

Annual Report and Financial Statements

Financial Year 2022/2023



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What we do

Every day, across the world, those responsible for public infrastructure and service provision fail to deliver on their promises. As a result, far too many communities live with stalled or abandoned projects and sub-standard infrastructure, and have poor or no access to the public services they should be receiving. This leaves children without schools and contributes to poor education outcomes and drop-out rates; pregnant mothers lacking safe places to deliver their babies, and farmers with little or no infrastructure for selling their goods.

Integrity Action believes that the best way to change this is by supporting citizens to take an active part in the ways public infrastructure and services are delivered – and we bring different groups together to make this happen.

We work directly with citizens, helping them secure quality local projects and essential services, including education, health, waste management, water and infrastructure.

We also work with governments, civil society, development organisations, private businesses and other duty bearers to ensure they respond to and work with citizens, and have the capacity and community buy-in to do so.

By developing trust among everyone involved, our collaborative and inclusive approach enables people to identify problems and find solutions together.



How we make a difference

Integrity Action ensures that projects and services genuinely meet citizens' needs – as identified and expressed by communities themselves. We achieve this by creating tools and methods that community members use to record the standards of projects and services they have been promised, identify problems, voice their feedback and collaborate constructively with those responsible to fix problems. Typically, these duty-bearers are governments at local, regional and national levels, and international development actors.

We also use digital tools such as our DevelopmentCheck app to ensure problems and their solutions – or “fixes” – are captured efficiently and accessibly in real time, and data is easily converted into knowledge. This generates the urgency needed to drive action for problems to be resolved effectively.

Since 2019, monitors from local communities, with a wide variety of backgrounds, have identified more than 7,500 problems in the delivery of infrastructure and services that they expect and deserve, and 77% of them have been solved. As these “fixes” accumulate, life starts to visibly improve for communities, while valuable trust is built along the way.

Fostering relationships based on trust

Our 20-year journey has led to recognition of Integrity Action as a global voice in the fields of social accountability, civic technology and open government. We have mobilised citizens in over 20 countries to monitor more than \$1 billion worth of public money, infrastructure and services.

Partnerships are central to our approach. By integrating our methodology and tools with the expertise, insights and commitment of community and national organisations, international NGOs, government actors and researchers, we create tangible, enduring results. Our work helps shape global understanding of the transformational value of citizen-led accountability in democratic development. We are proud that our practical and citizen-powered insights and knowledge are regularly used by experts in the transparency and accountability community worldwide.

By inspiring and supporting governments, businesses and non-profit organisations to improve their approach to accountability and participation, we enable behavioural change that places citizens' voices centrally in decision-making processes. This ensures that they receive the services they deserve.

When we introduced ourselves, the contractor and the workers stepped up because they knew we were watching and would report them if there was any problem. The contractor became very open and shared updates and progress with us. They became conscious that the appropriate authorities would be alerted anytime a fault was detected.

Monitor
SEND Ghana



Welcome note from Gail Klintworth

OUR CHAIR

As Integrity Action celebrates **20 years of operation**, the world within which we work has changed remarkably in many ways (although not in many others).



Over the past few years, we have seen a **global and local order mired in “polycrises”**. The bounce-back from the Covid disruption and associated economic impacts has led to the highest inflation levels since the 1990s. We all face the challenges of food insecurity, energy disruption, health system inadequacies, and security flare-ups in fragile states and many previously considered inherently stable. These realities, underpinned by the observable impacts of the climate crisis, have made our world seem much more uncertain and frightening.

The cracks are widening and deepening, geographically and socially. The disarray in local, regional and international systems and governance means their capacity to respond to these challenges is often inadequate. Many readers of this report may be using their resources to seek to make a difference in addressing our world’s challenges. Whether these resources deliver the desired impact and build greater resilience (and trust) to potentially drive broader systemic change remains an ongoing question in all our minds.

Integrity Action is highly motivated within this context to secure our most valuable role within locally-led development, supporting citizens to hold duty-bearers accountable and to solve their community problems. While no institution may have the solution to the conflagration of risks our world faces, we have remarkable evidence of the potential effect of an empowered citizen as a positive actor, solving issues when they have agency and creating ripple effects beyond an immediate issue.

For example, this report profiles cases in Ghana and Kenya where monitors engaged with infrastructure development projects, including the construction of classrooms and clinics. As a result, communities have been mobilised, relationships with local government and contractors have improved, and there is an increased sense of joint accountability and “can-do” spirit.

Building on successes such as these, we are seeking to extend our work this year to address two areas where we know we can have an important impact:

- The need for fair, transparent and accountable reconstruction that meets citizens’ needs following chaotic disruption and conflict. For example, the massive influx of funds that the international community is pledging to Ukraine presents risks of mismanagement, leakage and corruption that could ultimately prevent the Ukrainian people’s needs from being met.
- The need for fair, transparent and accountable climate solutions that address local needs and deliver the promised results.

We are delighted to have joined forces with the Crown Agents Group in service of this work and expanding our broader impact. An international development agency with 185 years’ experience, Crown Agents has worked in over 100 countries across five continents, with delivery offices in 14 countries. The group works with government, private-sector and NGO leaders to provide solutions in supply chains, health, crisis recovery and response, climate and energy, and governance. The joint forces of Crown Agents’ expertise, capacity and reach, and of Integrity Action’s citizen-empowered solutions create a synergistic opportunity for increased impact for both organisations and our respective stakeholders.

I want to compliment the Integrity Action and Crown Agents teams for their vision and forbearance as they have designed and begun implementing this collaboration. Together, our organisations can deliver more impactful and sustainable solutions, and potentially model a new future of effective and efficient development.

Gail Klintworth
Chair, Integrity Action’s Board of Trustees

Integrity Action joined the Crown Agents Group

Together, Integrity Action and the Crown Agents' Group link citizen participation with improved government operations, strengthening accountability and impact in development by providing an "end-to-end" approach, from the demand to the supply side of governance.



In February 2023, Integrity Action became a member of the Crown Agents' Group. A not-for-profit international development company, Crown Agents has long-standing expertise in partnering with governments to solve the most complex challenges, including delivering quality local projects and essential services. This experience, combined with Integrity Action's citizen-led approach to improving services and infrastructure at the local community level, means that together we can provide an approach that strengthens accountability and impact in projects and services delivered to citizens, from planning and design, to implementation in communities.

"Our joint added value is greater than the sum of our individual expertise," says Integrity Action's CEO, Jasmina Haynes. "We're thrilled to join forces with Crown Agents in this innovative partnership, which responds directly to the world's need for greater impact from not-for-profits. Given the COVID-19 pandemic, increasing global volatility and the accelerating impacts of climate change, it's more important than ever that citizens have an active role in creating a better future, holding leaders and organisations to account for the promises made to them."

Opening new opportunities

Currently reaching more than 120 million people in 86 countries, the Crown Agents' Group brings expertise in supply chains, health, governance reform, climate mitigation and adaption, and crisis response and recovery. The merger opens up many opportunities to achieve even greater impact for communities across the world. For example, in Ukraine, where Crown Agents is currently rebuilding hospitals and securing supplies of essential medicines, Integrity Action's ability to bring a strong citizen voice to infrastructure reconstruction efforts will help minimise corruption and ensure citizens' needs are met locally.

