

# **INGO ACCOUNTABILITY CHARTER REPORT**

1 JANUARY TO 31 DECEMBER 2013

## Contents

<b>Strategic commitment to accountability.....</b>	<b>3</b>
1.1 Statement from the highest decision maker of the organisation..	3
<b>Organisational profile.....</b>	<b>5</b>
2.1 Name of the organisation.	5
2.2 Primary activities.	5
2.3 Operational structure of the organisation.	6
2.4 Location of organisation	6
2.5 Number of countries where the organisation operates.....	6
2.6 Nature of ownership and legal form. Details and current status of not-for-profit registration.	6
2.7 Target Audience.....	7
2.8 Scale of the reporting organisation	7
2.9 Significant changes	7
2.10 Awards received	8
<b>Report Parameters.....</b>	<b>9</b>
3.1 Reporting period	9
3.2 Date of most recent previous report.....	9
3.3 Reporting cycle	9
3.4 Contact person for questions regarding the report or its contents.	9
3.5 Process for defining reporting content and using reporting process.	9
3.6 Boundary of the report	9
3.7 Material content limitations of the report.	9
3.8 Basis for reporting.....	10
3.10/ 3.11 Significant changes.	10
<b>Governance structure and key stakeholders .....</b>	<b>11</b>
4.1 Governance structure and decision making process at governance level.	11
4.2 Division of powers.....	13
4.3 Number of members of the highest governance body	13
4.4 Mechanisms for internal stakeholders to provide recommendations to highest governance body.....	14
4.5 Compensation for members of the highest governance body, senior managers, and executives.	14
4.6 Processes for the highest governance body on conflicts of interest.	15
4.10 Process to support the highest governance body's own performance.....	15
4.12 Externally developed charters to which the organisation subscribes.	15
4.14 Stakeholder groups of the organisation	16
4.15 Process for identification, selection and prioritisation of key stakeholder groups.....	16
<b>Performance Indicators.....</b>	<b>19</b>
NGO1 Involvement of affected stakeholder groups.	19
NGO2 Mechanisms for stakeholder feedback and complaints.	20
NGO3 System for programme monitoring, evaluation and learning.....	20
NGO4 Measures to integrate gender and diversity	21
NGO5 Processes on advocacy positions and public awareness campaigns.....	22
NGO6 Processes to take into account and coordinate with other actors.	23
NGO7 Resource allocation, tracking and control.	24
NGO8 Sources of funding	25

<b>Environmental Management</b> .....	<b>27</b>
EN16 Direct and indirect greenhouse gas emissions.....	27
EN18 Initiatives to reduce greenhouse gas emissions.....	28
EN26 Initiatives to mitigate environmental impacts of activities and services.....	28
<b>Human Resources Management</b> .....	<b>30</b>
LA1 Size and composition of total workforce. ....	30
EC7 Procedures for local hiring. ....	30
LA10 Workforce training to support organisational development.....	31
LA12 Performance reviews and career development plans.....	32
LA13 Diversity in the composition of governance bodies and employees.....	32
NGO9 Mechanism for your workforce to raise grievances and get response. ....	34
<b>Responsible Management of Impacts on Society</b> .....	<b>37</b>
SO1 Impact of activities on the wider community. ....	37
SO3 Process for ensuring effective anti-corruption policies and procedures.....	38
SO4 Actions taken in response of incidents of corruption.....	38
PR6 Programmes for ethical fundraising. ....	38
<b>Gap Analysis Table- Areas of Commitments and Progress achieved</b> .....	<b>40</b>

# Strategic commitment to accountability

---

## 1.1 Statement from the highest decision maker of the organisation. Indicate how accountability central to your short, medium and long term strategy and how it drives management decision making.

Accountability is fundamental to our mission, values, principles and strategy. As part of our mission we seek to stop corruption by means of holding those in power to account for their actions. Accountability forms one of our guiding principles as we undertake to be open, honest and accountable in our relationships with everyone we work with, and with each other. Accountability also features in our 2015 Strategy, as we commit to inspire the leading public and private organisations in our societies to commit fully to the basic tenets of transparency and integrity as a way to be more accountable to all whose lives they touch.

Based upon the strategy, our 2015 Secretariat Implementation Plan aims to provide a clear framework against which the Secretariat can be held accountable by the Movement and external stakeholders. Furthermore, it spells out how accountability features in the different thematic areas of our work:

- People Engagement Programme: we seek to make the public, especially those made most vulnerable to corruption and abuses of power, aware of their rights to transparent, accountable and responsive government.
- Business Integrity Programme: at the international level our aim is to gain greater commitment and develop concrete measures to be put in place by leading international institutions involved in the global financial system – public and private – to pursue a strong anti-corruption agenda, grounded in greater transparency, accountability and integrity principles.
- Public Sector Integrity Programme: we seek to foster public sector integrity through greater accountability and transparency of governments on implementation and enforcement of anti-corruption laws and regulations

Our external push for accountability through the activities of our work has paid dividends. Please find a selection of examples from 2013 below:

- Transparency International's recommendations were reflected in the UN's High Level Report on the Post-2015 Agenda which calls for a governance goal and target on anti-corruption and bribery.
- Transparency International Secretariat produced a report assessing the official UNCAC review process and its outputs and making recommendations to improve its effectiveness, transparency and inclusiveness as well as observations on implementation in the areas of criminalisation and law enforcement, and international cooperation.
- Following direct engagement with the Climate Investment Funds (CIF), the CIF website was updated in June with a page on transparency and accountability, highlighting how to access information and how to send a complaint, including from/on the implementing entities.
- Further advocacy efforts directed towards a number of key initiatives and organisations yielded successes such as through the G20, in the form of an agreement on automatic exchange of information and a policy position on beneficial ownership at EU level; as well as a G8/UK commitment to establish public registries of beneficial owners.
- The Transparency International Secretariat supported chapters and other stakeholders in the development and roll-out of tools improving public sector accountability. For example, a methodology for Local Integrity Systems (including diagnostics, local planning and solutions) was developed and successfully piloted.
- We published a new report 'Transparency in Corporate Reporting: Assessing Emerging Market Multinationals', which assessed the public reporting practices of 100 large multinational companies from emerging markets. On the basis of the findings, we recommended emerging market companies to become more publicly

accountable by recognising their responsibility to be transparent for the benefit of both domestic and international stakeholders.

In our own operations, too, we aim to be an example of good governance, ethical practice and openness to greater transparency. Internally, over the reporting period, significant improvements were made. Highlights include:

- We mainstreamed quarterly reviews of the Transparency International Secretariat wide annual plan, systematically evidencing results, upon which quarterly reports were drafted to inform management decision-making.
- We began developing an Impact Monitoring Approach, to be accountable and to demonstrate in a clear and credible manner the resulting impact of our work. The rationale being: better evidence from high quality impact studies and impact monitoring is needed to be able to show not only what works, but why and how it works.

However, we need to do more, particularly concerning accountability towards to those we seek to serve ultimately. This is challenging as defining our relationship with our intended intermediary and particularly ultimate beneficiaries is complex. However, as we draw near to the end of our current strategic cycle and move into developing the next we remain committed to further our internal accountability mechanisms. And indeed, as we will be developing our next Strategy in 2015, the compiling of this report will help us to better our work in terms of Monitoring, Evaluation and Learning with our classic accountability frameworks to our governance bodies and to our donors.



Cobus de Swardt  
Managing Director

# Organisational profile

---

## 2.1 Name of the organisation.

Transparency International e.V.

## 2.2 Primary activities (e.g. advocacy, research, service provision, capacity building, humanitarian assistance, etc.). Indicate how *primary activities support attainment of your mission and strategic goals.*

Transparency International's vision is a world in which government, politics, business, civil society and the daily lives of people are free of corruption. To work towards this end, our mission is to stop corruption and promote transparency, accountability and integrity at all levels and across all sectors of society.

To achieve our mission, the TI'S primary activities focus on supporting National Chapters at the national level and working at the international level to promote reforms within the public and private sectors that increase transparency and accountability, mobilising citizens, and empowering civil society to advocate for and monitor such reforms.

A key element of TI's work is diagnosing corruption by measuring its occurrence through surveys and indices. Based on its findings, TI raises awareness of particular types of corruption and the effectiveness of anti-corruption programmes; monitors trends in the incidence of corruption and in the implementation of anti-corruption measures; and advocates for reforms in laws, policies and practices at the national and global levels. Following in-depth research, TI develops practical tools to counter corruption and implements solutions, working through coalitions of actors from civil society, the public and the private sectors.

TI-S promotes common anti-corruption approaches across the TI movement. TI-S identifies what is working in the fight against corruption and actively promotes successful approaches, in both cases from and throughout the Movement and beyond. This implies learning, synergies and leads to greater impact of anti-corruption approaches around the world. TI-S fulfils this role primarily through the implementation of international programmes, the coordination of campaigns being implemented in multiple countries, and the identification, development and promotion of effective anti-corruption approaches. Undertaking diagnostics of corruption and continuous learning across the Movement and promotion of innovation at the national level (with the aim to replicate success internationally) are important aspects of this work.

TI-S supports effective functioning of the Movement. Support to, and servicing of, the global TI Movement is central to TI-S' mandate. Work in this area is multi-faceted, but it is also central to the ability of the Movement to act coherently and effectively against corruption. TI-S work includes (i) leading global anti-corruption advocacy, (ii) supporting the global governance structure including demonstrating transparent decision-making and facilitating mutual accountability among the different parts of the Movement, (iii) protecting the safety of the Movement's members and its reputation, (iv) facilitating intra-movement learning and coordination and (v) capacity advice to National Chapters (e.g. Planning, Monitoring, Evaluation and Learning, Fundraising, Research, Communications/ Advocacy).

Based on our 2015 Strategy which was developed in a 12-month-long consultation process both inside the TI Movement, and outside including interviews of some 50 key external stakeholders, Transparency International-Secretariat's strategic priorities in 2010-2015 are:

- (i) Increased empowerment of people and partners across the world to take action against corruption;
- (ii) Improved implementation of anticorruption programmes in leading institutions, businesses and the international financial system;
- (iii) More effective enforcement of laws and standards around the world and reduced impunity for corrupt acts;

- (iv) Higher levels of integrity demonstrated by organisations and people, especially youth and those in leadership positions around the world;
- (v) Strengthened ability to work together;
- (vi) Enhanced responsiveness, presence, performance and impact at all levels.

Further details of these priorities can be found in TI-S' Implementation Plan

([http://www.transparency.org/files/content/ourorganisation/TI\\_Strategy2015ImplementationPlan\\_EN.pdf](http://www.transparency.org/files/content/ourorganisation/TI_Strategy2015ImplementationPlan_EN.pdf))

## 2.3 Operational structure of the organisation, including national offices, sections, branches, regional and field offices, main divisions, subsidiaries, and joint ventures.

Transparency International e.V. operates in the form of the International Secretariat (TI-S) of Transparency International (TI). ([www.transparency.org](http://www.transparency.org)). It works on behalf of and reports to the international Board of Directors. As outlined above, TI-S leads on global advocacy, services the global governance of the TI Movement and provides a platform of exchange to its Members, which comprises TI National Chapters and Individual Members, who respectively lead the fight against corruption in their own country/ territory, and contribute their global expertise to the goals of the international Movement.

TI-S has also established in Brussels a Liaison Office to the European Union which is locally registered as a AISBL, i.e. a not for profit society, and reports to the International Secretariat in its operational capacity. (<http://www.transparencyinternational.eu/>)

## 2.4 Location of organisation

Alt-Moabit 96, 10559 Berlin, Germany

## 2.5 Number of countries where the organisation operates, and names of countries with either major operations or such that are specifically relevant to the accountability issues covered in the report.

As stated in 2.3 above TI-S operates at global level. National activities are undertaken by TI National Chapters, which are local independent affiliates around the world, and were 113 as of 31 December 2013. For details on our Chapters, please select the desired country at <http://www.transparency.org/whoweare/contact>

## 2.6 Nature of ownership and legal form. Details and current status of not-for-profit registration.

The legal form of TI-S is that of a 'registered society' with the Charter Court Berlin, Charlottenburg, Germany (*eingetragener Verein* or *e.V.*, registration number: VR 13598 B).

As such it has no owner but Members and is represented in judicial and extra-judicial matters by our Chair or our Vice-Chair (forming the Executive). They appoint a Managing Director to represent them in all usual matters up to a value of EUR 250,000.

As per German law, TI-S is recognised as a not-for-profit entity, subject to a review by the tax authorities on a triennial basis.

## 2.7 Target Audience

We raise the awareness of people around the world about the devastating effects of corruption and work at global level with governmental bodies, business, and other civil society organisations to fight against it.

