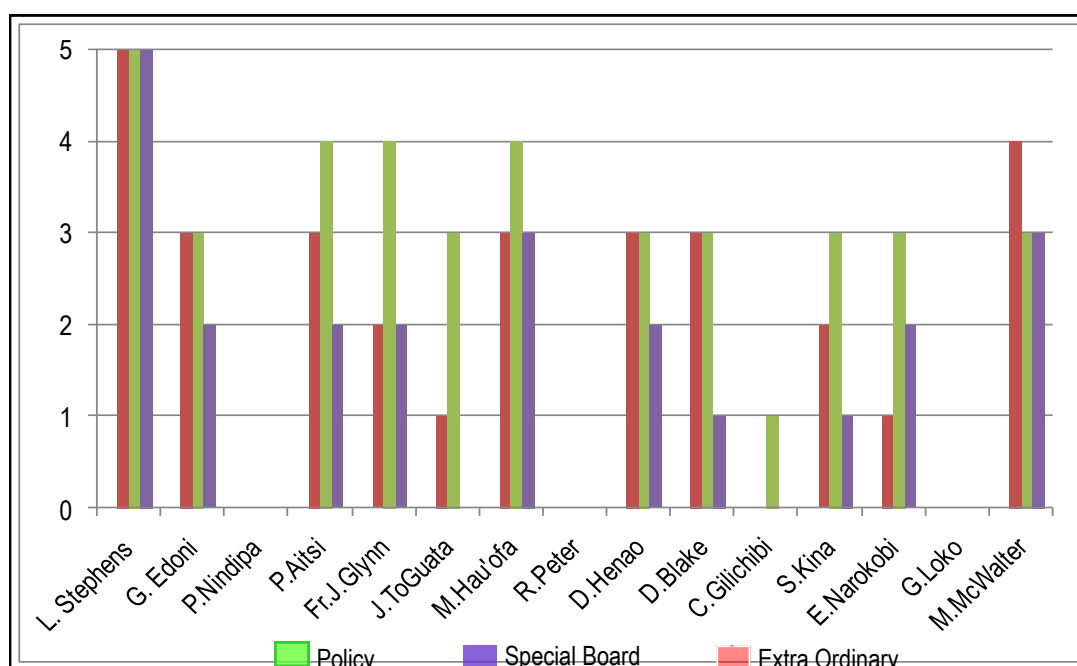
Board Director

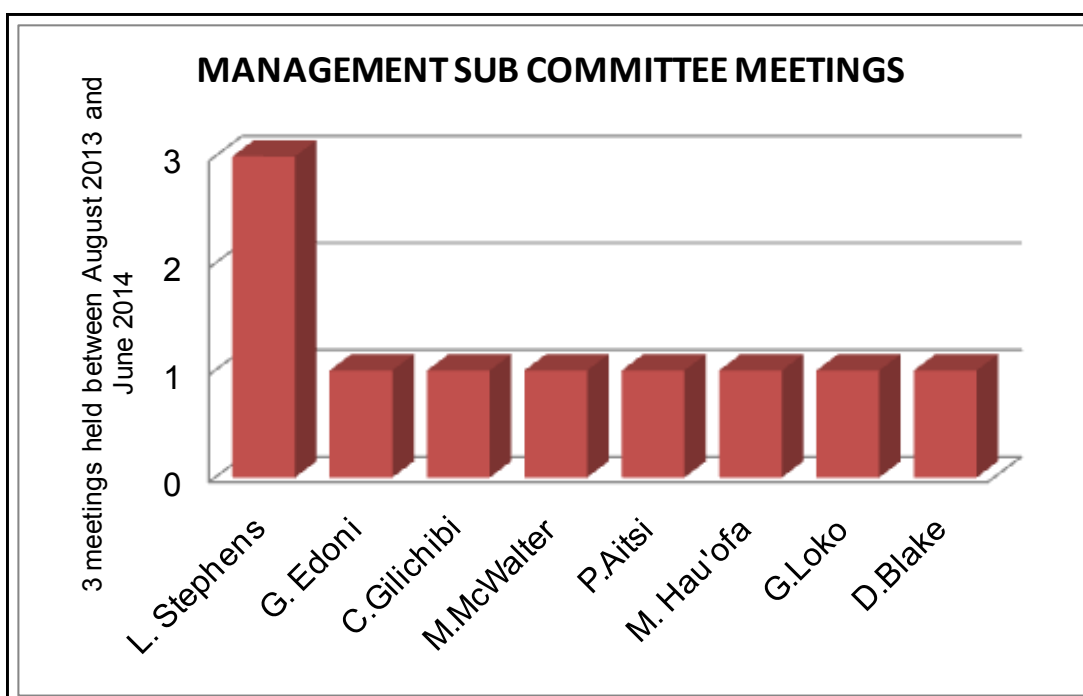
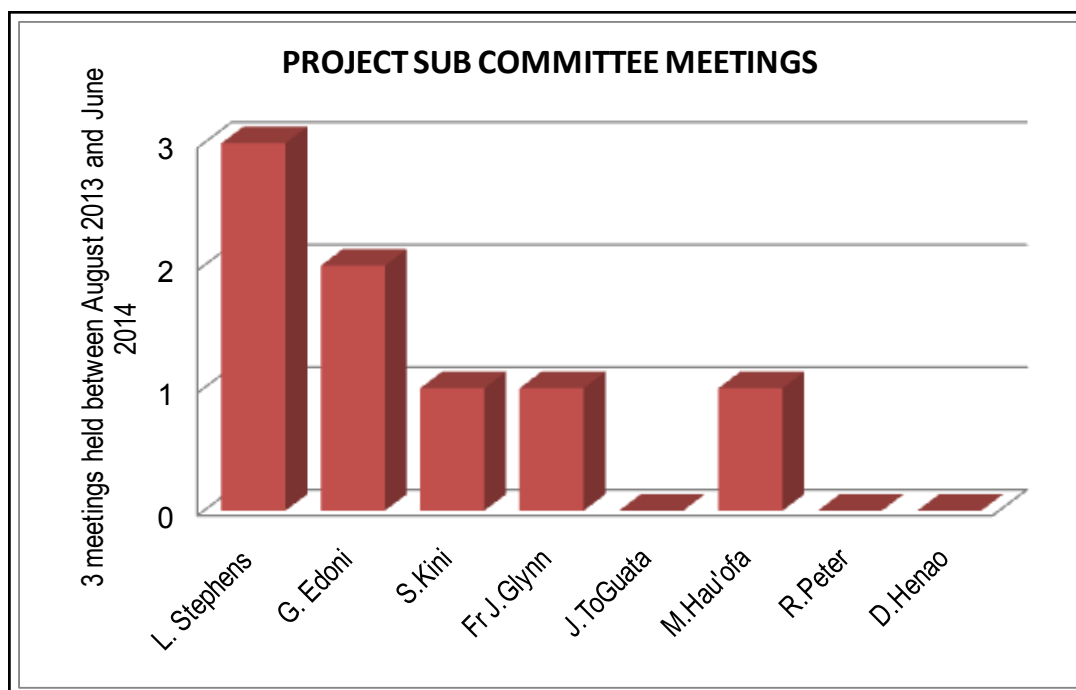
Experience and Expertise: Marketing, international oil trading, supply and distribution, project management, manufacturing, and the not-for-profit sector. Extensive Senior Management and Director experience. Held Group General Manager and Senior (AusAID) Adviser roles in PNG and Chief Executive Officer roles in Australia, visiting lectureships at Victoria University. Deputy Governor of POMIS, President, Boroko Amateur Swimming Club.

First Elected: 2013

BOARD CONTRIBUTION

TIPNG Board Directors volunteer their time and expertise towards the image of the organisation. In 2013, there were 15 directors and their commitments are reflected in the graphs below. Directors are appraised on their contribution of time, feedback to board policies, liaison with management and activities undertaken as TIPNG representatives. These graphs are from the period of August 2013 to May 2014.





SIAGURU ENDOWMENT FUND

The founder of Transparency International PNG , Late Anthony Siaguru devised the idea of an Endowment Fund that would provide a stream of funds to the TI PNG office. The funds would allow TI PNG to raise itself above subsistence level and invest in its own future. The legal instrument was established and the Endowment Fund was made a reality in 2003. Sadly, Sir Anthony passed away and in his honour, the TIPNG board decided to change the name of the fund to the Siaguru Endowment Fund.