Similarly, in Sierra Leone, where Crown Agents brings solar power to rural health centres, our training and support for community monitors who track operational and maintenance issues will help secure longer-term sustainability. Inspiring programmes such as these and many others help to build a foundation for lasting projects that respond to communities' changing needs and promote a lasting legacy of open government.

We are looking forward to working together with Crown Agents to further increase our joint impact in helping communities worldwide achieve the reliable services and infrastructure they deserve.

What we achieved this year

Bringing citizen-centred reconstruction to Ukraine

War in Ukraine has devastated health infrastructure in many regions. Urgent action is needed as people forced from their homes return to newly liberated areas and need essential healthcare. In response, the Crown Agents Group has secured funding to build four cutting-edge, energy-efficient prefabricated clinics.

Integrity Action is applying our citizen-centred accountability model to monitor progress of the construction. This is in partnership with Patients of Ukraine, a national civil society organisation that amplifies the voices of Ukrainian people in healthcare delivery. In May 2023, we trained staff from the organisation, who will in turn train and coordinate volunteers to monitor construction. Once the clinics are open, they will monitor healthcare delivery too.

“My idea of monitoring was very different before this training,” says a Patients of Ukraine staff member. “I thought it involved collecting data and speaking with the community. Now I know it is much more empowering. It’s about influencing decision making and having an active role in the clinics’ construction.”

Integrity Action has continued to deliver sustainable impact both in response to immediate crises and to address long-term issues. In joining forces with Crown Agents, we have strengthened our relationships with our delivery partners, working closely with governments and local, national and international organisations, and we continue to drive lasting behavioural and systemic change through our programmes.

Building trust between citizens, schools and education duty-bearers

In northern Ghana, community members are continuing to improve project and service delivery for 15 education infrastructure projects. This is part of the Monitoring for Financial Savings (M4FS) programme, implemented by our partner, SEND Ghana. Working in groups of four, 40 monitors are identifying important problems, such as “not enough resources or capacity” and “low quality or incorrect resources”, and bringing about solutions – with impressive fix rates of over 90%. Research shows that monitors have learned new knowledge and skills. Additionally, they have developed the confidence to demand quality infrastructure delivery from appropriate public officials in their regions (see page 8).

As well as achieving impact in project delivery, the programme is building a legacy of trust and collaboration between local government, funding agencies, contractors, monitors and communities. Citizens agree that the programme has improved the transparency and accountability of public-sector decisions that affect them, and strengthened open government. Consequently, duty-bearers have become more responsive to communities’ needs.

Creating sustainable citizen monitoring in Kenya

The VOICE programme in Kenya continues to support monitoring of infrastructure projects and strengthening of relationships between communities and local authorities (see page 9). Run by the Kwale Youth and Governance Consortium (KYGC), the programme has this year focused on ensuring its impact continues far beyond its lifecycle.

KYGC has focused on embedding citizen monitoring within the community and is confident that programme activities will continue after the project ends. “Monitors say that the culture instilled during the project will last into the future,” says a staff member. In Kinango, local volunteers have formed a community-based organisation to arrange monitoring and public participation. KYGC has also successfully supported village administrators to bring government budget discussions to a more local level in the communities, through village-level community budget meetings. It is advocating for uptake of this model across Kenya, enabling more communities to engage meaningfully in the government’s public participation processes.

Stories from our work

Inspiring a community to demand completion of classrooms

When overcrowding became a problem at the T. I. Ahmadiyya Primary School in Tootenyili, northern Ghana, building new classrooms seemed a straightforward solution. Construction began in February 2019, in a project expected to last a year and to improve learning conditions for the rural community's children.

Under the Monitoring for Financial Savings (M4FS) programme, implemented in partnership with SEND Ghana, the classroom construction is among 15 education infrastructure projects observed by trained community monitors to ensure timely, good-quality work. The monitors in Tootenyili soon discovered that the contractor was using sub-standard material for the roofing. Faced with residents' anger, the contractor abandoned the construction site, prompting the monitors to quickly take action.

Attracting interest and promoting dialogue

The monitoring group engaged with local people at a personal level to motivate the wider community to help restart classroom construction. As well as raising awareness of the project and the quality issues they had uncovered, the monitors provided community members with pathways to action. Many contacted local representatives and the relevant authorities directly, while young people were inspired to hold a march, demanding accountability from duty bearers and project completion to the required standards as soon as possible.

The demonstration attracted attention from the media and other stakeholders, including a local television station, which covered the story between December 2022 and January 2023. This helped prompt the authorities to take action to address the problem. The monitors ensured a process of continuous engagement between community stakeholders, the municipal assembly and the construction project's government funder, the Ghana Education Trust Fund (GETFUND). This resulted in the municipal assembly cancelling the original builder's contract and issuing a replacement to a new company.

Monitors in northern Ghana identified sub-standard work on a school construction project, so they fostered collaboration between the community and the authorities, prompting the appointment of a new contractor and strengthening local ownership of the project.

Developing community ownership

The monitoring group was drawn from diverse sections of the community, including traditional authorities, people with disabilities and women. This variety enabled members to bring together different sections of the community, and resulted in the delivery of a united, effective message to the duty-bearers responsible for project delivery. By ensuring wide community ownership of the issue, the monitors were able to achieve broad support for resolution of the problem – showcasing the strength of citizen-led monitoring.

The wider Tootenyili community has welcomed the monitors' intervention. Previously low levels of community engagement with the classroom construction project have been replaced by a strong sense of ownership. Young people in particular are well informed about the project and keenly involved, demanding accountability from those responsible for the additional classrooms.

As the new contractor prepares to start work, the Municipal Assembly's Construction Engineer, who oversees construction standards and contract compliance, says: "I must thank the monitors who made this possible by persistently persuading the assembly to resolve the issue. We were compelled to engage and ask GETFUND to decide on a new contractor in the best interests of the community and the pupils. All the documentation has been finalised and we will share copies with the monitors."

Once work is underway, the monitors will resume their oversight role. With backing from their community, they will aim to ensure that pupils at the school can soon benefit from safe, comfortable classrooms that support improved learning.



Stories from our work

Building vital relationships through monitoring

Monitors in Kenya are seeing positive changes in behaviour among duty-bearers and in their communities as a result of the VOICE programme, implemented in partnership with Kwale Youth and Governance Consortium (KYGC).

Community monitors do more than report on the status of development projects and identify problems which need fixing. By improving communication and bringing people together to identify issues and address them in a collaborative way, they build relationships and change people's perceptions of each other. This not only ensures high-quality infrastructure and service delivery, but promotes new behaviours that nurture open government and a culture of participation and accountability – as monitors from the VOICE programme in Kwale County, Kenya, testify.

According to the monitors, the most significant change brought about by the programme is that communities now feel that the government is listening to them. Local administrators have come to recognise and value the monitors' work and the information they gather. In Kinango, for example, monitors have welcomed an improved relationship with the sub-county administrator. Previously seen as authoritative and reluctant to work with the community, since meeting the monitors he has changed his approach.