The international movement of Transparency International consists of more than 113 National Chapters, Chapters-in-formation and National Contacts, and over 30 Individual Members. TI National Chapters are locally-established and fully independent national NGOs that are strongly rooted in their own country and set their own priorities and strategies according to national context and needs, while contributing to and embodying the overall TI vision, mission, and strategy 2015. As of 31 December 2013, the number of TI accredited National Chapters, National Chapters in Formation and National contact was spread as follows:

Americas:	21	Middle East & North Africa:	7
Asia Pacific:	23	Sub-Saharan Africa:	17
Europe and Central Asia:	45		

While, the main direct beneficiaries of TI-S' work remain the TI National Chapters, that they of course hold an intermediary function in reaching out to local communities. Whilst TI-S' ultimate beneficiaries are women, men, girls and boy affected by corruption. TI-S works on behalf of our intermediary and ultimate beneficiaries at the global level and seeks to strengthen their ability to advocate for change.

The target audience (and affected stakeholders) for this report includes TI-S's sponsors, partners, donors and supporters, and those governments, institutions and organisations TI-S works with or seeks to influence or involve in ending corruption worldwide.

## 2.8 Scale of the reporting organisation including global annual budget; annual income and expenditure, number of e.g. members, supporters, volunteers, employees; total capitalisation in terms of assets and liabilities; scope and scale of activities or services provided.

Direct beneficiaries:	Network of National Chapters and local affiliates in 113 countries on all continents.
Average number of Employees:	189 (all with TI-Secretariat)
Volunteers:	13 Senior Advisors 32 Individual Members
Total income:	EUR 27,034,173
Total Assets:	EUR 23,846,860

All of the above are as per pp 3, 9 and 18 of 2013 TI-S audited Financial Statements (following the International Financial Reporting Standards- IFRS) as can be found at [http://www.transparency.org/whoweare/accountability/audited\\_financial\\_reports\\_with\\_independent\\_auditors\\_report/1/](http://www.transparency.org/whoweare/accountability/audited_financial_reports_with_independent_auditors_report/1/)

Detailed information about the scope and scale of our activities can be found in this report under NGO 7.

## 2.9 Significant changes during the reporting period regarding size, structure, governance or ownership.

TI-S' total income increased by close to 20% from EUR 22,769,737 in 2012 to 27,034,173 in 2013.



## 2.10 Awards received

A global advocacy organisation, TI is particularly recognised for its innovating and appealing communication. The following awards were received for 2013:



EUROPEAN EXCELLENCE AWARD –  
Annual Report – Winner Best in Category, 2013  
[http://www.excellence-awards.eu/wp-content/uploads/sites/5/2013/12/EEA\\_winnerlist\\_2013.pdf](http://www.excellence-awards.eu/wp-content/uploads/sites/5/2013/12/EEA_winnerlist_2013.pdf)  
This European award is hosted by *Communication Director*, a magazine for corporate communications and public relations.

CREATIVITY INTERNATIONAL –  
Annual Report – Silver, 2013  
[http://www.creativityawards.com/index.php?pr=43A\\_Annual\\_Reports](http://www.creativityawards.com/index.php?pr=43A_Annual_Reports)  
This award takes into consideration creativity, design, usability, idea, execution & follow-through. More information on judging criteria are outlined at: [http://www.creativityawards.com/Judging\\_Info.php](http://www.creativityawards.com/Judging_Info.php)



# Report Parameters

---

## 3.1 Reporting period

This report covers the period 1 January to 31 December 2013, as per our fiscal year.

## 3.2 Date of most recent previous report

31 March 2014 (Report for 2012)

## 3.3 Reporting cycle

Annual reporting cycle

## 3.4 Contact person for questions regarding the report or its contents.

Stan Cutzach,  
Governance Manager  
phone: +49 30 34 38 20 652: [scutzach@transparency.org](mailto:scutzach@transparency.org)

## 3.5 Process for defining reporting content and using reporting process.

The scope of the Report was determined to be consistent with that of our Audited financial statement, as well as other internal and external accountability instruments. We believe it constitutes a very relevant source of information for anybody from the wider public who want to understand our organization better and it is therefore posted on our website:  
[http://www.transparency.org/whoweare/accountability/governance\\_reporting/1/#GRI](http://www.transparency.org/whoweare/accountability/governance_reporting/1/#GRI) .

It was compiled by the TI-S Accountability Officer and Governance Manager, based on the input from a many in TI-S including Finance, Human Resources, Monitoring, Evaluation and Learning, and Governance to provide relevant and comparable information over time and with peer NGOs, so as to help donors, academics and any visitor of our website to assess our work.

While it helpfully broadens our accountability, we are still working at mainstreaming its use across departments throughout the year so as to enhance performance in the areas reported upon, and to better relate to our Monitoring Evaluation and Learning framework, for it being expected to be operational in 2015.

## 3.6 Boundary of the report with regard to regions and operations (e.g. divisions, subsidiaries, leased facilities, joint ventures, suppliers).

The Report focuses on the structure, governance, finances, and activities of the international secretariat of TI (TI-S).

## 3.7 Material content limitations of the report.

The Report is not about the work and capacities of TI National Chapters around the globe, nor those of the Transparency International Liaison Office to the European Union. However, instances of activities at National Chapter level are outlined as illustrations of our work when TI-S is contributing a particular service to a deliverable by a National Chapters.

### 3.8 Basis for reporting on national entities, joint ventures, subsidiaries, outsourced operations or other entities.

No joint ventures, subsidiaries or outsourced operations are reported upon in this document.

The accountability of TI National Chapter to the global Movement is described under 4.15 of this report.

### 3.10/ 3.11 Significant changes from previous reporting periods in the boundary, scope, time frame, or measurement methods applied in the report.

In this report, no significant changes in boundary, scope, timeframe or measurements were made in comparison with those of past years. Explanations are provided in the sections concerning income and expenditures, as to the adjustments made in how numbers are broken down.

# Governance structure and key stakeholders

---

## 4.1 Governance structure and decision making process at governance level.

The governance structure of Transparency International aims to reflect the spirit of our mission and the ownership by our Members operating on the front lines of the fight against corruption and to embody our commitment to transparency, accountability and integrity.

The pillars of our governance principles are rooted into our Charter

[http://www.transparency.org/whoweare/accountability/our\\_charter/0/](http://www.transparency.org/whoweare/accountability/our_charter/0/) which is itself approved by our Annual Membership Meeting. It is underpinned by the TI Statement of Mission, Values and Guiding Principles:

[http://www.transparency.org/whoweare/accountability/a\\_statement\\_of\\_vision\\_values\\_and\\_guiding\\_principles\\_for\\_ti/2/](http://www.transparency.org/whoweare/accountability/a_statement_of_vision_values_and_guiding_principles_for_ti/2/)

Established as a *Verein* under German Law, i.e. a society, Transparency International has a membership structure consisting of accredited National Chapters and Individual Members.

TI National Chapters (NCs) are the highly independent and locally-based and -governed NGOs that decide upon their own priorities and raise their own funds. Our Chapters are accredited according to a set of objective standards in three stages: from National Contact to National Chapter in formation and finally to fully accredited National Chapter Status. They are the local experts and the prime interlocutors of TI-Secretariat in their respective countries.

TI's Individual Members (IMs) are anti-corruption advocates of international standing who contribute their international perspective and expertise to the strategic and policy decision of the Annual Membership Meeting, of the Board, and to the work of TI-S and of Chapters. TI also benefits from the contribution of a network of volunteer senior advisers.

(Find our NC Accreditation and IM Appointment Policy at:

[http://www.transparency.org/whoweare/accountability/national\\_chapter\\_accreditation\\_and\\_individual\\_member\\_appointment\\_policy/0/](http://www.transparency.org/whoweare/accountability/national_chapter_accreditation_and_individual_member_appointment_policy/0/))

The highest governance body in TI is the Annual Membership Meeting (AMM). As per the Charter, its duties are to

- a) consider the Annual Report and financial statements of the Society presented by the Board of Directors and give formal approval to the actions of the Executive and the Board of Directors;
- b) determine the fees if any to be paid by Members;
- c) elect and remove the Chairperson, the Vice Chairperson and members of the Board of Directors from among the Official Chapter Representatives (OCRs) and the Individual Members.;
- d) decide and revising a policy for the accreditation of National and Regional Chapters and for the appointment of Individual Members.
- e) approve amendments to the Charter of the Society, or its dissolution.

At the time of the 2013 Annual Membership Meeting, TI counted 126 Members, consisting of 94 accredited National Chapters and 32 Individual Members.

Each accredited National Chapter and Individual Member hold one vote at the Annual Membership Meeting. The operational and governance roles of Individual Members were reviewed by a dedicated Task Force appointed by the Board following a resolution by the 2012 AMM. It made a number of recommendations to the 2013 AMM which resulted in further enhancing the accountability framework for Individual Members. A recurring matter in this context relates to the uneven operational involvement that Individual Members may be able to bring and how TI-Secretariat can better facilitate such engagement.

The Board of Directors is in charge of supervising the organisation through the year, appoints the TI-S Managing Director, approves the budget, and is, by virtue of our Charter, in charge of Strategy. However, while it watched over the development process of our current strategy (2015 Strategy), it submitted the approval of the final draft to the critical feedback and final approval of the Annual Membership Meeting. It comprises members of the Executive (Chair and Vice Chair)

and ten additional members. The composition of our Board of Directors in 2013 can be found on page 3 of our audited financial statements  
[http://www.transparency.org/files/content/ouraccountability/TIS\\_2013AuditedFinancials\\_3.pdf](http://www.transparency.org/files/content/ouraccountability/TIS_2013AuditedFinancials_3.pdf) .

Short biographies of the current TI Board of Directors are posted at  
[http://www.transparency.org/whoweare/organisation/board\\_of\\_directors/1/](http://www.transparency.org/whoweare/organisation/board_of_directors/1/)

In order to provide greater depth to its supervision, the Board of Directors counts eight Committees which focus on key areas of our work:

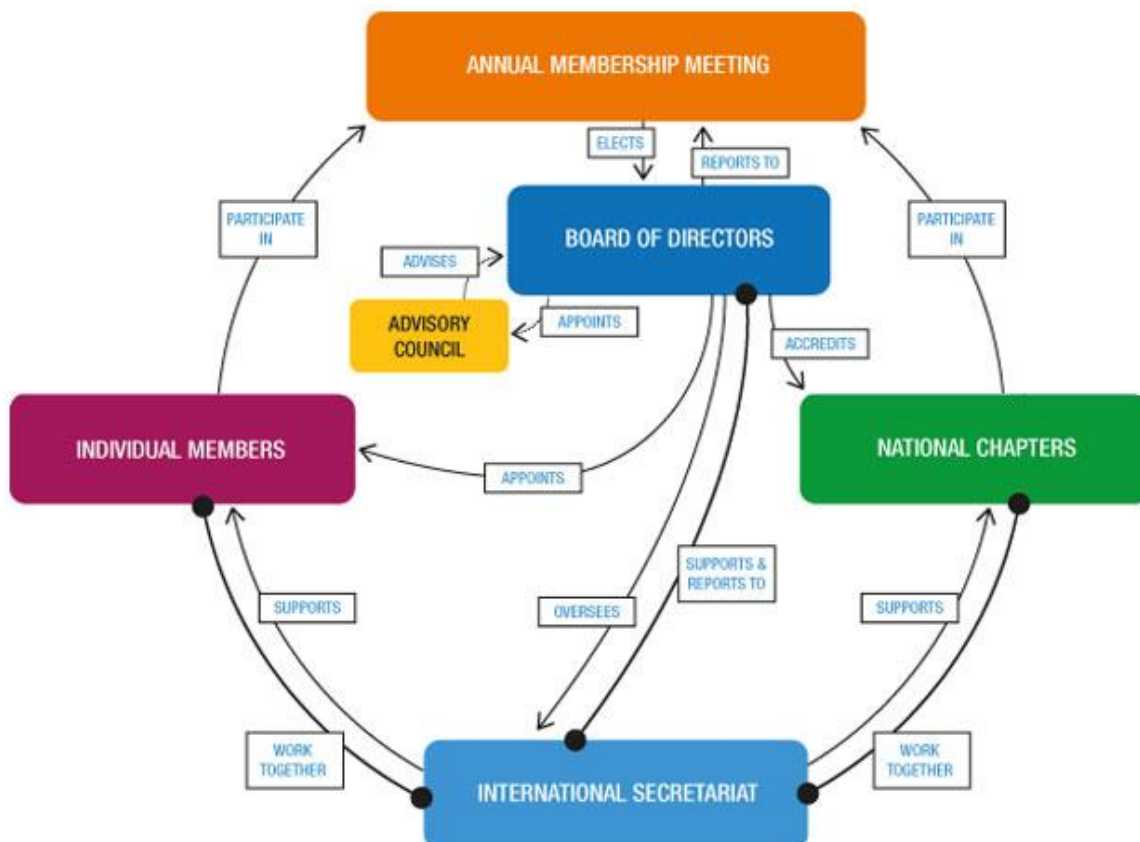
- Audit Committee
- Financial Committee
- Ethics Committee
- Membership Accreditation Committee
- Communications Committee
- Awards Committee
- SAFE Committee
- Governance Committee

The Terms of Reference for each committee, along with the committees' compositions and details of a contact person for each of those committees are all available at:

[http://www.transparency.org/whoweare/organisation/board\\_committees\\_and\\_task\\_forces/1](http://www.transparency.org/whoweare/organisation/board_committees_and_task_forces/1)

TI-Secretariat has an internal Risk Management Committee which met on a quarterly basis in 2013, systematically reviewing risk assessments from across the organisation for their quality and the appropriateness of risk mitigation provisions. It discusses risks that result in the highest combination of probability and impact. It reports to the Board Audit Committee, which in turn also reviews the Audited Financial Statements, meets with the auditors.