SIAGURU ENDOWMENT FUND OVERALL SUMMARY OF INVESTMENTS

AS AT 31 DECEMBER 2013

A: INTEREST BEARING DEPOSITS

Name	Term deposit no.	Rate	Maturity	K
1) Credit Corporation	604488/200989	1.45%	24-Feb-14	536,561.25
2) Credit Corporation	604488/200755	1.50%	26-Apr-14	392,553.06
3) Credit Corporation	604488/200764	1.50%	26-Apr-14	272,989.50
4) Credit Corporation	604488/201168	1.00%	26-Mar-14	221,915.34
5) Credit Corporation	604488/200729	2.05%	08-Apr-14	217,652.26
7) Westpac	6003349437	1.50%	11-Jun-14	386,055.74
				2,027,727.15

Interest Receivable @ 31 December 2013

13,141.21

B: CASH AT BANK

ANZ Bank (KPMG Trust Account)

0.00

OVERALL TOTAL OF INVESTMENTS

2,027,727.15

FINANCIAL REPORT

Transparency International Papua New Guinea Inc.

Financial Statements

31 December 2013

FINANCIAL REPORT

Transparency International Papua New Guinea Inc.

Contents

Statement by the Executive Committee.....	1
Independent auditor's report to the Committee Members of Transparency International Papua New Guinea Inc.	2
Statement of Income and Expenditure for the year ended 31 December 2013	4
Statement of Financial Position as at 31 December 2013	5
Statement of Cash Flows as at 31 December 2013	6
Notes to the Financial Statements.....	7

FINANCIAL REPORT

Transparency International Papua New Guinea Inc.

Statement by the Executive Committee

1. The deficiency for the year ended 31 December 2013 amounted to K221,406 (2012 – surplus of K220,451).
2. The payment of any dividend or any payment in the nature of a dividend to its members is prohibited under the rules of Transparency International Papua New Guinea Inc. (the Association).
3. As stated in Note 1 to the financial statements, this is a special purpose financial report that has been prepared to comply with the rules of the Association and must not be used for any other purpose.
4. The financial statements have been drawn up in accordance with accounting policies as described in Note 1.
5. In the opinion of the Committee Members of the Association:
 - (a) the financial report and notes, set out on pages 4 to 14, give a true and fair view of the financial position of the Association as at 31 December 2013 and the results and cash flows of the Association for the year ended 31 December 2013;
 - (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 23rd day of June 2014

FINANCIAL REPORT



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 statements of Transparency International Papua New Guinea Inc. (the Association), which comprise the statement of financial position as at 31 December 2013, the statement of income and expenditure, and statement of cash flows for the year ended on that date, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory information. The basis on which the financial statements have been prepared is set out in Note 1 to financial statements.

Association Committee's responsibility for the financial statements

The Association's Committee is responsible for the preparation of these financial statements such that they present fairly in accordance with the summary of significant accounting policies set out in note 1 to the financial statements and the requirements of the Associations Incorporation Act and for such internal control as the Association's Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements 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 judgement, 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 entity'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's Committee, as well as evaluating the overall presentation of the financial statements.

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 accompanying financial statements:

1. comply with the financial reporting requirements of the Association's Incorporation Act; and
2. present fairly the financial position of the Association as at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with the summary of significant accounting policies set out in note 1 to the financial statements.

FINANCIAL REPORT



Independent Auditor's Report

Transparency International Papua New Guinea Inc.

Restriction on distribution or use

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

A blue ink signature, likely of a representative from PricewaterhouseCoopers, written in a cursive style.

PricewaterhouseCoopers

By:

A blue ink signature, likely of Christopher Hansor, written in a cursive style.