Keeping duty-bearers informed on project progress

Realising the value of the monitors' insights, Kinango's sub-county administrator now listens to the community, even enabling monitors to share their experience with others. During construction of the Dzivani Early Childhood Development Centre, the monitors gathered evidence of poor project implementation, which they presented to the administrator. This helped him understand the problem, despite not seeing the project site. When the allegations were confirmed by the leading county education official, the administrator began to engage with the monitors. During a public participation forum on county budgets, he responded to a concern about poor-quality project implementation by asking Kinango community monitors to share how they have managed to achieve quality projects in their area.

The monitors had clearly won the administrator's trust. This matters, because when duty bearers trust community members, it becomes easier for local people to share important project information and address problems before they become entrenched and too costly to fix. This increases citizen-centred accountability in Kenya's public infrastructure investments.

Supporting women's leadership and authority

This new relationship between local government and community members isn't the only type of stakeholder relations improved, thanks to the monitoring process. Contractors are engaging better with communities and local project management committees, while the committees have discovered the benefits of working with monitors.

Another important change across Kwale is that women are now taking more of a lead in monitoring activities – and people are listening to them. "I can now confidently speak in front of people," says a female monitor. "I have been selected as the chairperson of the project management committee for Gandini polytechnic, and the deputy governor handed the bill of quantities to me. This is a big win for me as a woman."

Community ownership of local projects

Community engagement in government public participation processes is increasing too. Together, KYGC and local monitors have raised local awareness of people's right to be involved in project planning, how to engage with government participation forums and how to request new projects in their area. As a result, in communities like Gandini, attendance at public meetings has increased and people are voicing their needs – and feeling that the government is listening to them.

Our presence and active engagement create a sense of responsibility among project stakeholders, as they are aware that their actions and decisions are under constant scrutiny. This increased accountability fostered by the citizen monitoring acts as a deterrent against unethical practices, safeguarding the public’s interests and ensuring optimal use of public funds.

Monitor
SEND Ghana



What we have learned

Monitored projects are in better condition: what the data shows

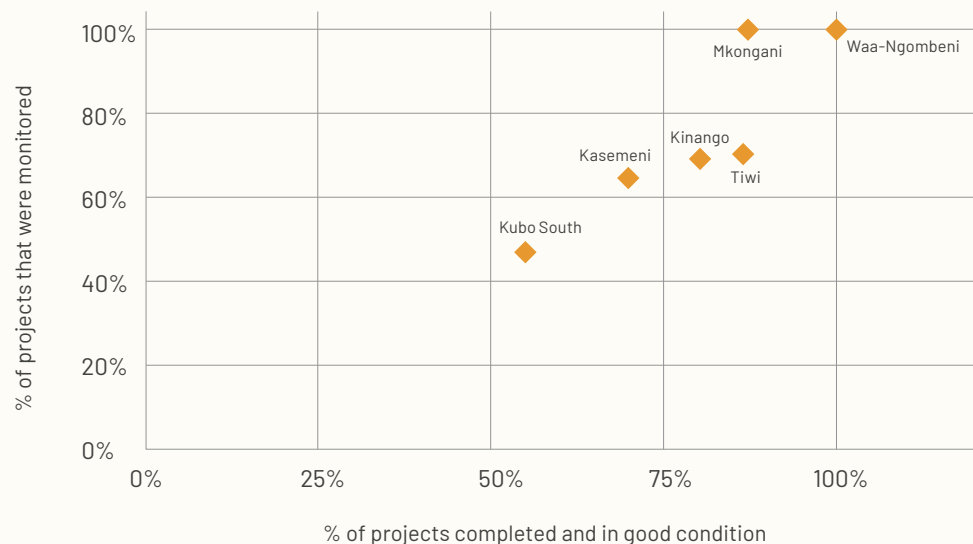


From clinics to classrooms, data collected by Kwale Youth and Governance Consortium in Kenya's Kwale county shows that projects with citizen monitors are in better condition.

What difference has monitoring made to public infrastructure projects in Kwale county, Kenya? To help us find out, volunteers trained and supported by the Kwale Youth and Governance Consortium, our partner in the VOICE project, collected data from projects constructed over the past five years, comparing projects that had been monitored with those that had not. The results show a strong relationship between whether a project was monitored and the condition of the infrastructure. From clinics to dams, water pipes to early learning centres, projects that are monitored are seen to be in better condition than those that are not.

During September and October 2022, the volunteers visited and assessed infrastructure projects, including 109 early childhood development and education centres, 21 health dispensaries, 10 maternity units and 87 water projects, such as boreholes, dams and pipelines. Volunteers were asked to place completed projects into broad categories of "good" or "poor" condition, and to write a free-text explanation of their choice.

Projects in six wards

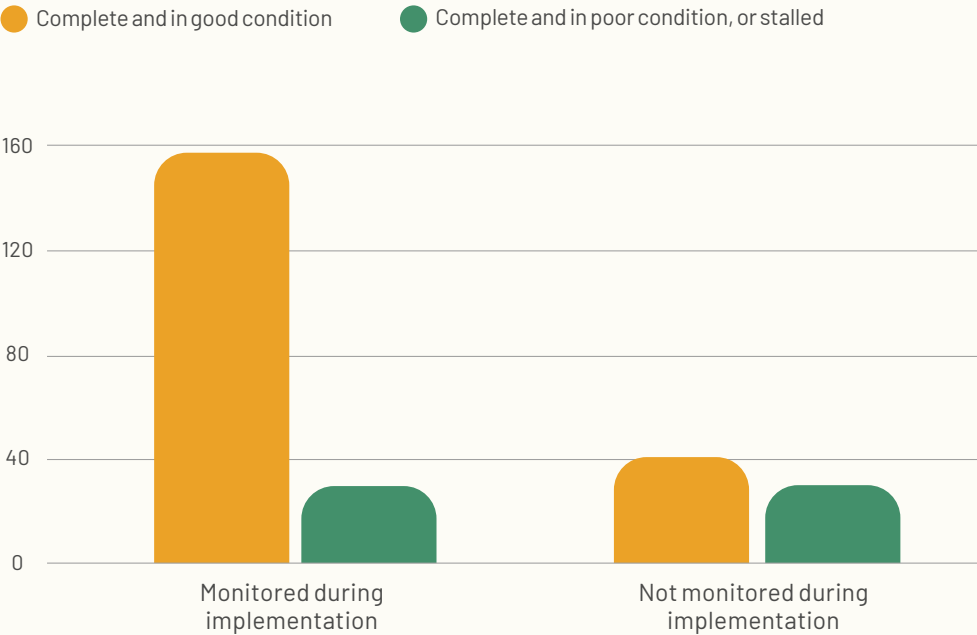


Monitored projects are in better condition

Excluding 24 projects that were still ongoing, the final sample covered 259 projects. Of these, 199 were complete in good condition, and 51 were complete but in poor condition. Nine had stalled completely. Construction quality and maintenance were central to the volunteers’ assessments. Around 60% of the projects recorded as being in poor condition had broken, faulty or missing infrastructure, from exposed wiring to cracked water tanks. Projects deemed to be in good condition were delivered as expected and functioning as intended. Volunteers often described them as well planned and organised, widely used, and appreciated by the community.

The data analysis shows a very strong and statistically significant positive relationship between infrastructure condition and whether a project was monitored. Of those monitored, more than 84% delivered infrastructure in good condition. For those not monitored, only 58% delivered infrastructure in good condition.