Overall, the functioning and governance of TI-S can be illustrated as follows:



## 4.2 Division of powers between the highest governance body and the management and/or executives.

The Membership Meeting delegates to the international Board of Directors the duty to implement its decisions.

The Board of Directors

1. Approves the annual budget; following in-depth consideration by the Board Finance Committee which reviews the draft budget from TI-S over e-mail whereby first questions may be addressed. It then discusses the draft budget at a half-day physical meeting where all TI-S Group Directors are present to explain choices and answer questions. The budget is then submitted to the Board's decision at its meeting. Due to the nature of our operations, budget updates require renewed consideration and Board Finance Committee for the Board approval several times per year.
2. refers to the Membership Meeting any matters to be decided upon by that meeting;
3. implements decisions of the Membership Meeting, in particular in follow-up to resolutions passed or feedback received in the context of the Board accountability report.
4. proposes the Annual Report and financial statements of the Society for the last fiscal year for approval by the Membership Meeting;
5. approves any expenditure of EUR 250,000 (two-hundred and fifty thousand Euros) or more which has not gained prior approval as part of the annual budget;
6. accredits, suspends and dis-accredits National Chapters; based on recommendations by the Membership Accreditation Committee where all National Chapters are reviewed over a three-year cycle, unless circumstances require an interim special review.
7. appoints, suspends, removes and expels Individual Members; based on recommendations by the Membership Accreditation Committee where Individual Members are reviewed over a three-year cycle, unless circumstances require an interim special review
8. appoints, suspends and removes Supporters and Honorary Members, noting that these formal categories have so far remained unused;
9. approves the appointment of the Managing Director(s);
10. makes decisions on any other matters of particular importance not reserved to the Membership Meeting;
11. determines from time to time the size of the Board of Directors, within the parameters set by Article 13.1;
12. approves the minutes and disseminates to the membership decisions taken at Board Meetings; and
13. appoints and removes members of the Advisory Council and its Chairperson, to serve as a potential pool of advice to the Board of Directors, whereby the Council consists of eminent individuals who have demonstrated track-record with regard to good governance, accountability, anti-corruption or related causes.

The Chair of the Board of Directors also chairs the Annual Membership Meeting and does not exercise any executive functions in TI-S.

By contrast to the strategic and oversight role of the Board of Directors, the Managing Director is appointed to represents TI-S in all usual matters of up to a value of Euro 250,000 (two-hundred and fifty thousand Euros) and thereby ensuring operational leadership. He can enter into, terminate, and nullify contracts of employment. The Managing Director's performance is yearly appraised by the Board of Directors meeting.

## 4.3 Please state the number of members of the highest governance body. How many are independent and/or non-executive members?

The TI Board of Directors counts 12 members, none of whom are remunerated by TI-Secretariat or perform any executive functions at TI-S.

#### 4.4 Mechanisms for internal stakeholders (e.g. members or employees) to provide recommendations to the highest governance body.

With TI being a membership-based organisation, the most critical stakeholder to the highest governance body is the Membership itself.

*As per §16.2 of our Charter, Members may for consideration by the Executive submit matters for inclusion on the agenda [of the Membership Meeting] by sending notice in writing to the Chairperson at least two weeks before the date of the Membership Meeting. The person chairing the Membership Meeting shall announce these additional matters at the start of the Meeting. The Membership Meeting itself shall decide whether to accept such additional matters for inclusion on the agenda.*

The Agenda of the 2013 Annual Membership Meeting dedicated ample time to review and discuss the recommendations of the Individual Member Task Force which had come into being following a decision of the 2012 Annual Membership Meeting, at the request of one Member.

Members are invited to provide feedback to the draft minutes of Membership Meeting over e-mail and approve the final minutes at the following Membership Meeting.

Also Members are informed of the dates of Board Directors meeting meetings at the beginning of the year and receive the agenda of such meetings ahead of time. They also receive Board meeting minutes and are informed by way of posting on our intranet of any decisions taken by the Board of Directors in-between meetings, i.e. over e-mail.

The Managing Director conducts, in preparation of each Board of Directors meeting, a comprehensive exercise of gathering input for accountability and recommendation purposes to the Board where all TI-S Departments are involved.

Finally, as outlined under 2.2. the designing of our 2015 Strategy having taken place over a year and extensive consultation of Members, facilitated by a dedicated Task Force composed of Members, for the final draft to be approved by the Membership Meeting, is a further relevant example of how Members may significantly shape our global agenda.

(A chart outlining the 2015 Strategy development process has been provided at the end of our previous INGO Charter reports, as per

[http://www.transparency.org/files/content/ouraccountability/TI\\_GRI\\_2012.pdf](http://www.transparency.org/files/content/ouraccountability/TI_GRI_2012.pdf))

#### 4.5 Compensation for members of the highest governance body, senior managers, and executives.

As stated under 2.3 above, none of the 12 members of the TI Board of Directors receive remuneration from TI-S.

A global NGO operating from Berlin, Germany, TI-S has developed a salary scale seeking to attract the people that we need to hire and retain the people we need to keep, and is coherently grounded with our values and financial realities as a not-for-profit organisation which cause is closely related to development, sustainability and social justice. Our approach was thoroughly reviewed in 2007 where a proposal was presented by the Board Finance Committee and approved by the Board of Directors, based on relevant organisations where future staff may come from or current staff may move on to with adjustments made in light of the cost of living in Berlin. Organisations referenced included global NGOs, relevant German and European governmental organizations, European small enterprises and US not for profit organizations, whereby each category of organization was weighted as to their degree of relevance to our staff and comparability to our status and work.

A comprehensive review took place over the year 2012 with assistance of an external consultant and central involvement of the Works Council and the Human Resource Development whereby all TI positions were described in a streamlined template outlining for each Standard Job Description (SJD) line-management responsibilities, media-representation, frequency of travel, core job-duties, and requirements in terms of (i) education, (ii) work experience, (iii) 18 technical



knowledge criteria, (iv) four soft skill areas as well as (v) needed language skills. This resulted in 6 salary grades with the corresponding salary scale posted on our website in its current form: [http://www.transparency.org/files/content/work/TIS\\_SalaryStructure\\_Jan2014.pdf](http://www.transparency.org/files/content/work/TIS_SalaryStructure_Jan2014.pdf)

While eventual payments for new staff joining the organisation from abroad are regulated by our Relocation Allowance Policy, no exiting pre-arrangements are contracted with staff.

#### 4.6 Processes in place for the highest governance body to ensure conflicts of interest are identified and managed responsibly.

TI Board members are subject to the TI Board Code of Conduct ([http://www.transparency.org/whoweare/organisation/code\\_of\\_conduct\\_for\\_the\\_board\\_of\\_directors/5/](http://www.transparency.org/whoweare/organisation/code_of_conduct_for_the_board_of_directors/5/)) and the TI Conflict of Interest policy ([http://www.transparency.org/whoweare/accountability/conflict\\_of\\_interest\\_policy/3/](http://www.transparency.org/whoweare/accountability/conflict_of_interest_policy/3/)). As such candidates for Board election are required to compile a register of interests which is circulated to the electorate along their biography and election statement. As a matter of fact, candidates for election on the Board are occasionally subject to questions from the voters on potential conflicts of interests during TI election hearings. Once elected, Board members are required to keep their register of interests updated within three weeks of any changes arising, noting that those registers are subject to public scrutiny, as posted at [http://www.transparency.org/whoweare/organisation/board\\_of\\_directors/1/](http://www.transparency.org/whoweare/organisation/board_of_directors/1/).

A compilation of the registers of interests of all 12 members are systematically circulated in hard copy to each Board member to support mutual accountability among Board members on Conflict of Interest management. As per the Policy, not only the interests of the Board members themselves are under scrutiny, but also relevant interests of close relatives. Beyond ensuring independence from external stakeholders the Policy also provides clear rules to ensure the independence of Board members from TI-Secretariat itself. It is not uncommon for TI Board members to leave the Board room and/ or to recuse themselves from engaging in discussion when matters arise where they have or may be perceived as having a conflict of interest.

#### 4.10 Process to support the highest governance body's own performance.

Members of the Board of Directors are elected for a three-year term by the TI Annual Membership Meeting. Retiring Members are eligible for re-election for a second term, but must retire for at least one year before being eligible for re-election for a final third term as a Director.

The Board reports its decisions throughout the year on the TI intranet (*Chapter Zone*) which is accessible to TI members, where space is available for Member's comments or questions. At the Annual Membership Meeting, the Board reports to the Membership about its work through the Board Chair and the Chairs of the Board Committees, also answering questions and taking comments.

The Board also yearly conducts an anonymous online self-evaluation under the facilitation of the Board Governance Committee, covering the Board's performance on its core responsibilities and Enablers of Board's effectiveness, broken down into 21 questions. The Board Governance Committee provides an analysis of the results which are available to all Board members in full, both in terms of scores as well as of comments, for the Board to discuss at a physical meeting and decide upon areas requiring improvement.

#### 4.12 Externally developed environmental or social charters, principles or other initiatives to which the organisation subscribes.

Beside its membership to the INGO Accountability Charter, TI-Secretariat is also a member of the International Aid Transparency Initiative (IATI: <http://www.aidtransparency.net/>), Initiative Transparente Zivilgesellschaft (<http://www.transparency.de/Initiative-Transparente-Zivilg.1612.0.html>) and subscribes to International Financial Reporting Standards (IFRS: <http://www.ifrs.org/Pages/default.aspx>)



## 4.14 Stakeholder groups of the organisation?

TI takes a holistic approach to the fight against corruption and seeks at global level to involve all stakeholders from **business, civil society and governments** in a coalition against corruption. This is most clearly expressed by our first Guiding Principle:

*As coalition-builders, we will work cooperatively with all individuals and groups, with for-profit and not-for-profit corporations and organisations, and with governments and international bodies committed to the fight against corruption, subject only to the policies and priorities set by our governing bodies.*

In view of this coalition-building approach, engagement with stakeholders is at the very root of our work and structures, first and foremost so in our National Chapters.

As stated earlier, for the purpose of this report, TI-Secretariat engages primarily with its local affiliates in 113 countries (in the form of our National Chapters and National Contacts) as well as Intergovernmental organisations, businesses operating internationally, our donors, and peer international Civil Society organisations.

A sense of the more formal side of our institutional relationships with other civil society organisations, intergovernmental organisations or private sector actors can be found at <http://www.transparency.org/whoweare/accountability/governance/0> and [http://www.transparency.org/whatwedo/tools/business\\_principles\\_steering\\_committee](http://www.transparency.org/whatwedo/tools/business_principles_steering_committee)

## 4.15 Process for identification, selection and prioritisation of key stakeholder groups.

TI-S leads in global and regional advocacy for the TI movement. TI-S is responsible for shaping the international anti-corruption agenda, promoting the development and enforcement of international norms and standards, and demanding the transparency and accountability of international, regional and national institutions. This role requires building global coalitions and partnerships, coordinating TI Movement collective action around international issues, developing internationally relevant evidence-based advocacy products and actions, and ensuring high international visibility for the anti-corruption issue and the TI Movement. To this end we identify governments, business leaders, local communities and other civil society organisations that we work with are identified through our research and communications.

Key stakeholders are identified through the global strategic and implementation planning process and project planning processes applicable to individual campaigns and strategies in specific areas. The criteria and prioritisation for relationships are based on our shared priorities, guiding principles, relevance and the potential added value.

National Chapters and Individual Members remain the key components of the Transparency International movement. Under the direction of the Board, the secretariat and the Membership Accreditation Committee run a transparent and collaborative accreditation process to ensure that chapters and individual members continue to uphold the values and principles of the movement.

