

GAVI Alliance Audit and Finance Committee teleconference

23 July 2009

FINAL Minutes

Finding a quorum of members present¹, the meeting commenced at 10.00 Washington time on 23 July 2009. The Committee reviewed the minutes from its meeting on 28 May 2009 (Doc #1 in the committee pack).

DECISION

The GAVI Alliance Audit and Finance Committee:

Approved the minutes of its meeting on 28 May 2009.

1 2010 budget process

Tony Dutson, acting CFIO, briefed the Committee on a process for constructing and vetting the 2010 GAVI Alliance budget (Doc #2). He noted some changes in the process from previous years that were geared toward enhancing financial transparency. Discussion followed:

- It is appropriate that the Board be able to consider and endorse the size of the annual programme budget and total expenditures. Secretariat staff and financial experts on the Independent Review Committee (“IRC”) are now providing additional scrutiny over country programme budgets.
- Though the Board approved a 2009-2010 work plan budget, the Board will be asked to review and re-approve the 2010 portion in November, as well as approve the 2010 administrative budget. In the meantime, the Secretariat is looking internally and is working with WHO, UNICEF and the World Bank to identify cost savings in the 2010 work plan.

2 Programme funding plan

Mr. Dutson reviewed the proposed programme budgets and near-term funding requests to support the recommendations of the IRC New Proposals and Monitoring teams (Doc #3a). In short, the Secretariat intended to request that the Executive Committee endorse budgets for country-specific programmes totalling US\$ 177,874,020 and approve a financial commitment of \$99,051,000 for near-term needs. Discussion followed:

- The Board requested the Audit and Finance Committee to review the financial implications of country programme funding requests on GAVI's balance sheet. As such, the Committee's mandate is to determine whether sufficient funds are available to fulfil the commitments.
- The “expected” expenses noted in the document are not legally binding or even promised, but projections based on information received about country demand.
- The financial information provided to the Committee reflects an improved cash balance which is US\$ 100 million greater than that which was presented at the June 2009 board meeting. This is due to updated financial estimates that were not yet available at the time of the June meeting.

¹ Attendees are listed in Attachment A.

- The GAVI Alliance Immunize Every Child entity (formerly the GAVI Fund) is projected to carry a significant cash balance in 2009, even after the execution of the Super Grant, because the current USAID grant specifies that its proceeds must be given to that entity.

DECISION

The GAVI Alliance Audit and Finance Committee:

- 2.1 Acknowledged that it had reviewed the financial implications of the country programme recommendations.

3 Programme funding requests for restricted GAVI countries

Mr. Dutson reviewed programme budgets and near-term funding requests to support programmes in Cuba, North Sudan, and Myanmar (“Restricted GAVI Countries”) (Doc #3b). He noted that no US funds would be used to support these programmes. In all, the Secretariat intended to request that the Executive Committee endorse budgets for country-specific programmes totalling US\$ 5,197,500 and approve a financial commitment of \$16,269,500 for near-term needs.

DECISION

The GAVI Alliance Audit and Finance Committee:

- 3.1 Acknowledged that it had reviewed the financial implications of the country programme recommendations for Restricted GAVI countries.

Wayne Berson, George Bickerstaff, and Jean-Louis Sarbib recused themselves from the discussion and the decision.

4 Budget variance policy

Mr. Dutson tabled a proposed budget variance policy for review (Doc #4). The purpose of the policy is to outline a standing delegation to the Secretariat to expend resources above Board-approved administrative, work plan and programme budgets and financial commitments. Discussion followed:

- The policy should be amended to clarify that the variances for horizontal endorsements should be limited to those that affect the current year. Variances that occur in future years can be requested of the Board or Executive Committee.
- The policy should be amended to clarify what is meant by “an exceptional basis” in regard to making reallocations across approved procurement programmes.

DECISION

The GAVI Alliance Audit and Finance Committee:

- 4.1 Recommended to the Board that it approve the budget variance policy subject to the inclusion of the amendments proposed at the meeting.

5 Audit update

Mr. Dutson updated the Committee on the status of the GAVI consolidated audit being conducted at the GAVI Alliance Immunize Every Child entity. He noted that the audit was on track and final comments should be received from KPMG by 31 July 2009. Mr. Berson added that he had been in

close contact with the lead partner, Marianne Fallon, throughout the process. There was no discussion.

6 Committee self-assessment update

Mr. Berson reminded committee members that the Audit and Finance Committee would undergo self-assessment in time to report the results to the Board in November 2009. He noted he will be speaking with the outside consultant, Egon Zehnder International during August and invited other committee members to talk to him offline if they had input. There was no discussion.

There being no further business, the meeting was adjourned.

Mr. Tony Dutson, Authorised Signatory

Attachment A

Participants

Committee Members

- Wayne Berson, Chair
- George Bickerstaff
- Majid Al-Junaid
- Clarisse Paolini
- Jean-Louis Sarbib

GAVI

- Anthony Brown
- Tony Dutson
- Helen Evans
- Lisa Jacobs
- Kevin Klock

Guests

- David Crush, World Bank