Comparing 259 health, water, & education infrastructure projects
Kwale County 2018-22



According to the data, infrastructure projects were significantly more likely to be in good condition if they had been monitored than if they had not. This held true for all types of monitors, although the link was strongest when community monitors were involved – with or without project management committees. This finding does not necessarily prove that monitoring leads to better conditions. Other factors, such as project location, are also relevant. However, the data does support evidence from across our programmes that suggests that monitoring improves project quality.

This matters for local communities. Infrastructure found to be in good condition is more likely to be in use as planned, delivering community access to more classrooms, clinics and safe water sources.

A vital oversight role

Even when monitoring begins later in a project’s implementation, the relationship with better quality outcomes still exists. The data also suggests that unmonitored projects are more likely to be unusable or vandalised, or to fall into disrepair.

Although the condition of projects is affected by a range of factors, the evidence suggests that monitoring can play a positive role in the delivery of quality infrastructure. This in turn allows communities to access the health, education and water services to which they are entitled.

The full analysis report will be published in autumn 2023.

What we have learned

Improving quality and delivering value: the impact of citizen monitors

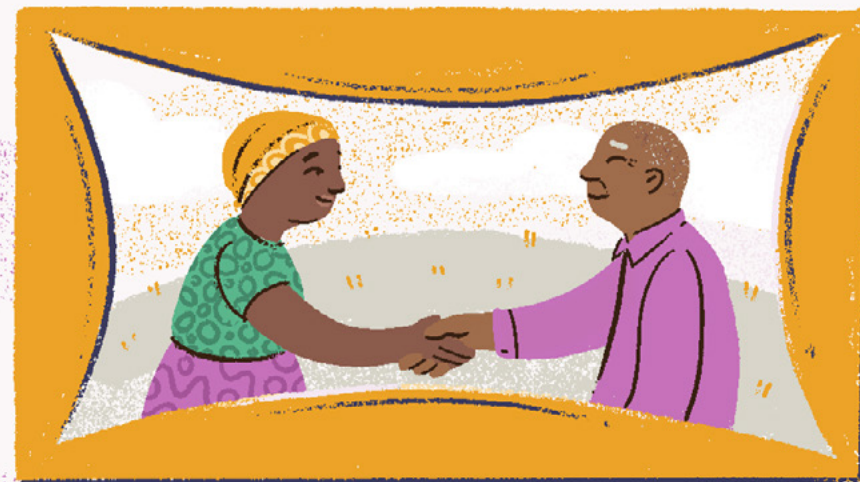
Research in Ghana into construction projects with and without monitors confirms the crucial role of citizen monitoring in promoting higher standards of infrastructure and improving value for public money.

To see whether citizen monitoring saves public money, we commissioned researchers to accompany the M4FS programme (see page 7). Their findings demonstrated the positive impact of monitoring on improving the quality of infrastructure and the value for public money spent.

The data was collected and analysed between November 2022 and April 2023 by a joint team from the civil society support organisation [INTRAC](#) and the [Kwame Nkrumah University of Science and Technology](#) in Ghana. The team interviewed more than 350 people, including monitors, local leaders and randomly selected community members. They also visited projects monitored by M4FS and five unmonitored projects.

Preventing problems or finding early solutions

The research identified ways in which typical construction projects lose public funds or fail to achieve value for money. These include inadequate project design – for example, approaches that ignore local contexts – and failure to adequately assess contractors' technical and financial viability. Contractors often fail to comply with specifications, especially in the quality of materials, while poor site security can result in materials being stolen. Extra costs can be incurred by delays in releasing funds, or by corruption such as collusion or bribery – which often causes additional problems.



But the researchers found that by detecting problems early, monitors can ensure they are addressed before they become embedded or cause irreversible harm. Monitors' observations inform better project design, increase transparency and accountability, and enhance public participation and support for projects. Their oversight also helps prevent thefts from construction sites.

"If we had not diligently checked the quality of blocks used in the construction process, there is a high probability that the building would collapse. We prevented the use of substandard blocks... This not only protects community members' lives, but also saves the government the potential financial burden of costly repairs or reconstruction."

Monitor, SEND Ghana

Harnessing in-depth local knowledge

As well as fixing problems, the research found that monitors' intervention prompted the successful completion of projects previously abandoned.

"The work of the citizen monitors put contractors on their feet. From what we have found, if the monitors had not contacted the contractor, he would have just left the school building like that and it would have just wasted away. But now, the contractor is going to get back and finish what he started."

Traditional leader



The research confirms that the monitors enable governments to tap into local knowledge and networks, fostering a culture of accountability and transparency. Using valuable contextual knowledge, citizens can identify cost-saving measures and innovative solutions. The monitoring process itself also brings long-term benefits, strengthening open government, social connections and civic participation for sustainable communities.

"The contractor nearly reduced the amount of cement used for the lintel... Our presence and scrutiny prevented him from compromising the structural integrity of the building by cutting corners. Our role as citizen monitors is crucial in preserving the value of public money... and upholding the highest quality standards."

Monitor, SEND Ghana

The monitoring in Ghana also shows that by leveraging digital platforms and data analytics, we can streamline monitoring processes and reduce administrative costs – further improving value for money in vital public infrastructure.

The research report will be published in autumn 2023.

Learning from our impact

An external evaluation of Integrity Action's work showcases our impact and offers vital insights that will help shape future programming.

As part of Integrity Action's commitment to understanding our impact and adjusting our approach when needed, we commissioned an external evaluation to assess progress towards our strategic objectives, and identify strengths and challenges in our programme implementation. This enables us to incorporate key learning and insights into our strategy and programming, to increase our effectiveness.

Carried out in early 2023 by South African-based research organisation Southern Hemisphere, the evaluation covered four key questions:

1. What progress has Integrity Action made towards its strategic objectives?
2. How has Integrity Action's work contributed to this progress? In particular, what is the role of its programming, and what is the role of its broader promotion of community-centred accountability methodology and research?
3. How relevant is Integrity Action's strategy to the needs of its target groups?
4. What is Integrity Action's value according to others in the field?

Successfully embedding citizen-centred accountability

The [evaluation report](#) revealed that we have made impressive progress in achieving our strategic objectives over the period 2020–2024. It confirms that Integrity Action is making a positive contribution to the fields of social accountability and open government, based on a strategy that is fit for purpose to meet the needs of citizens in partner countries, and of partners globally.

Our multi-pronged approach was found to be successful in amplifying the results of citizen-centred accountability and embedding it globally. It was also seen to open doors and foster participation where this might not otherwise be possible:

"Integrity Action's methodology of constructive multistakeholder engagement can, in places, work as an antidote to the democratic backlash, and may allow the organisation to work in contexts where other open government or social accountability organisations can no longer operate."

The evaluation confirmed that live data, collected through accessible platforms and shared via effective communication channels (including DevelopmentCheck, WhatsApp and regular meetings), has contributed to building trust and effective working relationships between monitors and local government officials. There is evidence that these mechanisms have led to more transparent, accountable and responsive authorities and infrastructure delivery in target communities. "Before, people thought this was a county project, so accepted it the way it was. It felt like it was a favour," said one local monitor. "Now we know that it's our right, so we ask for accountability."