National Chapters are accredited according to a set of objective standards in three stages: from national contact, to national chapter in formation and finally to fully accredited national chapter status. Full accredited national chapters pass through a review process every three years, aimed at ensuring continuous compliance with our standards and strengthening the work of the chapters. Fundamental features required include:

- Anti-corruption and good governance focus
- A coalition-building approach
- Non-political-partisanship

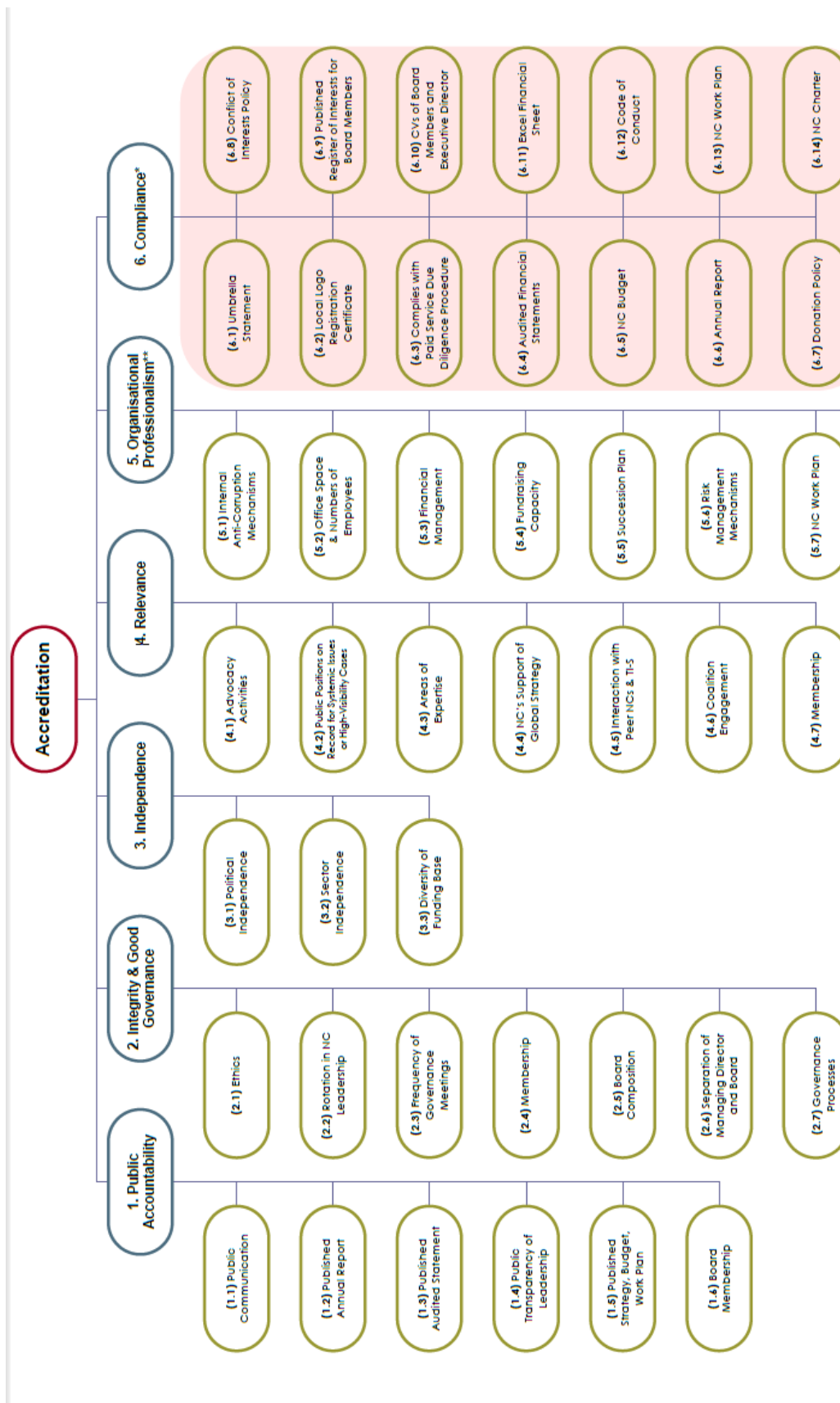
Additionally, the review evaluates the Chapter's performance around five criteria, namely

- (i) Public accountability
- (ii) Integrity and good governance
- (iii) Independence
- (iv) Relevance
- (v) Organisational capacity
- (vi) Compliance with internal and financial reporting requirements.

*A visual description of the indicators used to inform the criteria is included on the next page.*

In instances where a chapter's performance continually falls short of the standards, the chapter may voluntarily withdraw or face dis-accreditation or suspension from the movement.

Individual Members are appointed in order to allow the movement to incorporate individuals of recognised integrity and diverse backgrounds whose dedication to and experience in anti-corruption work can aid the promotion and fulfilment of the movement's goals. Candidacies for individual membership, as well as renewals of this status, are reviewed by the Membership Accreditation Committee and confirmed by the Board of Directors. Individual members may face removal, expulsion or suspension if their conduct does not align with the movement's standards or somehow prejudices the reputation of the movement.



# Performance Indicators

---

## Indicator 1. (NGO1) Involvement of affected stakeholder groups to inform the design, implementation, monitoring and evaluation of policies and programmes.

As an advocacy organisation, we do not have a standardized process for involvement of affected stakeholder groups, as every project is different. However, participatory and accountable design, implementation, monitoring and evaluation practices are encouraged.

Over the reporting period, strategies for the engagement of the poor and marginalised in the development of policy and advocacy were further refined and accelerated through beneficiary

For example, in the Americas region we continued to implement the multi-country evidence-based advocacy project Economic Equality for Latin America (EELA). The project aims to strengthen the capacity of conditional cash transfer programme beneficiaries, who are primarily female heads of households in levels of poverty or extreme poverty, to understand and exercise the rights as beneficiaries of the programme. In 2013, seven chapters, with TI-S support, conducted community-level participatory research with women's groups and beneficiaries in distinct regions of each country. Participating chapters included: Argentina, Bolivia (a former national contact), Colombia, the Dominican Republic, Guatemala, Honduras, and Peru. The chapters worked directly with over 400 beneficiaries to train them on their rights regarding the programme and on how to report claims.

Workshops with these women also helped shape advocacy recommendations, which have been presented to public audiences, including more than 12,000 beneficiaries in Colombia and Guatemala. Additionally, the resultant recommendations were presented to the World Bank and the Inter-American Development Bank and have been recognised as of value by both donors. The draft report was shared with external experts, including from the World Bank and Inter-American Development Bank, and will be published in 2014. In 2014, participating chapters will continue the outreach and advocacy stage of the EELA project to pursue improved accountability and oversight of the programmes.

Moreover, a welcomed aspect of the ALAC database is the possibility to quickly systematize the information about categories of people who require frequent consultations. This helps creating focus groups as well as provides suitable information required for consultancy in the territory. TI Zimbabwe uses the client feedback through translating client observations into actions that can drive much greater performance for ALACs, to find out what's most important to them when dealing with their issue. This will help ALAC to focus its efforts on meeting and/or exceeding those needs and to know where to target its improvements.

Through our research respondents provide information on their willingness to engage in a number of anti-corruption activities, which is important data for TI's people engagement work. Secondly, respondents indicate hot spots of bribery and corruption in their country, which assists our TI-S in identifying needs and planning specific programmatic interventions. For example, the GCB is a representative public opinion survey on corruption conducted in more than 100 countries worldwide, also provides important beneficiary data for TI.

Furthermore, our MEL unit implemented rapid learning reviews on a range of projects at the Transparency International Secretariat, convening teams and other stakeholders to create a feedback loop on project management and results. External evaluations of Transparency International Secretariat projects were also assessed to enable key takeaways from each review. Lastly, a review of Transparency International Secretariat working groups was conducted and has helped improve project planning and evaluation processes, to make them more effective and more targeted toward MEL.

## Indicator 2. (NGO2) Mechanisms for stakeholder feedback and complaints to programmes and policies in response to policy breaches.

The Independent Review Panel expressed their concern last year that we do not have a global policy for handling complaints.

The TI-S Ethics Advisor can assess complaints and give confidential advice on ethical questions to staff members and to the wider public. The contact details for the Ethics Adviser is available to all via our website (<http://www.transparency.org/whoweare/accountability/ethics/3/>). In 2013, no such complaints were received.

While the TI-S Code of Conduct provides for the protection of whistleblowers, we have decided to develop a fully-fledged TI-Secretariat Whistleblower Protection Policy upon which we shall report in 2015.

Taking account of the greater potential for complaints being addressed to the Secretariat as Transparency International's work becomes more known to the public globally, the Secretariat will need to develop more visible feedback channels about its work, as well as the capacity to process and refer such complaints to Chapters more systematically.

## Indicator 3. (NGO3) System for programme monitoring, evaluation and learning, (including measuring programme effectiveness and impact).

Monitoring, Evaluation and Learning serves to ensure that Transparency International-Secretariat's results are demonstrated and learning is consolidated in order to improve organisational performance and anti-corruption impact. The main components include the development and implementation of the Transparency International Secretariat Monitoring, Evaluation and Learning system; technical assistance and quality control of project-level M&E frameworks, activities and outputs; and MEL capacity-building of chapters.

A pocket-guide on *Monitoring and Evaluation in a Nutshell* was developed and was shared with a limited number of staff for testing and piloting. The guide offers practical advice on the steps that need to be taken in order to design, assess and draw lessons from project and programme implementation.

To monitor programme performance, internal evaluation of programmes' performance against annual plans was mainstreamed as part of the quarterly monitoring process. Quarterly Update Reports were discussed amongst the

Management Group to put programme adjustments into effect. These reports were then shared to disseminate the findings and four fixes were held to discuss the findings with Transparency International Secretariat colleagues.



In 2013, the MEL Unit also initiated direct engagement with chapters through the delivery of the MEL Mentoring project. The purpose of the MEL Mentoring Project is to support National chapters in developing and/or improving their MEL frameworks based on their strategic plans and the Transparency International Strategy 2015. Project coordination at global level will ensure the use of aligned tools and approaches

and the harnessing of lessons-learned for the whole Movement. In 2013, four chapters have been selected for participation in the MEL Mentoring Project: Palestine, Sri Lanka, Vietnam, and

Guatemala. In addition to the Mentoring, a session was organised during the AMM for chapters to exchange on and learn from their experience with MEL systems.

Furthermore, MEL implemented rapid learning reviews on a range of projects at the Transparency International Secretariat, convening teams and other stakeholders to create a feedback loop on project management and results. For example, a learning review of Transparency International Secretariat working groups was conducted and has helped improve project planning and evaluation processes, to make them more effective and more targeted toward MEL. External evaluations of Transparency International Secretariat projects were also assessed and the Management Group provided response letters to each evaluation outlining our commitment to put programme adjustments into effect, based upon the finding of the respective evaluation. Major organisational evaluations are made available to the public here <http://www.transparency.org/whoweare/accountability/evaluations/0/>

Looking ahead, in 2014 MEL will continue to streamline the Transparency International MEL system and pilot the Impact Monitoring Approach to be more accountable by demonstrating in a clear and credible manner the resulting impact of our work.

## Indicator 4. (NGO4) Measures to integrate gender and diversity into programme design and implementation, and the monitoring, evaluation, and learning cycle.

In the reporting period, as an organisation we defined the marginalised and the vulnerable as ‘people who are excluded from the normal activities of their society in economic, social and/or political sphere’ Examples of projects for the most marginalised are Conditional Cash Transfer monitoring projects or other projects that focus on basic service delivery, social housing.

To further focus on how our policy and advocacy impacts and benefits the poor and the marginalized the TI Secretariat adjusted key Advocacy and Legal Advice Centres (ALACs) <sup>1</sup> procedures: by focusing on outreach work, mobile ALACs made the service more easily accessible in more rural locations; the database monitored levels of vulnerability and gender of complainants and clients; and the selection criteria for innovation projects further facilitated the inclusion of vulnerable populations. The data gathered by the centres play a critical role in identifying corruption hotspots that demand reform or official action which are then used to inform evidence-based advocacy campaigns. For example, Transparency International Pakistan, for example, initiated a new project aimed at empowering women to participate in monitoring education on the local governance level.

Furthermore strategies for the identification and mobilization of the marginalized and vulnerable were further refined and accelerated. In the Sub-Saharan Africa region, regional surveys on young women, young men and corruption were supported by specific technical advice on gender by the Secretariat and chapters are progressing with sensitisation on issues of gender, generation, and vulnerability. Support to Transparency International Rwanda was provided by the Secretariat to engage community based organizations (CBOs) to monitor and report corruption in service delivery. TI Rwanda was enabled to engage community based organizations (CBOs) of Huye District to monitor and report corruption in service delivery using “IFATE” ([www.ifatetirwanda.org](http://www.ifatetirwanda.org)). The project comprised the following activities: Kick – off of “IFATE” tool; identify services entitled to CBOs of women, youth and disabled operating in Huye District; organize their members to monitor those services and report through “IFATE” tool; advocate for their issue.