Christopher Hansor
Partner

Port Moresby
23 June 2014

FINANCIAL REPORT

Statement of Income and Expenditure for the year ended 31 December 2013

	Note	2013 K	2012 K
INCOME			
Project funding	4	2,301,646	2,548,725
Core funding	4	<u>2,169,233</u>	<u>1,759,675</u>
Total income		<u>4,470,879</u>	<u>4,308,400</u>
EXPENDITURE			
Project expenses		2,301,646	2,548,725
Core expenses		<u>2,390,639</u>	<u>1,539,224</u>
Total expenditure		<u>4,692,285</u>	<u>4,087,949</u>
NET (DEFICIENCY) SURPLUS FOR THE YEAR		<u>(221,406)</u>	<u>220,451</u>

FINANCIAL REPORT

Statement of Financial Position as at 31 December 2013

	Note	2013 K	2012 K
MEMBERS' FUNDS			
Members' funds brought forward		896,776	676,325
Net deficiency/surplus for the year		(221,406)	220,451
TOTAL MEMBERS' FUNDS		675,370	896,776
Represented by:			
NON-CURRENT ASSETS			
Property and equipment	5	189,953	172,656
CURRENT ASSETS			
Cash	6	1,069,068	1,445,907
Accounts receivable	7	770,330	471,816
		1,839,398	1,917,723
TOTAL ASSETS		2,029,351	2,090,379
CURRENT LIABILITIES			
Trade creditors and accruals	8	295,960	230,564
Unspent project funds	10	1,015,476	942,363
Employee provisions	11	42,545	20,676
TOTAL LIABILITIES		1,353,981	1,193,603
NET ASSETS		675,370	896,776

Signed on behalf of the Executive Committee:



Committee Member



Committee Member

PORT MORESBY



2014

FINANCIAL REPORT

Statement of Cash Flows for the year ended 31 December 2013

	2013	2012
	K	K
CASH FLOW FROM OPERATING ACTIVITIES		
Subscription and donations received	85,431	146,730
Core income	2,083,101	1,612,821
Payments to suppliers and employees	(2,553,370)	(1,331,621)
Net cash generated from/(used in) operating activities	<u>(384,838)</u>	<u>427,930</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	701	124
Purchase of property and equipment	(65,815)	(146,127)
Net cash used in investing activities	<u>(65,114)</u>	<u>(146,003)</u>
CASH FLOW FROM FUNDING ACTIVITIES		
Project funding receipts	2,374,759	2,956,533
Project funding utilised	(2,301,646)	(2,548,725)
Net cash generated from funding activities	<u>73,113</u>	<u>407,808</u>
NET INCREASE/(DECREASE) IN CASH	(376,839)	689,735
CASH AT BEGINNING OF THE YEAR	<u>1,445,907</u>	<u>756,172</u>
CASH AT END OF THE YEAR	<u><u>1,069,068</u></u>	<u><u>1,445,907</u></u>

FINANCIAL REPORT

Notes to the financial statements

1. ACCOUNTING POLICIES

These special purpose financial statements have been prepared in accordance with the Associations Incorporation Act and comply with the recognition and measurement requirements of International Financial Reporting Standards and other General Accepted Accounting Practice in Papua New Guinea.

A. GENERAL ACCOUNTING POLICIES

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

In particular, the following conventions have been applied:

a) Historical cost convention

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

b) Accruals convention

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

B. PARTICULAR ACCOUNTING POLICIES

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

a) Income recognition

- Project Funding - Funding received by the Association as manager for specified projects is treated as a liability (unspent project funds) and recognized as income as project expenses are incurred.
- Core Funding - Funding received by the Association for core funding is treated as income if there is reasonable assurance that the funds will be received.

b) Expense recognition

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

c) Property and equipment

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

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

FINANCIAL REPORT

Notes to the financial statements

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

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

d) Depreciation

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

The principal rates in use are:

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

e) Taxation

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

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

f) Cash

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

g) Accounts Receivable

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

h) 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.

i) 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.