"Outstanding" integrity and relationships

We are also working successfully with other development actors, convincing like-minded organisations to mainstream the citizen-centred accountability essential for quality infrastructure and service delivery. The high quality of our partnerships was a recurring theme in the evaluation findings.

Our nurturing of partners was reported as key to the success of Integrity Action's model and to achieving results for citizens in target countries. "It's not the tech, or the citizen empowerment... but it's the integrity and relationships with their organisations, and their trajectory to devolve..." said one representative of a social accountability organisation. "It's an outstanding feature."



Read the [evaluation summary](#) for more key findings, and the [main report](#) for full details, including case studies on our work in Ghana and Kenya.



Adapting our strategic objectives

Following this year's external evaluation, rounds of consultations and an internal staff workshop, we have shaped Integrity Action's new organisational strategy for 2023-2028, building on our existing strategy to reflect changes around us in three key ways.

- We identified aspects of our strategy that were anchored in the 2018 context, and have updated these to reflect current needs and opportunities. The strategy now places increased emphasis on progressing towards locally led development, for example, and recognises our integration with Crown Agents.
- Our strategy also recognises shifts in the external environment, in particular around climate change, conflict and reduced trust in public officials. These present serious and complex global challenges, but each also offers an opportunity for us to act in new ways or new settings.
- To enable us to do this effectively, the strategy captures our learning from recent years and reflects adaptations we have already made in response. For example, we updated our Theory of Change and raised our target Fix Rate from 50% to 66%.

Accelerating locally led development

Our previous core areas of strategic focus, "Achieve, Amplify and Convince" have also evolved for the period 2023-2028. We are still committed to **achieving results** for citizens that maximise quality, sustainability and inclusivity, and to collaborating with others to **amplify results**, fuel innovation and embed citizen-centred accountability. However, in line with the sectoral trend towards locally led development – and parallel movements such as the decolonisation of development – we now see less need to convince actors of the value of listening to citizens' voices. Instead, we need to provide them with insight into how best to do this.

In response, we have adjusted our strategic focus for the coming years. Instead of aiming to convince development actors to listen meaningfully to local people, our third strategic objective will be to "**accelerate**" the process, by increasing the speed with which the sector effectively mainstreams citizen-centred accountability.

All these strategic changes reaffirm our commitment to citizen-led monitoring as the reason for Integrity Action's existence, and our [vision, mission and values](#) remain unchanged.

To find out more, see our [Organisational Strategy 2023-2028](#).

Fulfilling our Gender and Social Justice commitments

Integrity Action's programme delivery partners have welcomed our focus on implementing our Gender and Social Justice approach.



Working as equals with our partner organisations and local communities is central to Integrity Action's approach. We are aware of the power that accompanies our origins as a Northern-based organisation, and we actively seek to relinquish it. This is so that we can achieve maximum impact in the countries where we work.

Our approach to and delivery of gender and social justice have been widely appreciated across our sector. In our evaluation report, partners stated how much they value the collaborative relationships we share.

"In my 10-year experience, I cannot think of any partnership that has been so smooth," says one partner representative. "Integrity Action has never behaved like the one that wields the purse. We have a great relationship with them and have always had consensus in making decisions."

An inclusive approach to social change

As our partners testify, we have continued to make progress in designing and delivering initiatives that give voice to people from all parts of the community – including women, young people and other marginalised groups – with accountability to local people at the core of our approach. Female monitors from our VOICE programme in Kenya described how men initially took the lead in monitoring and awareness-raising activities. But under the programme, women have chaired project management committees and helped in problem solving. As a result, they are now valued and respected. "I have become trusted in the community," says one female committee leader. "This is so important. It demonstrates that if empowered, women can contribute to desired change, and means that other women, including young girls, can learn from me."

"Before, it was not easy to see a woman speak to men in a public space," reported another partner organisation representative. "Now, with the training they received and awareness across the whole community, women have been very active in monitoring projects, raising concerns directly with contractors, as well as to the local authorities. With the Integrity Action project, we have also started working with people with special abilities, supporting them to be productive members of the community as monitors."

We will ensure that our approach continues to evolve in step with the important changes happening to – and around – us. In the year ahead, we will adapt our approach to take climate change and the environment more into account as key aspects of social justice. Gender transformative initiatives will also play a central role – one with a positive ripple effect throughout the communities where we work. We will update our Gender and Social Justice approach to align with the Crown Agents Group policies and practices and to reflect the changes to our organisational strategy – challenging us to do more and to do it better.

Restricted funds

– project overview

Monitoring healthcare facility construction in Ukraine

Integrity Action's citizen-centred accountability approach is supporting the construction of cutting-edge, energy-efficient prefabricated health facilities in Ukraine. In partnership with Crown Agents and Patients of Ukraine (PoU), a Ukrainian civil society organisation, we are training local volunteers to monitor the works and the subsequent provision of health services. We have already trained PoU staff to oversee the monitoring. The programme aims to showcase a responsible and transparent approach to reconstruction, which responds to the needs of the communities who will benefit from it.

Compact – Supporting public participation and planning in local government

Implemented in partnership with the Public Affairs Research Institute (PARI) and the South African Local Government Association (SALGA), this programme aims to enhance local government accountability in South Africa through strengthened participatory planning. With an approach informed by action research, the programme will support local communities to engage in planning processes for Integrated Developed Plans, and to hold local government to account for its delivery of these plans – with a particular focus on water and sanitation services. The programme will also support local governments to improve their planning and oversight of service delivery.

Unrestricted funds

– project overview*

Monitoring for Financial Savings (M4FS)

Under this initiative in northern Ghana, community members monitor the delivery of health and education infrastructure, comparing what was promised with what is being delivered, and engaging with those responsible to address any issues. The programme also assesses the value that citizen-centred accountability programmes can offer service providers, by asking: "Does monitoring by citizens save public money?"

VOICE – From participation to open feedback in Kwale County, Kenya

Citizens act as community monitors for local services and construction projects, reporting problems and working with key stakeholders to ensure issues are addressed. This is improving how Kwale County authorities and other duty-bearers listen and respond to citizens' concerns over services and infrastructure. The initiative worked to embed successful aspects of the approach and ensure their sustainability before its close in April 2023.

*These projects are financed by Integrity Action's core funding from SIDA and the Hewlett Foundation

Safeguarding



Ensuring that our initiatives do no harm to the people we work with remains central to our programming. Our approach to safeguarding focuses on preventing incidents, mitigating risks and ensuring access to safeguarding reporting mechanisms. As Integrity Action does not directly implement activities, we work to ensure our partners develop a thorough understanding of safeguarding and support them to put appropriate procedures in place. This year, we have adopted the Crown Agents Group's safeguarding policies and procedures, while ensuring that monitors and project participants still have a direct line to Integrity Action to report any incidents.

Safeguarding incidents reported in 2023

In the financial year 2022/23, Integrity Action and partners received no reports of safeguarding incidents.

Financial review

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 29 of the financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102). These accounts represent the 9 months ended 30 June 2023 as we move our financial year to align with the Crown Agents Group.