At the secretariat, with regard to gender, we further strengthened the TI-S Gender taskforce, including through appointing gender focal persons in different departments in order to strengthen knowledge exchange and learning between TI-S and the movement on gender, particularly initiatives across regions that can be replicated. The taskforce furthermore engaged a gender consultant to develop a multi-country approach to gender. Acknowledging, empowering people and partners around the world to take action against corruption is one of TI’s strategic priorities. The multi-country programme developed entitled ‘Women Take Action against Corruption in Public Service Access and Provision’, in the content of this priority, aims to support the movement in empowering women to maximize their

---

<sup>1</sup> Transparency International’s Advocacy and Legal Advice Centres (ALACs) provide free and confidential legal advice to witnesses and victims of corruption. We have 90 ALACS open in 60 countries worldwide. More than 140,000 have contacted ALACs since 2003.



unique contribution to the fight against corruption and to promote a culture of integrity as part of widening public engagement and pressure.

In 2013, a Gender and Diversity policy at Transparency International Secretariat was developed. The purpose of this policy is to ensure that everybody can fully benefit from TI's work and participate in TI public activities, without any identity-based discrimination or marginalisation. The main aim of this policy is to ensure the mainstreaming of the gender and diversity principles into other policies/processes and procedures across the organisation and to complement key aspects of the TI-S Code of Conduct.

Furthermore, we also organised gender workshops and gender mainstreaming trainings at TI-S. At the June 2013 board meeting, a consultant on gender mainstreaming presented on 'the definition, approaches and challenges of gender mainstreaming' to board members, management group members, programmes leads and regional directors. Three gender sensitivity trainings were held in 2013 in order to provide Transparency International Secretariat (TI-S) Staff with a fuller understanding of the relevance of gender mainstreaming for the TI-S; a shared comprehension and a common language regarding gender and practical steps and tools to strengthen TI-S work through gender mainstreaming.

We also improved on our communication and messaging on how corruption impact men and women differently, including on our website. We published a few different articles that honed in on gender, in particular a feature called 'Do we need women-specific anti-corruption projects?' It had 1295 unique page views during 2013, and featured some examples of gender-driven project planning by chapters. Another feature, 'International Women's Day: profiles of women fighting corruption', was our 19<sup>th</sup> most popular feature during 2013, with 2314 unique pageviews. And not far behind that, the 23<sup>rd</sup> most popular feature in 2013 was 'Can technology help African women to fight corruption?' with 2050 unique page views, focusing on the experience of female hackers at one of our hackathons. On our blog, too, we had several posts specifically showcasing women as anti-corruption actors during 2013. Including in Guatemala, Fiji, South Africa Egypt, Zimbabwe, and one called 'Why do women report corruption less than men?'.

We continued to make progress on mainstreaming gender in our programmes and processes. The Monitoring, Evaluation and Learning system continue to advise disaggregating, whenever possible, all data by gender. Furthermore we, included indicators that monitored gender specifically in the TI-S Implementation Plan 2014, compiled in 2013. This shall enable us to better communicate gender to donors and other external stakeholders via the Implementation Report in 2014.

## NGO5 Processes to formulate, communicate, implement, and change advocacy positions and public awareness campaigns.

As stated in our previous report, TI has developed a series of advocacy tools to carry its messages. Explicit processes dictate the consultation and approval for **policy positions** and **working papers** (see [www.transparency.org/content/download/36280/570188](http://www.transparency.org/content/download/36280/570188) and [www.transparency.org/content/download/36279/570184/file/Appendix A Working Paper Guidelines 21-2-07.pdf](http://www.transparency.org/content/download/36279/570184/file/Appendix_A_Working_Paper_Guidelines_21-2-07.pdf))

Production of the **Global Corruption Report** (GCR) draws on a wide network of stakeholders. A select group of individuals who are experts on the report's thematic focus are invited to serve on an Expert Advisory Panel and help to shape the structure and content of the report. Collaboration with these individuals, as well as GCR contributing authors and article peer reviews further build TI's expert network which is useful for later outreach and advocacy on report's focus issue. A webportal developed through TI's Chapter Zone (intranet) also provides a network platform for all stakeholders through discussion forums, and information and resource exchange. The GCR also relies significantly on its experts within the TI movement. Individual members are invited to comment on the report outline at its initial stages and, where expertise allows, may contribute more substantially to the publication, for example, through participation on the Expert Advisory Panel. The TI Board of Directors contributes to topic selection for the report and are given the final report for review prior to publication. All TI National Chapters and contact groups are welcome to contribute case studies to the GCR and are often closely involved with advocacy activities associated with the launch and roll-out. In 2013 the GCR on Education consisted of more than 70 articles commissioned from experts in the field of

corruption and education, from universities, think tanks, business, civil society and international organisations.

Advocacy messages are also developed by **resolutions at Annual Membership Meetings**. As per §16.2 of our Charter, such resolutions can be tabled by any Member at least two weeks ahead of the Meeting and must be approved for discussion by the Annual Membership Meeting to be considered. Once on the agenda, the proposed resolution is debated and voted upon by the full Annual Membership Meeting.

As part of the 2015 Implementation Plan, a *Rapid Response Unit* scales up the organisation's responsiveness to emerging issues related to the field of anti-corruption, and to formulate and communicate TI-S advocacy positions and campaigns with enhanced effectiveness and rapidity. The Rapid Response Unit indeed brings together staff from Transparency International's communications department, regional department and advocacy group twice a week to discuss the biggest media stories of the day, safety and security issues involving our staff and the work of our national chapters and contacts across the world. The 30-minute meetings focus on the most important issues of the day for Transparency International, be it news of a Prime Minister charged with corruption, a new initiative to shed light on bribery in a particular country or possibly a security issue like the arrest or harassment of a staffer at one of our chapters. The group then decides on a quick action, working in conjunction with our chapters, to amplify our views. This could include the drafting of an opinion piece on how to limit political corruption to a newspaper where Prime Minister was charged, or a feature on our website about the chapter's new efforts to stop bribery. For security it could mean the Rapid Response Unit works with our SAFE unit and decides to write a letter to the appropriate government official, pressing for the release of our colleague or the end to any harassment. Ultimately the Rapid Response Unit helps the Movement communicate quickly and effectively on emerging news and policy agendas, as well as to provide support on security ('SAFE'), legal and reputational risks.

Our commitment under NGO2 also covers our interest in developing feedback systems from external stakeholders, which we plan to account upon in our report for 2015.

## NGO6 Processes to take into account and coordinate with other actors.

TI engages in numerous coalitions through de facto arrangements, Memoranda of understanding, memberships, etc, to optimise and coordinate its actions with other relevant stakeholders. These relationships are kept track of in an internal database, the most significant of which are reported on our website (see **Institutional Relationships** under <http://www.transparency.org/whoweare/accountability/governance/0>).

As an advocacy organization, our decisions to engage with other actors are guided by our strategic priorities and an assessment of the prospect of thereby achieving change towards a world free of corruption, beside an appraisal of the political will of the given organisation to effect such change.

Our country affiliates, and our earlier-mentioned news monitoring through our Daily Corruption News ([www.transparency.org/news\\_room/corruption\\_news](http://www.transparency.org/news_room/corruption_news)) also help inform us about the actions of other actors.

Furthermore, as referenced in our Strategy 2015 document ([http://www.transparency.org/files/content/ourorganisation/TI\\_Strategy\\_2015.pdf](http://www.transparency.org/files/content/ourorganisation/TI_Strategy_2015.pdf), page 5) an extraordinary scoping and interviews of relevant actors was conducted to inform our strategic positioning in the field).

The above-outlined monitoring enables to track potential allegations of corruption of our partners and to potentially terminate our cooperation.



## NGO7 Resource allocation, tracking and control.

Our Resource allocation in 2013 is outlined below, as compared with previous years

EXPENDITURE (all figures in EUR '000)	2013	2012	2011
<b>Organisational Development Unit and Strategy 2015 Implementation</b>	-	63	232
<b>Governance and Special Initiatives</b>	4.847	3.832	2.676
<b>External Relations and Partnerships**</b>	2.215	3.009	2.706
<b>Advocacy and Research**</b>	2.553	2.701	2.565
Africa and Middle East	5.609	4.464	4.627
Americas	1.431	1229	966
Asia & Pacific	2.708	1.822	2.286
Europe and Central Asia	2.995	2.712	1.471
Programmes	4.436	2.851	2.656
<b>Chapters and Programmes</b>	17.179	13.078	12.006
<b>Other (incl. FX Gains &amp; Losses)</b>	128	57	62
<b>Total Expenditure</b>	<b>26.922</b>	<b>22.740</b>	<b>20.247</b>

Titles in previous reports due to reorganisation at TI-S:

\* **Advocacy, External Relations and Fundraising**

\*\* **Research and Knowledge**

See Annex 3 IFRS Statements:

[http://www.transparency.org/files/content/ouraccountability/TIS\\_2013AuditedFinancials\\_3.pdf](http://www.transparency.org/files/content/ouraccountability/TIS_2013AuditedFinancials_3.pdf)

As an International Secretariat, TI-S conducts most of its activities through its staff while in Berlin or on travel. TI-S financial resources are administered following internal policies, in particular on Procurement, Travel, Personnel costs.

Our salary ranges are published on our website, the current ones can be found at

[http://www.transparency.org/files/content/work/TIS\\_SalaryStructure\\_Jan2014.pdf](http://www.transparency.org/files/content/work/TIS_SalaryStructure_Jan2014.pdf)

The TI-S financial team was in 2013 composed of 15 staff members of which 2 were part time. Since 2008, TI-S's financial accounts are prepared following International Financial Reporting Standards, (IFRS) thereby providing explicit and detailed information on the use of our resources. Individual projects are subject to project audits, as per the requirements of the relevant donors. External evaluations of our programmes are posted at

<http://www.transparency.org/whoweare/accountability/evaluations>. An implementation report for 2013 can also be found under [http://www.transparency.org/files/content/ourorganisation/2013\\_TI-S\\_ImplementationReport\\_EN.PDF](http://www.transparency.org/files/content/ourorganisation/2013_TI-S_ImplementationReport_EN.PDF)

In order to ensure effectiveness of resource allocation in achieving key strategic objectives, a clearance procedure for the submission of external funding proposals routinely verifies, at top management level, the consistency of the project with TI's strategic direction, costing practice, available resources as well as compliance with TI's principles including TI-S Donations Policy ([http://www.transparency.org/files/content/ouraccountability/Transparency\\_International\\_Donations\\_Policy.pdf](http://www.transparency.org/files/content/ouraccountability/Transparency_International_Donations_Policy.pdf)). Additionally, the Board-approved yearly budget is mapped to key strategic priorities at the activity level. During the year, regular updates on performance against this budget are provided to management.

Accurate tracking of the use of resource ensured by the usage of cost-centers linked to the budget. Expenditure of resources allocated to each cost-center depends on a formalised authorization process that includes adequate segregation of duties.

Cash and in-kind contributions are minor sources of funding for TI-S; however, related transactions are duly tracked in the system. Cash contributions are generally pooled with unrestricted funds and

their utilisation is monitored as such. Contributions in-kind are fair-valued at year-end and separately disclosed in note 3 f) of the financial statements. The IFRS format of our financial statements requires the external auditor to conclude on the effectiveness of the entity's internal control system. The auditors' unqualified opinions on TI financial statements can be found under the website link posted above. Additionally, more detailed assurance is obtained on project-specific reports for Donors which are subject to external audit procedures, compliant to Donor requirements.

Internally, a comprehensive TI-S Financial Manual was approved at Board level, establishing internal controls consistent with the sector best practice.

Moreover, TI-S's organizational structure ensures clear segregation of duties and reporting lines, which is particularly relevant between project managers and project accountants.

## NGO8 Sources of funding by category e.g. government, corporate, foundation, membership fees, in-kind donations and other.

See p35, IFRS Statements:

[http://www.transparency.org/files/content/ouraccountability/TIS\\_2013AuditedFinancials\\_3.pdf](http://www.transparency.org/files/content/ouraccountability/TIS_2013AuditedFinancials_3.pdf)

<b>INCOME</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Government	24,781	8,815	16,481
Other Development Organisations	453	1,494	790
Foundations	966	1,443	2,337
Corporate Donors	278	566	396
Individuals	331	25	21
<b>Donor income</b>	<b>26,809</b>	<b>22,343</b>	<b>20,025</b>
<b>Other income</b>	<b>226</b>	<b>427</b>	<b>282</b>
<b>Total income</b>	<b>27,035</b>	<b>22,770</b>	<b>20,306</b>

Note: Compared to previous reports, disclosure changed for better comparison between Annual Report and Financial Statements. Expenditure is recognised in the Statement of Comprehensive Income when there is evidence of costs incurred.