2. INCORPORATION AND PRINCIPLE ACTIVITIES

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

The principal activities of the Association are:

- (i) to raise public awareness and advance the general education of the public in matters relating

FINANCIAL REPORT

Notes to the financial statements

to the nature and consequence of corruption in international business transactions, including overseas development initiatives and existing and other guidelines which exist to combat corruption; and

- (ii) to promote, undertake or commission research for the public benefit in matters relating to the nature and consequence of corruption in international business transactions and the cost of effectiveness of overseas development initiatives and to disseminate the useful results of any such research; and
- (iii) to support and promote the charitable educational aims and objectives of Transparency International, a not for profit organization under German Law, and in particular to assist in securing support in Papua New Guinea for standards of conduct designed to promote transparency and accountability in international business transactions, and to cooperate with other charitable organizations throughout the world with similar objectives; and
- (iv) to provide assistance and expertise to parties to international business trade, investment and economic and social development to assist them in ensuring compliance with economic and social development, to assist them in ensuring compliance with existing anti-corruption legislation and Standards of Conduct established in conjunction with Transparency International in Germany and other bodies of similar orientation; and
- (v) to give the legislative and public bodies and other facilities for conferring with and ascertaining the views of persons and institutions engaged in combating corruption as regarding matters directly or indirectly affecting that activity; and
- (vi) to arrange, provide organize or promote alone or with others the provisions of conferences, lectures, seminars, meetings, courses, exhibitions, training, information and advisory services and other events and services in furtherance of the objects of the association; and
- (vii) to write, make, prepare, edit and print, publish, issue and circulate gratuitously or otherwise reports, periodicals, books, pamphlets, leaflets, articles, films, video tapes, computer software, electronic devices, materials for study or other documents in furtherance of or necessary for the promotion of the objects of the association, or procure any of the above acts.

3. LIABILITY TO MEMBERS

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

FINANCIAL REPORT

Notes to the financial statements

4. PROJECT AND CORE INCOME

Project income for the period is as follows:

	Year ended 31/12/13 K	Year ended 31/12/12 K
Project income - UCTD	16,985	550,561
Project income - SPSN Funding	181,113	223,382
SACLN Income - SPSN A/C	408,535	90,943
Project Income - PACREDD	212,091	177,936
Project Income - ALAC	352,712	221,653
Sponsorship Income - PNGSDP	15,952	51,724
Sponsorship Income - ESSO H/L	79,667	33,505
Project Income - DEO	125,363	258,539
ESP3 Project Funds	18,055	93,826
SACLN Income - Funds in FCA	25,917	-
Project Income - UNDEF 2011	336	-
Project Income - Voter Ed	377,231	-
Project Income - FAO Funding	95,263	137,042
Project Income - BMZ Funding	96,252	209,243
OPP Income - Funds in FCA	171,278	-
Income - Funds Clearing Acc't	277	-
Project Income - SBCE	124,619	-
DEO Income - Funds in Core	-	4,156
Project Income - VEP	-	496,215
	<u>2,301,646</u>	<u>2,548,725</u>

Core income for the period is as follows:

Membership fee - corporate	78,183	143,485
Membership fee - individual	7,248	3,245
Interest on bank account	701	124
NZAID (TINZ) - Core funding	372,471	278,003
Other income	11,659	43,322
SACLN support grant	17,992	-
TI-S support grant	39,417	-
EITI support grant	234,083	-
WAC fees	280,587	219,560
Management fees	129,879	59,663
SPSN Core support grants	785,842	841,364
Project overhead fees	211,171	103,193
CAIEI Core support grants	-	213
Capital expenditure grants	-	67,503
	<u>2,169,233</u>	<u>1,759,675</u>

FINANCIAL REPORT

Notes to the financial statements

5. PROPERTY AND EQUIPMENT

	Vehicles K	Equipment K	Furniture K	Total K
Cost				
At 1 January 2013	126,229	140,413	9,698	276,340
Additions	-	65,816	-	65,816
At 31 December 2013	<u>126,229</u>	<u>206,229</u>	<u>9,698</u>	<u>342,156</u>
Depreciation				
At 1 January 2013	29,404	69,038	5,242	103,684
Charge for the year	29,047	18,804	668	48,519
At 31 December 2013	<u>58,451</u>	<u>87,842</u>	<u>5,910</u>	<u>152,203</u>
Net book value				
At 31 December 2013	<u>67,778</u>	<u>118,387</u>	<u>3,788</u>	<u>189,953</u>
Net book value				
At 31 December 2012	<u>96,825</u>	<u>71,375</u>	<u>4,456</u>	<u>172,656</u>