Reserves policy

We aim to hold sufficient reserves to:

- Cover essential investment to ensure our technology delivers programmatic and strategic added value;
- Ensure we can pursue sufficient communications activities to support our key 'Achieve, Amplify and Convince' objectives;
- Enable us to pursue strategic initiatives for which funding is difficult to raise;
- Meet our commitments in the event of delays in receipt of income;
- Enable us to complete existing contracts in a planned and orderly fashion should our sources of income cease abruptly; and
- Protect us against unplanned adverse events which affect either our ability to raise funds or require extra expenditure.

Integrity Action's reserves policy is reviewed on an annual basis as part of the overall risk management of the organisation. Reserves can only be spent with the explicit permission of the Board and on the advice of the Audit Committee.

In view of the greater level of uncertainty caused by shifts in our funding environment, while maintaining the approach that the reserves should not be set too high as this would tie up funds which could and should be spent on charitable activities, the Board has set the following reserves target:

- Support for technological platform and communication objectives: £120,000 to £150,000;
- Working capital requirements (30% of target project spend for the following year: £360,000 to £400,000;
- Six months of fixed expenditure: £350,000 to £450,000;
- Total target: £830,000 to £1,000,000.

The balance sheet shows unrestricted funds of £1,056,827. The free reserves of the charity were £844,886, which are represented by the other unrestricted funds and SIDA funds as shown in note 11; a decrease of £25,696 on the previous balance sheet date on 30 September 2022. The free unrestricted reserves exclude the William and Flora Foundation grant of £211,941 which has been set aside to further citizen centred accountability in line with the original aims of the partnership.

Total funds were £1,094,459 (2022: £1,114,580) and included a restricted fund balance of £37,632 (2022: £32,057). The restricted fund balance will be used in the next accounting period for specific programme-related purposes.

Income

The majority of our income comes from institutional donors and private foundations. It decreased by 9% from £720,532 for the financial year 2021/2022 to £711,843 for the nine month period. The decrease in income is reflective of DFID and USAID projects ending (see note 2).

Fundraising policy

As noted above, our funds come mainly from institutional donors and foundations. We do not raise funds from the general public. Our funding policy, which aligns with our organisation's values, can be found on our website.

Expenditure

Our total expenditure decreased by 17% from £819,704 for the financial year 2021/2022 to £738,746 for the nine month period. The underlying expenditure was in line with plans for the projects already in progress at the start of the year however there was also an unrealised exchange loss of £85,017 during the period.

Pay policy

The Chief Executive Officer and the Trustees are the key management personnel of the charity. The Chief Executive Officer is in charge of directing, controlling, running and operating the charity on a day-to-day basis. The total employee benefits of the key management personnel are included in note 5 of the accounts. Executive pay is reviewed and set by the Remuneration Committee on an annual basis. All trustees give their time freely and no trustee received remuneration in the period for this role. Details of trustees' expenses and related party transactions are disclosed in notes 6 and 14 of the accounts respectively.

Public Benefit

The Board confirms it has complied with its duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The trustees further confirm that the activities of Integrity Action are carried out in line with its objectives for the public benefit as described in this report.

Principal risks and uncertainties

The Board has considered the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks. A detailed strategic and operational risk register is updated by the senior management team ahead of each quarterly Board meeting. The risk register states the risk appetite for each risk, estimates the likelihood and impact of the risk, notes the changes since the last review, details the actions which have been taken to manage the risk and calculates a post-mitigation risk score. This ensures the Board effectively tracks significant risks and is assured the control procedures are adequate to manage these risks.

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

Risk	Mitigating measures
Sustainability Impact: Integrity Action's approach does not achieve level of sustainability or scalability that is expected by partners, peers and funders.	Continue to integrate learning and research findings to achieve more sustainable interventions. Ensure learning and research has widest reach and impact possible. Continue to work with organisations and coalitions to achieve systemic and transformational changes in countries and globally.
Technology: Technology solutions fail to deliver sustainable and user-friendly solutions.	Continue to assess, review and utilise best technology tools for given programmes. Regularly assess usability with monitors, partners and other key stakeholders.
Funding: We are unable to generate funding needed to deliver the objectives and to cover our overheads.	Scenario planning repeated on a periodical basis to maintain clarity of long-term view of the likely impact of fundraising. Use integrated business and development plan and programmatic vision and monitor progress regularly using funding key performance indicators.
IT System Failure: Key digital systems are hacked or fail / crash (including DevCheck and cloud based file storage). Data is compromised or corrupted.	Use of industry standard security software and maintenance of regular contact with all providers. Business continuity plan in place and implemented.

Structure, governance and management

The Board of Trustees governs the organisation in line with its Memorandum and Articles of Association, vision, aims and charitable objectives, as well as providing overall policy direction. The Board is responsible for compliance with all the legal and statutory requirements of a UK charity and of a registered company. The organisation is run by the CEO who has overall responsibility for strategic and programmatic development and design, operations, fundraising and finances. The Board is governed by a Governance Manual which stipulates the provisions for appointments to the Board, their term limits and nominations and appointments to the positions of Chair and the various committees of the Board. These include:

- Openings on the Board are published openly on relevant websites, including our own website;
- The manual stipulates the roles and person specifications for trustees, the Chair of the Board, the Chair of the Audit Committee, the Nominations and Remuneration Committee, the Funding Committee and the Ethics Point Person;
- Terms of appointment to the Board are three years, renewable for a further two terms up to a maximum of nine years.

Statement of Trustees' responsibilities

Each Board trustee has taken responsibility for monitoring the charity's activities on specific operational areas and constant attention is paid to the skills matrix of the trustees to ensure that the Board has all the necessary skills required to contribute fully to the charity's development. The trustees (who are also directors of Integrity Action for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the position of the charitable company and of the incoming resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Statement of Recommended Practice – the Charities' SORP (Accounting and Reporting by Charities);
- Make judgements and estimates that are reasonable and prudent;

- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the trustees confirms that:

- So far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- The trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.



Gail Klintworth
Chair of the Board
25 October 2023

Independent auditor's report to the members of Integrity Action

Opinion

We have audited the financial statements of Integrity Action (the 'charitable company') for the period ended 30 June 2023 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity through discussion with key management and from our knowledge and experience of the section in which the charity operates;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the activities of the charity. These included but were not limited to the Companies Act 2006, the Charities Act 2011 those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and representatives of those charged with governance.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of principal officers as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed cashbook entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Mackereth (Senior Statutory Auditor)
27 October 2023
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Administrative details

Trustees

Alan Barlow (FC)

Michael Canares

Sam De Silva

Fergus Drake OBE

– appointed 8 March 2023

Alistair Gibbons (AC), (RN)

Nkem Ilo

– resigned 6 January 2023

Gail Klintworth (AC), (RN)

Merryl Lawry-White

– resigned 8 March 2023

Paul Maassen (RN)

Ian Malcomson

– appointed 8 March 2023

Philip Welply (RN)

AC = Member of Audit and Finance Committee

FC = Member of Fundraising Committee

RN = Member of Remuneration and Nomination Committee

Registered Office

Blue Fin Building
110 Southwark Street
London
SE1 0SU

www.integrityaction.org

Company Registration Number (England and Wales)

04884328

Charity Registration Number

1120927

Bankers

HSBC Bank
60 Queen Victoria Street
London EC4N 4TR

External Auditors

Buzzacott LLP
130 Wood Street
London EC2V 6DL

Legal Advisors

Winckworth Sherwood LLP
Minerva House
5 Montague Close
London SE1 9BB

Chief Executive Officer

Jasmina Haynes
Jasmina.haynes@integrityaction.org

Statement of Financial Activities for the period ended 30 June 2023

(Incorporating an Income and Expenditure Account)