The 5 largest donors in 2013 were:

DfID	EUR 6,110,063
AusAID	EUR 3,412,534
EC	EUR 2,086,016
The Ministry of Foreign Affairs, The Netherlands	EUR 1,200,000
Federal Foreign Office, Germany	EUR 1,198,944

In view of our last report, the Review Panel had wished to know how TI-S ensured independence from donors, in particular DfID, its main one. TI's Donations Policy is clear in that we accept funding from any donor provided that acceptance does not impair our independence or endanger our integrity or reputation. We maintain our independence from DFID, and any other donor, as follows: for any submitted proposals and negotiated partnerships, these are systematically grounded in our TI Strategy 2015 and particularly in the TI-S 2015 Implementation Plan and Annual Plans. With DFID for example, the logical framework which governs the thematic focus of our cooperation, the *Output Areas*, directly reflect TI-S priorities as outlined in our plans. These priorities in the DFID logframe are 1) capacity development for the TI movement, 2) policy and advocacy, 3) research, and 4) people engagement, all key areas of focus for TI Secretariat. In other words, when we negotiate partnerships with donors, we do so based on our identified needs and priorities. If donors were seeking to entice TI-S in a direction which is not in line with our priorities, we would not accept such funding. In addition, whenever TI-S colleagues submit proposals to donors, they need to be signed off by a range of colleagues, including at top management level, ensuring the proposals are indeed in-line with our priorities.

Finally, TI-S funding indeed relies to a large extent on government donor agencies, which includes DFID, but it is worth noticing that TI-S receives funding from many government agencies, therewith reducing the risk of being influenced by one agency in particular. In 2014, estimates are that Sida will be our biggest donors, with DFID a close second, but with countries like Australia, Germany and also the European Commission not far behind. Additionally, we have made major steps in 2014 to diversify our donor base beyond bilateral donors. Particularly investments in the foundations portfolio are starting to pay off, and we are also increasing our engagement with the private sector. It is expected that our income from the private sector and particularly from foundations will grow substantially in the years ahead.

# Environmental Management

EN16 Report the total of direct and indirect greenhouse gas emissions by weight at the organisational level.

As an advocacy organisation our operations do not involve direct emissions, resulting from within the organisations, such as company vehicles, manufacturing and on-site fuel combustion. Therefore, our carbon emissions tracking focuses on indirect emissions of CO2 via our office energy use (electricity and gas) and our business travel (flight, train and taxi) purchased and used by the organisation.

2013			2012		2011	
CO2 in metric tons			CO2 in metric tons		CO2 in metric tons	
Number of travels for TI-S staff and Board Members	751		618		590	
% of which non TI-S nor Board	(57%)		(50%)		(34%)	
Staff and Board Flight (KM)	6.458.855	2.067	6.776.445	2.168,5	5.295.679	1.695
Staff and Board Train (KM)	48.305	2,7	34.945	2,0	43.882	2,5
Staff and Board Taxi (KM)	32630	5,6	32.101	5,4	32.382	5,5
<b>Total direct emissions (staff and Board only):</b>	<b>2.075</b>		<b>2.176</b>		<b>1.703</b>	
<b>Total direct emissions for staff, Board, consultants and volunteers:</b>	<b>3.258</b>		<b>3.260</b>		<b>2.280</b>	
Office Electricity (kWh)	145.228	62,01	140.212	59,87	127.510	54,45
Office heating (kWh-e)	181.409	77,46	127.795	54,59	96.635	41,26
<b>Total indirect emissions</b>	<b>139,47</b>		<b>114,46</b>		<b>95,71</b>	
<b>Total approx. sum</b>	<b>3.397</b>		<b>3.374</b>		<b>2.376</b>	

To calculate the estimate carbon emissions related to business travel for TI-S staff and Board, every individual enters the approximate distance of the trip (via flight, train and taxi) into our travel system before gaining approval for travel. The figures are then aggregated in-house to calculate the total direct emissions from travel for TI-S staff and Board only using the following formulas:

#### Air travel

km per person travel x 0.32 kg CO<sub>2</sub>(e)\*\* = kg CO<sub>2</sub>

(source: <http://www.prima-klima-weltweit.de/co2/kompens-berechnen.php> )

#### Train

km per person x 0.056 kg CO<sub>2</sub> = kg CO<sub>2</sub>

(source: <http://www.prima-klima-weltweit.de/co2/kompens-berechnen.php> )

#### Taxi

km per person x 0.169 kg CO<sub>2</sub> = kg CO<sub>2</sub>

(source: [www.auto-motor-und-sport.de/mercedes-e-220-cdi-17267.html](http://www.auto-motor-und-sport.de/mercedes-e-220-cdi-17267.html))

We then estimate the total travel emissions, for staff and Board, consultants and volunteers by including the percentage of travel by neither TI-S nor Board to the total figure.

## EN18 Initiatives to reduce greenhouse gas emissions at the organisational level and reductions achieved.

TI-S does not have a stand-alone climate and environment strategy or Environmental Management System even if the principle to limit our environmental impact is integrated into our code of conduct, Article 4.6.

As part of the code of conduct we are committed to reducing the environmental impact of TI. The main environmental risks associated with TI-S's work remain the number of flights we undertake. We are now using new technologies, including video-conferencing, more than in the past, for example in our engagement with the stakeholders in other countries. In addition, environmental considerations are integrated into the everyday running of the TI-S office, with measures including an office-wide recycling programme and conversion to 100% green energy.

In terms of programming, our main work in this area is our Climate Governance Integrity Programme. One highlight of success in this area of work includes that following direct engagement with the Climate Investment Funds (CIF), the CIF website was updated in June 2013 with a page on transparency and accountability, highlighting how to access information and how to send a complaint, including from/on the implementing entities. This information was previously only in documents, thus difficult to access.

## EN26 Initiatives to mitigate environmental impacts of activities and services

Flights are the main environmental risks for TI-S. Our emissions stayed at around the same level in 2013 compared to 2012 (3.258 tons in 2013 compared to 3.260 tons in 2012), despite the increased number of flights.

With the secretariat being in Berlin, the holding of our 2013 Annual Membership Meeting in Berlin has, in comparison to 2012 where it was held in Brasilia, substantially contributed to a reduction of direct emissions as a result of flights. The 2013 Annual Membership Meeting gathered 414 delegates (48% of whom were women) over 6 days, across 70 meetings. Transparency International Secretariat staff constituted approximately 1/3 of the delegates; it still is the largest AMM yet on record in terms of non-Transparency International Secretariat participants. Over 2/3 of the Individual Members were present and 90% of all chapters (including National Contacts) were represented.

As suggested by the Independent Review Panel, we shall be reporting in 2015 about an explicit Environmental Policy with senior management support, as the basis to establish a monitoring system

with specific targets against the baseline figures. The Environmental Policy shall also specify the approach to minimising environmental impacts in our activities and services.

# Human Resources Management

LA1 Size and composition of total workforce: number of employees (part and full-time) broken down by geographical region and responsibility levels and number of volunteers where possible.

Staff	177
Interns	11
total	188
Full Time Staff	171
Part time Staff	17
Unlimited contract	90
Limited contract	98

Pay Grade	Asia Pacific	North America	Eastern Europe+FSU	Western Europe	Africa & ME	Latin America & Caribbean
1	0	0	1	8	1	1
2	1	1	4	27	2	3
3	4	3	7	43	10	3
4	2	7	1	24	0	0
5	1	2	0	8	1	2
6	0	1	1	3	0	0
MD	0	0	0	0	1	0
temp	0	0	1	2	1	0

EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.

TI National Chapters are independent and locally rooted. The choice of leadership made at National Chapter level is therefore fully outside of our control. On the ground all of our 113 Chapters are staffed and led by nationals of their respective countries, with maybe isolated exceptions.

At TI-S, as an international Secretariat that seeks to be representative of a global movement, it is imperative for us to have a highly international and diverse staff. As such, ensuring diversity (rather than local hiring) remains an important consideration in our hiring procedures as specified in the TI-S Recruitment Policy:

## Diversity

*To proactively aim to achieve a broad, balanced and diverse representation of staff that reflects the breadth of the TI-Movement.*

This is also in line with TI Guiding Principle #10:

*10. In our operations and recruitment policies, we will strive to create equal opportunities for all, and achieve balanced and diverse representation with respect to gender and region, as the diversity of the movement we serve requires.*

In practice, such diversity is achieved through the use of recruitment channels catering to an international target audience. TI-S is currently composed of staff of 40+ nationalities.

## LA10 Workforce training to support organisational development.

In 2013 TI-S staff received on average 29 hours/3.7 days of training thereby exceeding the target of 3 days as laid out in the annual plan 2013.

Comparison: Training hours 2012: 3312 hours in total, based on 172 staff (average 2012) this amounts to 19,25 hours/2.4 days pp.

The total costs for all those activities (including catering, expenses, materials and location costs, if applicable) were approximately EUR 100.000.

Learning needs have been mainly informed by:

- The Personal Development Objectives from each staff member
- Surveys conducted at Group Level
- Training priorities identified at managerial retreats
- Individual discussions with staff/line manager
- Feedback Tools & Surveys (LIMA survey, EES, IT survey etc.)
- Close cooperation with Group Executive Officers

The wider range of training opportunities offered for TI-S employees, continues to include - beyond professional training seminars, in-house trainings and inductions- thematic jour fixes, presentations by external experts (researchers, anti-corruption practitioners, Chapters and Senior Advisors, other NGOs), language courses, participation in international conferences, seminars and workshops. Examples include:

External Trainings (using external expertise/facilitators): Financial Project Management, Objective Setting, Crowd Sourcing, Ethics, Project Management, Public Speaking, Facilitation Skills, Gender Sensitisation, Gender in Publications, Data Visualisation Analytical Writing Skills, Advocacy Writing Skills, Writing for Reporting, Data Protection, in-house German Classes (beginners and advanced). These trainings have been organised by HR and/or in close corporation with the Executive Support staff, the Ethics Advisor or the MEL Unit.

Training targeting specifically Line Management: Objective setting for managers, Ethics for managers, Using feedback to develop yourself and others , Developing High Performing and Resilient Teams, Maximising your Team's Time.

Internal Trainings: In 2013 particular attention was given to extend existing internal curriculum with new courses and to offer all courses frequently throughout the year. Topics covered included: Membership Accreditation, Travel Cost Reimbursements, Introduction to logical frameworks and proposal-writing, Financial Manual, Health & Safety, Wellbeing (Stress management; Feldenkrais), Blogging, Legal Trainings (Contracts; rule of Law; Defamation), IT Trainings (Adobe Connect; SharePoint; Google; Microsoft Word, Outlook, PowerPoint, Excel)

In addition to the trainings offered for larger groups a number of staff (15) also attended individual training courses to support their professional development in very specific areas based on the need of the organisation. The main areas covered were: Human Resources, Health and Safety, Financial Accounting, IT, Web design, MEL and some individual coaching sessions.

At the end of 2014 and for the first time each staff member and their manager were provided with an overview detailing the TI-S internal, external or individual trainings they had attended in 2013, to aid the end of year and personal development discussions and/or as reference.

Evaluation forms are being used for all trainings and workshops and feedback collected from all participants. The evaluation summary is compiled by the HR Coordinator for L&D and shared with the relevant group/department contact and also the facilitator and if applicable the service provider organisation. In addition there are follow-up calls with facilitators/training providers in case issues have been raised or clarification is needed. Evaluations also inform our choice of trainings.



## LA12 Performance reviews and career development plans.

As reported already for the previous year, all employees (100%) receive regular performance and development reviews, at least twice a year.

It is a mechanism put in place, in order to capture, monitor and evaluate needs for professional and personal development and a framework that supports respected leadership.

The performance review cycle consists of three stages:

### 1. Setting Objectives (February)

The objectives are a living tool to guide and improve everyday performance and job satisfaction. They are negotiated between employee and manager in a shared process and are based on the Standard Job Descriptions. This process establishes mutually agreed objectives that reflect organisational purpose alongside individual needs and aspirations. Objectives bring clarity and greater effectiveness to everyday roles/responsibilities of the employee.

In order to align the individual objectives based on the respective jobs duties as outlined in the standard job descriptions additional focus on how the objectives are contributing to the strategic goals and priorities of the organisation is included in the objective setting template and evaluated as part of the mid and end year reviews.

### 2. Mid-year Review (June/ July)

The mid-year review is based on the feedback and is followed by a formal 1:1 Review and Planning Meeting between staff and line managers/directors. During bilateral (1:1) Review & Planning Meeting (1.5 hours), staff and line managers discuss feedback to the line manager as well as objectives for the following year.

### 3. End of year review (November/December)

A main purpose of the meeting is enhancing the communication between staff and line managers/directors and improving the teamwork. When discussing past performance this should be done with a view to how this can be improved in the future. Management and HR are prepared to support people with their work flow (load & priorities) and their learning and development.