6. CASH

	2013 K	2012 K
BSP CORE A/C 100038232	53,912	585,550
Petty Cash	1,142	1,212
UNDEF - ANZ 12822916	1,887	2,223
YDC - BSP 1001327201	18,464	47,027
CPS A/C - BSP 1001103665	461	11,574
ALAC Account BSP 1001526762	2,511	184,575
FGI Account - 1001557636	197,292	8,092
UCTD BSP A/C 1001701920	25,772	3,007
Project funds clearing account	303,453	138,373
CAIEI - BSP	28,443	161
VoterEd - BSP 1005659691	429,977	4,449
FASA Project - FAO - BSP 1007766874	1,282	981
FASA Project - BMZ - BSP 1007766973	1,217	89,533
DEO - BSP 1007766916	1,175	88,838
SACLN - BSP 1007766957	2,180	280,312
	<u>1,069,168</u>	<u>1,445,907</u>

FINANCIAL REPORT

Notes to the financial statements

7. ACCOUNTS RECEIVABLE

	2013 K	2012 K
Accrued income	686,011	162,196
Other receivables	310,134	309,620
	996,145	471,816
Allowance for doubtful collection - other receivable	(225,815)	-
	<u>770,330</u>	<u>471,816</u>

8. CREDITORS AND ACCRUALS

	2013 K	2012 K
Accounts payable	15,160	2,048
Accrued payroll tax	136,987	12,237
Accrued rental	90,259	-
Other accruals	53,554	216,279
	<u>295,960</u>	<u>230,564</u>

9. RELATED PARTY TRANSACTIONS

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

10. UNSPENT PROJECT FUNDS

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

	2013 K	2012 K
GGACE Project		
Balance brought forward	2,223	2,223
Expenditure	(336)	-
Balance carried forward	<u>1,887</u>	<u>2,223</u>
YDC Project		
Balance brought forward	51,728	44,881
Receipts	33,154	304,075
Expenditure	(66,418)	(297,228)
Balance carried forward	<u>18,464</u>	<u>51,728</u>
CPS Ausaid Project		
Balance brought forward	21,587	8,799
Receipts	-	96,770
Expenditure	(21,126)	(83,982)
Balance carried forward	<u>461</u>	<u>21,587</u>

FINANCIAL REPORT

Notes to the financial statements

UNSPENT PROJECT FUNDS (continued)

	2013 K	2012 K
ALAC Project Account		
Balance brought forward	132,632	120,535
Receipts	199,227	229,514
Expenditure	(329,348)	(217,417)
Balance carried forward	<u>2,511</u>	<u>132,632</u>
FGI Project Account		
Balance brought forward	12,548	12,749
Receipts	270,863	178,072
Expenditure	(86,119)	(178,273)
Balance carried forward	<u>197,292</u>	<u>12,548</u>
UCTD Project Account		
Balance brought forward	-	54,012
Receipts	49,948	85,006
Expenditure	(24,176)	(139,018)
Balance carried forward	<u>25,772</u>	<u>-</u>
DGTP Project Account		
Balance brought forward	7,250	7,250
Expenditure	(7,250)	-
Balance carried forward	<u>-</u>	<u>7,250</u>
Unspent Project Clearing Account		
Balance brought forward	142,175	284,106
Receipts	2,732,122	2,344,177
Expenditure	(2,570,844)	(2,486,108)
Balance carried forward	<u>303,453</u>	<u>142,175</u>
VoterEd Project		
Receipts	491,106	458,784
Expenditure	(61,229)	(458,784)
Balance carried forward	<u>429,877</u>	<u>-</u>
SACLN Project		
Balance brought forward	287,021	-
Receipts	100,000	377,963
Expenditure	(384,840)	(90,942)
Balance carried forward	<u>2,181</u>	<u>287,021</u>

FINANCIAL REPORT

Notes to the financial statements

UNSPENT PROJECT FUNDS (continued)