	Notes	Unrestricted funds £	Restricted funds £	Total Funds 9 months ended 30 June 2023 £	Total Funds 12 months ended 30 Sep 2022 £
Income from:					
- Investments					
Investment income		6,782	-	6,782	966
- Charitable activities					
Grants, donations and consultancies	2	649,743	62,100	711,843	720,532
Other:					
Gains on revaluation of foreign currency		-	-	-	16,743
Total income		656,525	62,100	718,625	738,241
Expenditure on:					
Raising funds		147,627	-	147,627	66,994
- Charitable activities					
Citizen-centred accountability		449,577	56,525	506,102	752,710
Losses on revaluation of foreign currency		85,017	-	85,017	-
Total expenditure	3	682,221	56,525	738,746	819,704
Net(outgoing)/ incoming resources before transfers		(25,696)	5,575	(20,121)	(81,463)
Transfers between funds		-	-	-	-
Net movement in funds		(25,696)	5,575	(20,121)	(81,463)
Fund balances brought forward		1,082,523	32,057	1,114,580	1,196,043
Fund balances carried forward	11	1,056,827	37,632	1,094,459	1,114,580

The Statement of Financial Activities includes all gains and losses in the year.
All income and expenditure derives from continuing activities.
The notes on pages 28 to 33 form part of these financial statements.

Company Registration Number 04884328

Balance Sheet as at 30 June 2023

Notes	As at 30 June 2023 £	As at 30 Sep 2022 £
Current assets		
Debtors 9	45,416	1,641
Cash at bank and in hand	1,127,655	1,150,657
	1,173,071	1,152,298
Liabilities		
Creditors: Amounts falling due within one year 10	(78,612)	(37,718)
Net current assets	1,094,459	1,114,580
Net assets	1,094,459	1,114,580
The funds of the charity:		
Unrestricted funds	1,056,827	1,082,523
Restricted funds	37,632	32,057
Total funds 11	1,094,459	1,114,580

The financial statements on pages 26 to 33 were approved and authorised for issue by the trustees and are signed on their behalf by:



Gail Klintworth
Chair of the Board
Date: 25 October 2023

Cash flow statement for the period ended 30 June 2023

Notes	9 months ended 30 June 2022 £	12 months ended 30 Sep 2022 £
Cash flows from operating activities		
Net cash outflow from operating activities 15	62,015	(41,020)
Change in cash and cash equivalents	62,015	(41,020)
Cash and cash equivalents at the beginning of the period	1,150,657	1,175,134
Change in cash and cash equivalents due to exchange rate movements	(85,017)	16,743
Cash and cash equivalents at the end of the reporting period	1,127,655	1,150,657

Analysis of changes in net debt

	At 1 Oct 2022 £	Cash flows £	Impact of foreign exchange £	At 30 June 2023 £
Cash and cash equivalents				
Cash	1,150,657	62,015	(85,017)	1,127,655
Total net debt	1,150,657	62,015	(85,017)	1,127,655

Integrity Action does not have any borrowings or lease obligations.
Net debt consists therefore of the cash balance.

Notes to the financial statements for the period ended 30 June 2023

1

Principal accounting policies

General information

Integrity Action is a company limited by guarantee (company number 04884328) and charity registered in England & Wales (charity number 1120927). The address of its registered office is Blue Fin Building, 110 Southwark Street, London, SE1 0SU.

Summary of significant 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 periods and years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Integrity Action meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Preparation of accounts on a going concern basis

Based on a review of the financial position, reserves levels and future plans, the Board of Trustees considers that there are no material uncertainties about the charity's ability to continue as a going concern. In making this assessment, the trustees have considered the impact of the current economic and funding climate.

c) Critical accounting judgements and estimates

In preparing these financial statements, management have made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances.

d) Income and expenditure

Income from charitable activities is recognised when the charity is legally entitled to the income, any performance conditions attached to the income have been met, receipt is probable and the amount can be measured reliably.

Income is deferred when the charity has to fulfil conditions before becoming entitled to it, for example if activities related to the income have not yet begun or the funder has specified that the income is to be expended in a future accounting period. Investment income is recognised on a receivable basis once the amounts can be measured reliably.

Donations are recognised when receivable. On occasion the charity receives services in kind, such as pro bono advice. Where material, the in-kind services are recognised in the accounts based on their estimated fair value, which is normally equal to the market value.

Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Partnership costs are amounts paid / payable to our implementing partners. They are recognised in the period in which they are payable. An accrual is made when activities have been undertaken but payment is in arrears and has not been made at the year end.

e) Tangible fixed assets

All assets costing more than £3,000 (including VAT) and with an expected useful life exceeding one year are capitalised. Development Check and software development costs are not capitalised.

f) Restricted funds

Income received for purposes specified by the donor are shown as restricted income in the Statement of Financial Activities. Expenditure for the purposes specified is applied to the relevant fund and any unexpended amount at the balance sheet date is carried forward within restricted funds.

g) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

h) Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

i) Pension scheme

Integrity Action operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the charity in an independently administered fund. Pension costs charged in the financial statements represent the contributions payable during the year.

j) Operating leases

Rental charges are charged on a straight-line basis over the life of the lease.

k) Debtors

Short term debtors are measured at transaction price, less any impairment.

l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a maturity date of three months or less.

n) Taxation

Integrity Action is a registered charity and, as such, is exempt from taxation on its income to the extent it is applied to its charitable purposes.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

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Grants, Donations and Consultancies

	Notes	9 months ended 30 June 2022 £	12 months ended 30 Sep 2022 £
Unrestricted			
Swedish International Development Cooperation Agency (SIDA)		594,543	584,237
Gifts-in-kind	14	55,200	-
Total unrestricted		649,743	584,237
Restricted			
Norwegian Agency for Development Cooperation (Norad)		-	79
PARI		25,223	33,266
Simavi		16,728	1,641
Restless Development (DFID AID Connect funding)		-	49,216
USAID – Aga Khan Foundation (Yetu Initiative)		-	52,093
Ukrainian health care facilities monitoring		20,149	-
Total restricted		62,100	136,294
Total grants, donations and consultancies		718,843	720,532

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Expenditure

	Charitable Activities	Raising funds	9 months ended 30 June 2022 Total	Charitable Activities	Raising funds	12 months ended 30 Sep 2022 Total
Notes	£	£	£	£	£	£
Partnership costs	46,487	-	46,487	113,376	-	113,376
Staff costs (note 5)	292,242	73,773	366,015	457,894	52,015	509,909
Consultancy costs	43,548	18,654	62,202	38,120	10,064	48,184
IT and software development	2,754	-	2,754	3,954	-	3,954
Rent, rates and other office costs	27,054	-	27,054	8,235	936	9,171
Travel and events	5,732	-	5,732	5,183	-	5,183
Governance (excluding staff costs)*	54,846	55,200	110,046	24,395	-	24,395
Programme development costs	33,439	-	33,439	96,425	3,979	100,405
Losses on revaluation of foreign currency	85,017	-	85,017	-	-	-
Other costs	-	-	-	5,128	-	5,128
Total expenditure	591,119	147,627	738,746	752,710	66,994	819,705

* Included in governance costs is gifts in kind of £55,200 explained in note 14.