In 2013 the Employee Engagement Survey 2012 and the Line Management Survey 2013 were carried out successfully. The results were thoroughly analysed and findings and respective actions/action plans were shared with senior management and staff. Especially the Line Management Survey showed improvements. The work of the Line Management Initiative (LIMA) Task Force that had introduced a number of activities to support line management development/improvements throughout 2013 was highly recognised.

In addition, at the end of 2013 a 360° Feedback exercise for managers was conducted as part of the activities of the LIMA Task Force which is facilitated by the Human Resources Department. Participation rate was high (92%) and all line managers received their individual feedback report which was based on average on 9 feedback providers.

## LA13 Diversity in your organisation displayed in the composition of governance bodies and employees.

As outlined above, the TI-S Gender & Diversity Policy was created in 2013 and the final version implemented in January 2014. The purpose of this policy is to ensure that everybody can fully benefit from TI's work and participate in TI public activities, without any identity-based discrimination or marginalisation

The main aim of this policy is to ensure the mainstreaming of the gender and diversity principles into other policies/processes and procedures across the organisation and to complement key aspects of the TI-S Code of Conduct, in particular guiding principles, guidelines on staff relations (4.2) and staff recruitment (4.3.2).

As per the TI-S Code of Conduct

([http://www.transparency.org/files/content/ouraccountability/TIS\\_CodeOfConduct\\_3\\_8\\_2011.pdf](http://www.transparency.org/files/content/ouraccountability/TIS_CodeOfConduct_3_8_2011.pdf))

Appointments to all positions are made on merit, regardless of gender; region; religion; disability; family status; sexual orientation, etc.

As already in 2012, HR organised 3 new workshops on Gender Sensitisation inviting all staff to attend and together with the Ethics Advisor, 4 half day ethics workshops were organised.

(Status 31 December 2013, based on Monthly overview 31.12.2013)

#### TI-S Staff - Gender Breakdown

Pay Grade	female	Average salary F	male	Average salary M	total
1	6	2,494	5	2,580	11
2	30	3,024	8	2,966	38
3	41	3,684	29	3,784	70
4	18	5,169	16	5,143	34
5	4	8,048	10	7,624	14
6	2	*	3	10,600	5
MD	0	*	1	N/A	1
Temp	2		2		4

\*amounts not disclosed not to compromise confidentiality.

#### TI-S Staff -Age Breakdown

Pay Grade	18-24	25-29	30-44	45-64	65+
1	0	6	5	0	0
2	4	12	17	5	0
3	0	7	51	12	0
4	0	0	21	13	0
5	0	0	5	9	0
6	0	0	0	5	0
MD	0	0	0	1	0
temp	0	2	2	0	0

Abbreviations:

MD: Managing Director

Temp: temporary staff

As indicated above, our salary ranges can be found at

[http://www.transparency.org/files/content/work/TIS\\_SalaryStructure\\_Jan2014.pdf](http://www.transparency.org/files/content/work/TIS_SalaryStructure_Jan2014.pdf)

#### TI Board of Directors representation:



	Africa + Middle East	Americas	Asia Pacific	Europe + Central Asia
Female	0	3	1	1
Male	2	1	2	2

	25-44 y.o.	45-64 y.o.	65+ y.o.
Female	0	4	1
Male	1	5	1

As reported last year, we do not systematically collect data on the age of our Board members. The above data happened to have been available to us yet again thanks to a specific need.

It is important to note that, as per our Nomination Policy, the statutory call by the Chair of the Board to the Membership for nominations of Board candidates requests that due consideration be given by nominators to the representation of all the world regions in which TI works as well as the representation of women. The TI Board has been chaired by a woman, Huguette Labelle, since 2005.

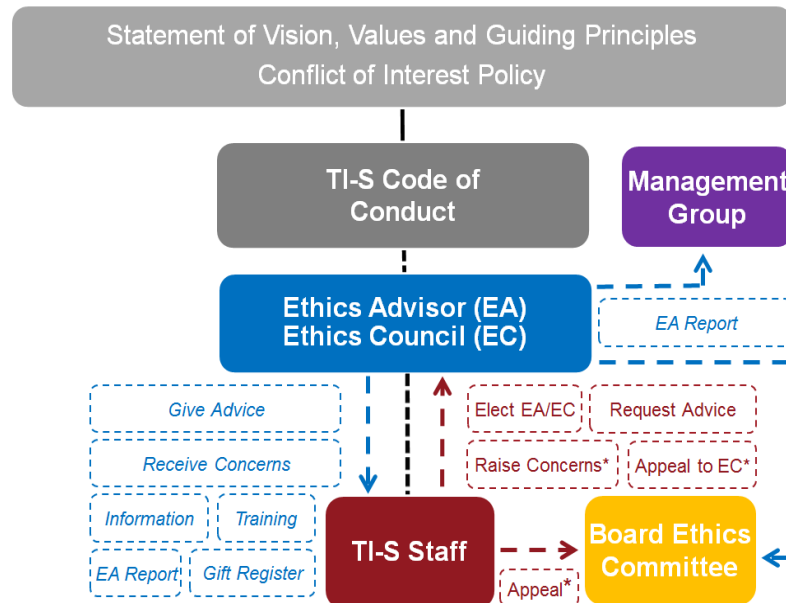
#### NGO9 Mechanism for your workforce to raise grievances and get response.

As per the ToRs of the Board Ethics Committee, staff members from TI Chapters or at TI-S, who feel aggrieved by a decision of the Managing Director of TI- issues may bring a case to the attention of the Board Ethics Committee. Advice in such cases is given to the manager who made the contested decision, with copy to the person who submitted the request and the Chairperson of TI's Board of Directors. (ToRs are posted at:

[http://www.transparency.org/whoweare/organisation/board\\_committees\\_and\\_task\\_forces/1/#Ethics](http://www.transparency.org/whoweare/organisation/board_committees_and_task_forces/1/#Ethics)). On the same website page, contact details are outlined to bring such cases to the attention of the Board Ethics Committee.

On the basis of the TI-S Code of Conduct, ([http://www.transparency.org/files/content/ouraccountability/TIS\\_CodeOfConduct\\_3\\_8\\_2011.pdf](http://www.transparency.org/files/content/ouraccountability/TIS_CodeOfConduct_3_8_2011.pdf)) the TI-S Ethics Advisor can assess complaints and give confidential advice on ethical questions to staff members and other stakeholders who request it. The contact details of the TI-S Ethics

Advisor are posted at <http://www.transparency.org/whoweare/accountability/ethics/2/>. The case-log of the Ethics Advisors records 16 cases of complaints and requests for advice, tracking steps taken, advice provided and potential policy implications. The Ethics Advisor provides written and face-to-face reports to the Board Ethics Committee upon physical meetings of the Board of Directors, i.e. in three instances in 2013, which then feed into Board discussions.



Furthermore a TI-S Grievance Policy outlines scope and processes for complaints by staff, including an appeal mechanism. All formal grievances are filed with the Human Resources Department in a separate folder to ensure confidentiality.

Finally, TI-S staff members are represented by a Works Council. The general duties of Works Councils are set out in Article 80 of the Works Constitution Act. Relevant duties include

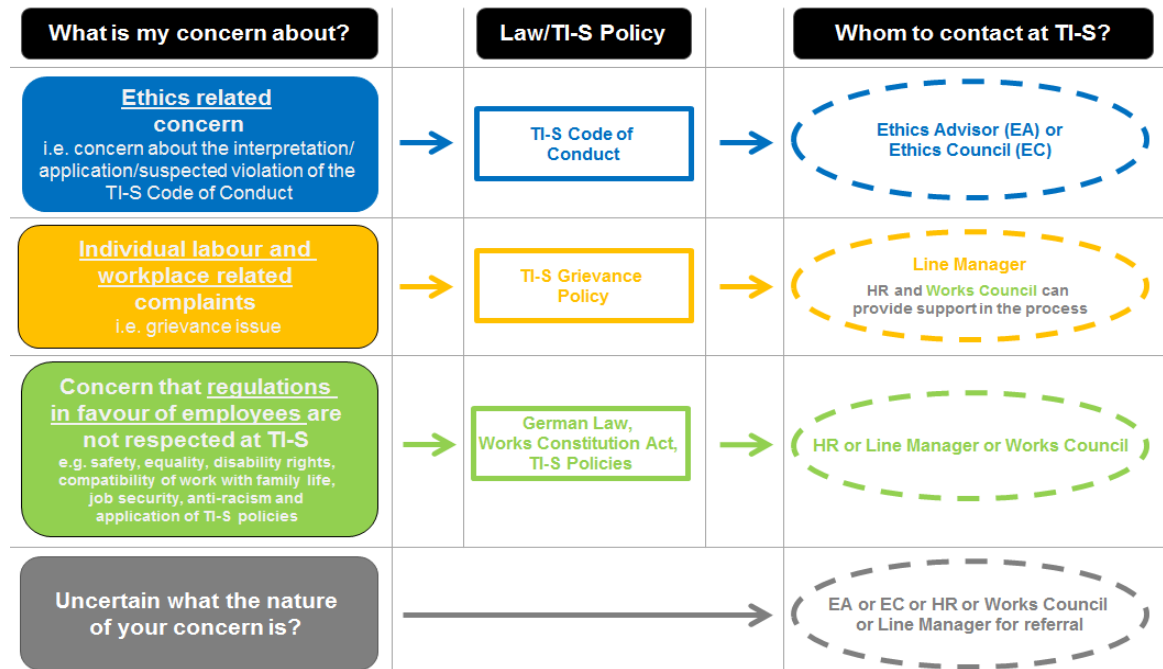
- 1- to ensure implementation of the laws, regulations, safety regulations, collective bargaining agreements and works agreements concluded for the benefits of the employees;
- 2- to request that the employer implement measures that serve the interest of the establishment and the staff;
  - a. to promote the genuine equality of women and men, especially with respect to hiring, employment, training, continuing and further education and promotion;
  - b. to promote the compatibility of family with employment.
- 4- to promote the integration of the severely disabled and other persons requiring special protection;
- 7- to promote the integration of foreign employees in the establishment...[ ]...as well as to petition measures to combat racism and xenophobia in the establishment;
- 8- to promote and secure employment in the establishment;
- 9- to promote industrial safety and operational environmental measures

Through weekly Works Council Meetings, monthly plus ad hoc meetings with the Secretariat higher Management and HR, examples of topics where the Works Council was involved in 2013 include

- reviewing new hires, changes in contracts, transfers, promotions, new job descriptions, affecting altogether 90 people.
- providing advice to staff members in 40 instances concerning performance reviews, line management, grievances and contracts.
- advising staff affected by a TI-S programme becoming a separate legal entity.
- a works agreement regulating *loyalty payments* for staff time of service at TI-S
- the securing of a quiet room for staff to rest if unwell
- ensuring due additional leave compensation for overtime after a main TI event.

- Systematic review of time limits on employment contracts
- Cooperating with and contributing to relevant HR-related bodies such as the Ethics Advisor, the Health and Safety Committee, the Interns Spokesperson, and initiatives including Gender Diversity Task Force and the Line Management Task Force.

As outlined in our earlier reports we had committed to further develop clarity, capacity and scope of the above-described mechanisms. A dedicated session about these various processes, when they apply and how they relate to each other, has since 2013 been part of the standard systematic induction of new staff. Furthermore, the following chart can be found on the walls on our Secretariat:



# Responsible Management of Impacts on Society

---

## SO1 Impact of activities on the wider community.

As an advocacy organisation, we do not 'enter, operate in and exit' communities as service deliverers. However, we do assess the effectiveness of our advocacy operations at the international, regional and national level.

In the reporting period, we begin developing an Impact Monitoring Approach, to systematically collect robust data and increase our understanding regarding the approaches and strategies that are most successful in reducing corruption for society. Better evidence also means evidence that is relevant to and used by policy makers, that informs decisions and better programme implementation, and that improves our accountability to donors and the public. Finally, evidence-based decisions also improve the allocation of resources, diverting funding from ineffective to effective interventions in the international fora and the communities in which we work.

As a secretariat, we support our Chapters to assess and sensitively manage the impact of their work on communities. For example, we developed an Impact Matrix as an analytical lens to be used in projects and initiatives to monitor their progress in achieving change. The matrix is broad and flexible enough to be used by different TI staff at TI-S and Chapters and for different units of analysis e.g. a specific project or programme, department, Chapter, TI-S or the entire Movement. Whilst information is entered based on the impact of the work that TI engages in, analysis can be carried out at various levels, depending on what is needed and most useful (e.g. project, target population, gender, policy area). Systematic implementation and use of the matrix for monitoring purposes allows developing a deeper, more structured and greater understanding of what works and what does not work in the fight against corruption. This in turn can influence, change and sharpen the way TI (Secretariat, Chapters and Movement) and the wider anti-corruption community work and address corruption.