	2013 K	2012 K
FAO-FASA Project		
Balance brought forward	58,068	-
Receipts	22,778	212,940
Expenditure	(79,564)	(154,872)
Balance carried forward	<u>1,282</u>	<u>58,068</u>
FAO-BMZ Project		
Receipts	158,829	167,584
Expenditure	(157,612)	(167,584)
Balance carried forward	<u>1,217</u>	<u>-</u>
DEO Project		
Receipts	88,838	520,929
Expenditure	(87,663)	(520,929)
Balance carried forward	<u>1,175</u>	<u>-</u>
LRU Project		
Balance brought forward	227,131	-
Receipts	2,062	227,131
Expenditure	(227,731)	-
Balance carried forward	<u>1,462</u>	<u>227,131</u>
CAIEI Project		
Receipts	91,665	104,400
Expenditure	(63,222)	(104,400)
Balance carried forward	<u>28,443</u>	<u>-</u>
11. EMPLOYEE PROVISIONS		
	2013 K	2012 K
Long service leave	33,020	20,676
Annual leave	8,716	-
Other employee accruals	809	-
Total employee provision	<u>42,545</u>	<u>20,676</u>

12. CONTINGENT LIABILITIES

The Association has previously been granted approval as a charitable body under Section 25A of the Income Tax Act by the Internal Revenue Commission (IRC), and as a result is exempt from income tax. The period of exemption expired in 2011. The Association is in discussion with the IRC to extend the exemption with retrospective effect. As the Association considers it probable that this extension will be granted, no liability for income tax has been recognized in the financial statements at 31 December 2013.

THANK YOU!

The staff and Board of Transparency International PNG Inc. would like to extend their gratitude to the following who have supported us in 2013:

- All our 2013 individual and corporate members for your financial support and commitment towards the fight against corruption in Papua New Guinea
- The media and civil society partners involved in the Community Coalition Against Corruption
- All the volunteers who took part in 2012 Sir Anthony Siaguru Walk Against Corruption
- New Zealand Aid for significant funding and support for TIPNG and other Pacific TI chapters under the Pacific Institutional Network Strengthening Program (PINSP)
- Our major donors who fund our important projects. They are:
 - * PNG Sustainable Development Program
 - * Esso Highlands Limited
 - * Australian Department of Foreign Affairs & Trade through Strongim Pipol Strongim Nesen (SPSN) and Electoral Support Program3 (ESP 3)
 - * Transparency International - Secretariat
 - * European Union
 - * British High Commission
 - * Norwegian Agency for Development Cooperation (NORAD)
 - * Department of International Development
- The Institute of National Affairs (INA), Consultative Implementation & Monitoring Council (CIMC), Family & Sexual Violence Committee (FSVAC), PNG Chamber of Commerce, Business Against Corruption Alliance (BACA), and the National Research Institute, PriceWaterhouse Coopers honorary auditors and KPMG fund managers for being supportive partners
- All the organising committee members, volunteers and participants of the Sir Anthony Siaguru Walk Against Corruption in Port Moresby, Kokopo, Kimbe, Madang, Alotau and Lihir
- All citizens of PNG who continue to fight and believe in a PNG democracy that prospers on the principles of justice, equality, transparency and accountability

MEMBERSHIP FORM



TRANSPARENCY INTERNATIONAL (PNG) INC.

NAME: _____ GENDER: _____

POSTAL ADDRESS: _____

PHONE: _____ MOBILE PHONE: _____

FAX: _____ EMAIL: _____

MEMBERSHIP & FEES

Join TIPNG. Your membership fee helps TIPNG speak out on corruption, on behalf of its members. All members receive a membership certificate and integrity pledge. The fight against corruption is everyone's business because ultimately, only people can stop corruption.

TICK TO INDICATE YOUR CONTRIBUTION

BUSINESS

☐ (Large) K10,000+

☐ (Medium) K2,000+

☐ (Small) K500 +

FAMILY

☐ K100

INDIVIDUAL

☐ (Ordinary) K10

☐ (Student) K5 +

ASSOCIATION

☐ K200+

PAYMENT METHOD

By Cheque: Post to **Transparency International, P. O. Box 591, Port Moresby, NCD** together with the completed application form

By Account Transfer: Make transfer to **TIPNG BSP Account # 1000038232** then post your deposit butt to us or fax to 3202189

NOTES

NOTES



Transparency International PNG INC.

2nd Level IPA Haus, Konedobu
P. O. Box 519, Port Moresby
National Capital District
Ph: (675) 320 2188/88 Fax: (675) 320 2189
www.transparencypng.org.pg
infotipng@gmail.com