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Net income is stated after charging:

	9 months ended 30 June 2023 £	12 months ended 30 Sep 2022 £
Auditor's Remuneration:		
Statutory audit	12,000	11,790
Other Services	2,526	6,066
	14,526	17,856

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Staff costs

	9 months ended 30 June 2023 £	12 months ended 30 Sep 2022 £
Wages and salaries	314,776	440,279
Employer's National Insurance costs	35,290	47,009
Employer's contribution to defined contribution pension scheme	15,949	22,621
	366,015	509,909

The average headcount in 2023 was 9 (2022: 10).

No redundancy payments were agreed in the year (2022: nil)

The number of employees who earned £60,000 or more (including taxable benefits but excluding employer's pension contributions and employer's national insurance contributions) in the following periods was as follows:

	9 months ended 30 June 2023	12 months ended 30 Sep 2022
£80,000 – £89,999	1	1
£70,000 – £79,999	-	-
£60,000 – £69,999	-	-

The above higher paid employees received employer pension contributions during the period of £4,173 (9 months) (2022: £6,849 – 12 months). The total employee benefits of the key management personnel of the Charity, including employer's national insurance and pension contributions for the period, were £98,299 (9 months) (2022: £103,207 – 12 months). Key management personnel includes the CEO.

6 Trustees' Remuneration

No trustee received remuneration in respect of their role as trustee of the charity.

No trustees' expenses were reimbursed in 2023 (2022: nil).

7 Taxation

Integrity Action is a registered charity. The charitable company is not subject to corporation tax on income derived from its charitable activities as it falls within the various exemptions available to charities.

8 Floating Charge

The company has a floating charge over its assets in favour of the bank in order to operate its credit card facility. At 30 June 2023, the facility was for £25,000 (2022: £25,000)

9 Debtors

	As at 30 June 2023 £	As at 30 Sep 2022 £
Amounts due from Crown Agents Limited	20,149	-
Debtors and accrued income	25,267	1,641
	45,416	1,641

10 Creditors

	As at 30 June 2023 £	As at 30 Sep 2022 £
Expense creditors	3,642	5,853
Taxation and social services benefits	13,662	15,135
Accruals	35,042	16,730
Amounts due to Crown Agents Limited	26,266	-
	78,612	37,718

11 Fund Movements

	At 1 October 2022 £	Income £	Expenditure £	Transfers £	At 30 June 2023 £
Unrestricted funds					
The William and Flora Hewlett Foundation	211,941	-	-	-	211,941
Swedish International Development Cooperation Agency (Sida)	11,916	594,543	(542,004)	-	64,455
Other unrestricted funds	858,666	61,982	(140,217)	-	780,431
Total unrestricted funds	1,082,523	656,525	(682,221)	-	1,056,827
Restricted funds					
Hewlett Foundation – Organisational Effectiveness Support Grant (OE)	18,214	-	-	-	18,214
Compact – Supporting Public Participation and Planning in Local Government (PARI)	13,843	25,223	(20,464)	-	18,602
Simavi	-	16,728	(15,912)	-	816
Ukraine Pfizer healthcare	-	20,149	(20,149)	-	-
Total restricted funds	32,057	62,100	(56,525)	-	37,632
Total funds	1,114,580	718,625	(738,746)	-	1,094,459

Please see the 'Period in Review' in the Annual Report for details about the restricted funds projects. Further details can also be found on our website: www.integrityaction.org/what-we-do/initiatives

Other unrestricted funds also include £85,017 of unrealised losses from year-end exchange rate revaluations.

12 Net Assets between Funds

	Unrestricted	Restricted	At 30 June 2023 Total	Unrestricted	Restricted	As at 30 Sep 2022 Total
	£	£	£	£	£	£
Current Assets	1,135,439	37,632	1,173,071	1,120,241	32,057	1,152,298
Current Liabilities	(78,612)	-	(78,612)	(37,718)	-	(37,718)
Net Assets	1,056,827	37,632	1,094,459	1,082,523	32,057	1,114,580

13 Commitments under Operating Leases

The charity had no commitments under non-cancellable operating leases (2022: £nil).

14 Related Party Transactions

Crown Agents Limited is the Charity's parent company and therefore a related party. Transactions with Crown Agents during the year were as follows.

	2023 £	2022 £
Expenditure incurred: Shared resources charged	26,266	-
Income: Funds granted to Integrity Action to perform charitable work on behalf of Crown Agents Limited	20,149	-

Balances due as at 30 June 2023 were as follows:

	2023 £	2022 £
Amounts due to Crown Agents Limited	26,266	-
Amounts due from Crown Agents Limited	20,149	-

During the year the Charity also received pro-bono legal advice from CMS valued at £55,200 (2022: none). One of the trustees of the Charity is also a Partner at CMS.

15 Reconciliation of Net Movement in Funds to Cash Flow from Operating Activities

	2023 £	2022 £
Net movement in funds	(20,121)	(81,463)
Losses (gains) on foreign currency	85,017	(16,743)
Decrease / (increase) in debtors	(43,775)	80,821
(Decrease) / increase in creditors	40,894	(23,635)
Net cash outflow from operating activities	62,015	(41,020)

16 Member and Ultimate Parent

The sole member of the charity is Crown Agents Limited (Company No. 03259922) a not-for-profit international development company. The ultimate parent undertaking of Crown Agents Limited is The Crown Agents Foundation (Company No. 03251167), a non-trading, not-for-profit company limited by guarantee. Both Crown Agents Limited and The Crown Agents Foundation are registered in England and Wales. The Crown Agents Foundation is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 30 June 2023.

The consolidated financial statements of The Crown Agents Foundation are available from the Company Secretary at Blue Fin Building, 110 Southwark Street, London, United Kingdom, SE1 0SU. The Charity is independent and had two independent trustees and two member appointed trustees during the year. The sole member, Crown Agents Limited, is not a corporate trustee, but it has the power to appoint and remove trustees.

17 Post Balance Sheet Events

There were no post balance sheet events to report (2022: none).

18

Comparative Statement of Financial Activities

	Notes	Unrestricted funds £	Restricted funds £	Total Funds 12 months ended 30 Sep 2022 £
Income from:				
- Investments				
Investment income		966	-	966
- Charitable activities				
Grants, donations and consultancies	2	584,237	136,294	720,532
Other:				
Gains on revaluation of foreign currency		16,743	-	-
Total income	1	601,947	136,294	738,241
Expenditure on:				
Raising funds		66,994	-	66,994
- Charitable activities				
Citizen-centred accountability		572,138	180,573	752,710
Total expenditure	3	639,132	180,573	819,704
Net outgoing resources before transfers		(37,185)	(44,278)	(81,463)
Transfers between funds		22,179	(22,179)	-
Net movement in funds		(15,006)	(66,457)	(81,463)
Funds as at 1 October		1,097,529	98,514	1,196,043
Funds as at 30 September	11	1,082,523	32,057	1,114,580

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



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Integrity Action is an independent non-governmental organisation.
Company registration number: 4884328 (England and Wales) Charity
registration number: 1120927