We seek to ensure human rights through the mission of our work. Corruption can impact on the protection and promotion of all human rights - civil, political, economic, social and cultural - from the right to national development to collective and individual rights. Corruption can be a violation in itself, or may directly or indirectly obstruct the fulfilment of rights. States' human rights obligations therefore apply and can be utilised to hold states to account in the fight against corruption.

Transparency International has a Child Protection Policy, and all TI-S employees share a common responsibility and commitment to the prevention and reporting of child abuse observed in connection with their work for TI. The policy is intended to provide guidance to all TI-S employees on the definitions of child abuse and on the steps to take if encountered in the course of their work. TI-S commitment to the protection of children is guided by three elements, namely: awareness, prevention and reporting. First, for awareness, TI-S Child Protection Policy is part of the policy framework which is explained to every new staff member as part of their induction and they must confirm receipt and compliance with the policy with their signature. Secondly, for prevention, a photo and video subject release form which requires consent by a parent or guardian for children under the age of 18, a preference for Fair Trade-certified products and catering supplies (the strongest international standard seeking to prohibit child labour) a preference for goods or clothing manufactured under conditions which are in line with child protection safeguards, when purchasing promotional items. Thirdly, reporting suspected or actual child abuse or access or possession of material that is abusive towards children is mandatory for all to whom this policy applies. Initially all concerns should be raised with the next level management. Where this is not possible or appropriate the Ethics Advisor or HR should be approached.

In 2013, MEL implemented rapid learning reviews on a range of projects at the Transparency International Secretariat, convening teams and other stakeholders to create a feedback loop on project management and results.

We conduct post-intervention evaluations as required by our donors and the MEL Unit assesses the evaluations to enable key takeaway point from each review. Evaluations are made available to the public at <http://www.transparency.org/whoweare/accountability/evaluations/0/>.

As indicated under NGO2 above, a fully-fledged TI-Secretariat Whistleblower Protection Policy will be reported upon in 2015 and we will be developing more visible feedback channels for the public on our work.

### SO3 Process for ensuring effective anti-corruption policies and procedures

Measures to prevent and address corruption are cutting across all aspects of our work and integrated in a range of governance documents, which all seek to ensure transparency, accountability and integrity at TI. The documents include the below:

TI-S Code of Conduct, which is based on the TI Statement of vision, values and guiding principles. This code of conduct includes clauses on conflict of interest, anti-corruption, gifts and entertainment, and transparency and accountability, among others. The code of conduct can be downloaded from the TI website

[http://www.transparency.org/files/content/ouraccountability/TIS\\_CodeOfConduct\\_3\\_8\\_2011.pdf](http://www.transparency.org/files/content/ouraccountability/TIS_CodeOfConduct_3_8_2011.pdf) The Board of Directors has its own Code of Conduct which includes a Register of Interests for all members.

The TI Secretariat has an ethics adviser which has as its primary responsibility to inform about the TI-S Code of Conduct and to give confidential advice on ethical question to staff members and other stakeholder who request it. A TI-S Ethics Council supports the work of the Ethics adviser. In 2013, eight Ethics workshops were held at the TI Secretariat and more than 80 TI-S staff members, including management, were trained and had the opportunity to discuss ethical challenges and practice at TI-S. As described above, the Ethics Advisor reports to and answer questions from the Board Ethics Committee several times per year.

Internal processes are strictly regulated to prevent fraud and corruption. TI-S procurement guidelines hinge on two fundamental principles: Transparency & Fairness and Value for Money, outlining thresholds for procurement requirements and processes. A Delegation of Authority Policy regulates inter alia who can authorise what transactions, covering HR matters (including recruitment), travel, fund transfers and any other payments. It does not only set approval requirements for payments but also income, such as the signing of grants. Every payment requires approval by two individuals, whereby the staff member providing second level approval cannot be the beneficiary of the reimbursement. A summary of the Procurement Guidelines are published in summary form at [http://www.transparency.org/files/content/work/2014\\_ProcurementGuidelines\\_Summary.pdf](http://www.transparency.org/files/content/work/2014_ProcurementGuidelines_Summary.pdf). These processes are yearly reviewed by our auditors and our Board Audit Committee.

For consistency's sake we will be reflecting our anti-corruption principles and systems into one single policy, on which we shall account in our report for the year 2015.

### SO4 Actions taken in response of incidents of corruption.

No instance of fraud or corruption was found at TI-Secretariat in 2013. Such instances would be reported to our auditors and would be reflected in our Audited Financial Statements.

### PR6 Programmes for adherence to laws, standards, and voluntary codes related to ethical fundraising, including advertising, promotion, and sponsorship.

TI-S does not actively fundraise from the wider public but primarily from institutions. The fundraising team for our global operations consists of 5 people who know and comply with our Donations Policy ([http://www.transparency.org/whoweare/accountability/funding\\_and\\_financials/1](http://www.transparency.org/whoweare/accountability/funding_and_financials/1)) and the relevant provisions of the INGO Charter.



As explained under NGO 7, our Clearance Procedures for the Submission of External Funding Proposals helps ensure compliance with internal and external laws and standards.

As part of its ongoing efforts to widen its donor base, TI-S has been seeking to raise funds from the public and from corporate donors. While doing so, we follow stringent due diligence processes ensuring the funding we receive is accepted in line with our Donations Policy. Due diligence on potential new donors takes place every time financial support for our work is sought from such donors.

We for example enter into partnerships with private-sector actors who have committed to anti-corruption throughout their operations, and who demonstrate such commitment through their internal policies and external engagements. TI-S does not offer any certification or approval of the policies or actions of its private-sector partners, and does not perform any confidential work for their sole benefit. TI-S's corporate partnerships seek to raise awareness throughout the private sector of the devastating impact of corruption.

Marketing is not part of TI-S fundraising. Discussions regularly arise with our stakeholders about approaching particular potential donors, but no formal complaint was received in that context or more broadly on our Donations Policy and Charter Commitment to ethical fundraising. over the reporting period.

**I hereby declare that to the best of my understanding this report fulfils the requirements for a GRI G3 Application Level C.**

**Name:** Stan Cutzach  
**Position:** Governance Manager  
**Date:** 29 December 2014



# GAP ANALYSIS TABLE- Areas of Commitments and Progress achieved

GRI - Performance Indicators	Commitment to improvement	Progress achieved Year 1	Progress achieved Year 2	Progress achieved Year 3
<b>PROGRAM EFFECTIVENESS</b>				
<b>NGO1: Processes for involvement of affected stakeholder groups.</b>	<b>2010</b> <i>"TI is in the early stages of developing a Monitoring, Evaluation and Learning (MEL) Framework. The MEL Matrix (See NGO3) will ensure that National Chapters as our key stakeholders are involved more systematically and explicitly in the design, implementation, monitoring and evaluation of all TI-S policies and programmes."</i>		<b>2012</b> <i>"TI-S has developed a Monitoring, Evaluation and Learning (MEL) Framework." (See NGO3)</i>	
<b>NGO2: Mechanisms for feedback and complaints in relation to programs and policies.</b>	<b>2012</b> <i>"(...), work was undertaken in late 2012 to further develop clarity, capacity and scope of complaints mechanisms, which results will be outlined in our following report."</i>	<b>2013:</b> Clarification done for internal complaints (see NGO 9)		
	<b>2013:</b> will develop the capacity to process and refer complaints to Chapters more systematically			
	<b>2013:</b> will account in 2015 on a TI-S Whistleblower Protection Policy			
<b>NGO3: System for program monitoring, evaluation and learning.</b>	<b>2010</b> <i>"[...] over the next year TI-S will be taking its MEL commitments further by developing a more comprehensive MEL system which, over time, will seek to include greater parts of the Movement."</i>		<b>2012</b> TI-S has developed a MEL framework for the National Chapters. <i>"(...) the organisation developed in 2012 a quarterly reporting cycle to be institutionalised as of 2013, whereby all programmes and functions report through filing in a form that is then made available to all (...) in the</i>	<b>2013</b> Initiated direct engagement with chapters through the delivery of the MEL Mentoring project in four chapters and a session was organised during the AMM for chapters to exchange on and learn from their experience with MEL systems.

GRI - Performance Indicators	Commitment to improvement	Progress achieved Year 1	Progress achieved Year 2	Progress achieved Year 3
			(...) intranet."	
	<b>2013</b> Continue to streamline TI's MEL system and pilot the Impact Monitoring Approach to demonstrate the resulting impact of our work.			
<b>NGO4: Measures to integrate gender and diversity into program.</b>	<b>2010</b> <i>"In 2011/12 Gender mainstreaming at TI-S will fall within the purview of a strategic Organisational Development Unit which will hold responsibility of Monitoring, Evaluation and Learning."</i>	<b>2011</b> <i>"In 2012 Gender mainstreaming at TI-S will be clearly affected within the purview of the newly established Monitoring, Evaluation and Learning function."</i>	<b>2012:</b> introduced gender data in the Global Corruption Barometer 2013, a Recruitment Policy ensuring more diversity, and mandatory Gender Sensitivity Trainings for all staff.	<b>2013:</b> Gender Diversity Policy adopted. Gender-focus people across TI-S Departments. A series of gender-focussed activities have been conducted Gender mainstreamed in TI-S main reports.
<b>NGO5: Processes to formulate, communicate, implement, and change advocacy positions and public awareness campaigns.</b>	<b>2013:</b> Developing feedback systems from external stakeholders, to be accounted upon in our report for 2015.			
<b>NGO6: Processes to take into account and coordinate with the activities of other actors.</b>	<b>2010</b> <i>"TI engages in numerous coalitions through de facto arrangements, Memoranda of understanding, memberships, etc. [...] These relationships are kept track of in an internal database, part of which is planned to be published on our new website, upon its launch toward the end of this year."</i>		<b>2012</b> Institutional relationships are reported on our website	

GRI - Performance Indicators	Commitment to improvement	Progress achieved Year 1	Progress achieved Year 2	Progress achieved Year 3
ECONOMIC				
NGO7: Resource allocation.	2010 “We are aware that [the] figures [in our budget report] are not as easy to understand as we would like it to be, thus we are seeking ways to present these numbers in a more easily understandable manner to the general public.”		2012: Link to IFRS Audited Financial Statements	2013: The discrepancy has been addressed the issue fully solved.
NGO8: Sources of funding by category and five largest donors.	2013: Commitment to further diversify funding base			
ENVIRONMENTAL				
EN16: Total direct and indirect greenhouse gas emissions by weight.	2010 “(...) we try to minimise the number of trips and seek to find the most environmentally friendly flight routes in planning travel, incorporating as many visits and meetings in any single trip.”		2012 the TI Green Task Force had formed and successfully introduced substantially improved waste and paper management systems. (...) We shall continue to seek decreasing our environmental impact.”	
EN26: Initiatives to mitigate environmental impacts of products and services.	2013: we shall be reporting in 2015 about an explicit Environmental Policy with senior management support, as the basis to establish a monitoring system with specific targets against the baseline figures. The Environmental Policy shall also specify the approach to minimising environmental impacts in our activities and services.			

GRI - Performance Indicators	Commitment to improvement	Progress achieved Year 1	Progress achieved Year 2	Progress achieved Year 3
<b>LABOR</b>				
<b>LA12: Percentage of employees receiving regular performance and career development reviews.</b>	<b>2011:</b> <i>"The 360° Feedback process was not pursued in 2011 as it was not deemed helpful by many in the way it was conducted. We have been seeking to update that particular process of broader input gathering on behaviour and performance to a more reliable framework, but have not yet satisfactorily tackled that need."</i>			<b>2013:</b> At the end of 2013 a 360° feedback exercise was conducted to provide Line Managers with specific and structured feedback on their working behavior.
GRI - Performance Indicators	Commitment to improvement	Progress achieved Year 1	Progress achieved Year 2	Progress achieved Year 3
<b>SOCIETY</b>				
<b>SO3: Percentage of employees trained in organization's anti-corruption policies and procedures.</b>	<b>2010</b> <i>"We are working to further our own anti-Corruption capability in light of these (anti-corruption guidelines for NGOs produced by TI-UK with BOND), to be operational in 2013."</i>	<b>2011</b> <i>"Our National Chapter in the UK (TI-UK) has developed together with BOND comprehensive anticorruption guidelines for NGOs. We are working to further our own anti- Corruption capability in light of these, to be operational in 2013."</i>		<b>2013</b> For consistency's sake we will be reflecting our anti-corruption principles and systems into one single policy, on which we shall account in our report for the year 2015.

Transparency International  
International Secretariat  
Alt-Moabit 96  
10559 Berlin  
Germany

Phone: +49 - 30 - 34 38 200  
Fax: +49 - 30 - 34 70 39 12

[ti@transparency.org](mailto:ti@transparency.org)  
[www.transparency.org](http://www.transparency.org)

[blog.transparency.org](http://blog.transparency.org)  
[facebook.com/transparencyinternational](https://facebook.com/transparencyinternational)  
[twitter.com/anticorruption](https://twitter.com/anticorruption)