

AUDIT & FINANCE COMMITTEE CHAIR REPORT

BOARD MEETING
David Sidwell
22-23 June 2016, Geneva



Audit & financial reporting

Topics reviewed

- **2015 GAVI Alliance Annual Financial Report**
- **2015 Audit strategy**

Current status

- **On track for on-time completion**
 - **Campaign** audit and financial statements (completed in May)
 - **IFFIm** audit and financial statements (completed in June)
 - **Alliance** audit (to be completed in July)
 - **Consolidated** Annual Financial Report on track for AFC review on 28 July
 - Various **tax and other statutory filings**
- Accounting policies updated to reflect revision to the Programme Funding Policy
- KPMG presented an audit plan consistent with last year

Audit and Investigations

Topics reviewed	Current status
<ul style="list-style-type: none">• A&I reorganisation• Whistleblower reporting• Programme Audit - 2015 and 2016 plans • Internal Audit - 2015 and 2016 plans • 2015 EQA of Internal Audit	<ul style="list-style-type: none">• Organisation largely in place• Updates on hotline reporting• Plan on track• Updates on audits, misuse, and reimbursement• Trends to be identified • Plan on track - no high risk issues – remediation tracked• Most high risks covered by y/e • Remediation on track

Financial update

Topics reviewed	Current status
<ul style="list-style-type: none">• Long term forecast (version 12Fa)• Programme Funding decisions• Expenditure report:<ul style="list-style-type: none">• 2011-2015 actuals• 2015, 2016 Q1 act. vs est.• Programme Funding Envelopes	<ul style="list-style-type: none">• December 2015 forecast still valid• All decisions can be approved by the Board in accordance with the Programme Funding Policy as resources available to fund through 2020<ul style="list-style-type: none">• 2011-15 \$ 6.86bn (London est. \$6.83bn)• 2015 FY 90% of FY est.• 2016 Q1 23% of FY est. (27% in 2015)• Envelopes: Allotments were within Board mandated amounts

Other matters

- **Committee member commitment and 2016 work plan**
- **AFC charter review**
- **Skills required for AFC members e.g. risk, finance**
- **Operating expense ratio**
- **Risk management**

Risk Management

Reflection on Board Retreat discussion and follow-up

Board Retreat key take-aways

Informed risk discussion on vaccine wastage

- Endorsed risk appetite, comfortable with current exposure, acknowledged future exposure may increase
- Important to strengthen data quality and potentially reinforce mitigation in high risk countries

Risk oversight arrangements

- Agreed AFC will coordinate and ensure all risks are owned and overseen by Committees
- Important to ensure that every Committee has capabilities to oversee risks in their areas

Risk reporting needs

- Requested concise update at every Board meeting, and full report in December
- Requested a top-down report which shows issues and trends, with top risks to be categorised, quantified, and prioritised
- Agreed on optional deep-dives on specific risks, to be selected from Risk and Assurance Report

Risk topics for the Board until June 2017

2016

December Board

- *Risk and Assurance Report*
- *Review critical risks facing Gavi*
- *Select potential deep-dives for future review*

2017

June Board

- *Review major changes since Risk and Assurance Report*
- *Approve updated risk appetite statement in risk policy*
- *Potential deep-dive into a key risk*

THANK YOU



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