# INTERNAL AUDIT REPORT

**CSO Management**
**October 2025**

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## Conclusion

Our audit procedures were designed to provide assurance to management and the Gavi Board on the design and effectiveness of the key controls in the processes related to CSO management at Gavi to achieve the three key strategic priorities for civil society and community engagement (CSCE). The three CSCE strategic priorities are political will and accountability, community demand, and complementing public service delivery.

Effective civil society and community engagement is crucial in achieving Gavi's strategic goals, particularly advancing gender equity and prioritising missed communities. In this audit, we identified three high risk issues relating to governance and oversight arrangements of CSO management processes. To address the risks associated with the audit issues, the audit team raised eight recommendations of which four were rated as high priority.

### Summary of key audit issues

| Ref | Description | Rating* |
|---|---|---|
| **Governance and oversight arrangements over CSO management** | | |
| 2.1 | Limited oversight of CSO funding through Governments and Alliance Partners | ■ |
| 2.2 | Improvements are needed in the financial health due diligence and capacity assessment processes | ■ |
| 2.3 | Matters related to the framework agreement with the fund manager | ■ |
| **Implementation of the CSCE approach** | | |
| 2.4 | Gavi funding for CSOs needs to streamlined | ■ |
| 2.5 | Guidance and policy on indirect cost recovery for CSOs needs improvement | ■ |
| **Monitoring, evaluation, and reporting systems** | | |
| 2.6 | Improvements are needed in the monitoring of CSO contributions to Gavi goals | ■ |

** The audit ratings attributed to each section of this report, the level of risk assigned to each audit issue and the level of priority for each recommendation, are defined in annex 3 of this report.*

# Executive Summary

## 1. Key achievements and good practices

The audit noted several positive developments and emerging good practices in Gavi's implementation of the CSCE strategy. These reflect progress both in the design of the engagement model and in its operationalisation at global and country levels.

**Operationalisation of the CSCE Strategy**
The CSCE approach which was approved by the Gavi Board in 2021 has been successfully translated into an operational framework, with clearly defined strategic priorities. Notably, the introduction of a risk management framework and the development of practical implementation tools—including annual engagement plans and country guidance—demonstrate a deliberate effort to embed CSO engagement into Gavi's programme delivery architecture.

**Establishment of a fund management mechanism**
Gavi contracted a fund manager to administer funding for CSOs to reduce the administrative burden and to enhance fiduciary oversight. This mechanism has facilitated a more efficient and decentralised model for identifying, contracting, and supporting local CSOs, while maintaining appropriate levels of risk assurance. The fund manager has helped to streamline funding flows, supported subnational engagement, and enabled quicker mobilisation of resources—particularly in fragile and conflict settings.

**Adherence to the 10% allocation requirement**
All the nine countries which were sampled during the audit had adhered to the Board mandate requiring that a minimum of 10% of combined HSS, EAF and TCA ceilings be allocated to CSO activities as part of their Full Portfolio Planning (FPP) submissions.

80% (32 out of 40) of the countries that have undergone FPP have adhered to the Board mandate. This reflects a clear institutional commitment to CSO engagement and marks a significant shift from earlier funding cycles where such contributions were less visible or prioritised.

**Development of tailored grant support procedures**
Recognising the distinctive operational contexts of CSOs, new internal grant support procedures have been developed that are tailored to the risk profiles, capacity levels and delivery models of civil society actors. These adjustments have contributed to a more inclusive and accessible funding environment, enabling a broader spectrum of CSOs including smaller, local organisations to engage with Gavi programmes.

**Strengthened coordination with the CSO Steering Committee**
Annual engagement plans and routine interactions with the CSO Steering Committee have helped institutionalise a more structured and collaborative approach to governance. These efforts have contributed to improved alignment between Secretariat priorities and CSO programming, while also facilitating mutual accountability between Gavi and the CSO Constituency.

**Framework for monitoring CSO allocations and disbursements**
Gavi has established internal systems to track CSO allocations, contracting, and disbursements across its funding levers. This has enhanced transparency and enabled better analysis of CSO resource flows at the country level, laying the groundwork for more integrated performance monitoring in future strategic periods.

## 2. Summary of issues

Through our audit procedures, we identified three high and three medium priority issues relating to the CSO management processes.

High priority issues

### 2.1 Limited visibility and oversight of CSO funding through Governments and Alliance Partners

A total of USD 75.5 million (27%) of Gavi's CSO funding was channelled through governments and Alliance Partners as at 31 December 2024. The Gavi Secretariat has limited visibility and oversight of the management of these CSOs and of key processes such as procurement and due diligence, contracting timelines, funds disbursement, and financial and programmatic reporting.

The CSO Grants Manual which was approved at Programme Support Team (PST) level was intended as a reference for all CSO funding modalities but was not approved by the Chief Country Delivery Officer nor rolled out to all relevant teams. As a result, it was not enforced as a requirement and it has not been applied in cases where CSO funding is channelled through governments and Alliance partners.

Consequently, when funds are administered through governments and Alliance Partners, Gavi lacks visibility over CSO implementation progress, risks, and outcomes which makes it difficult to track results or to ensure value for money.

### 2.2 Improvements are needed in Gavi's internal processes for financial health due diligence and capacity assessment

The current financial due diligence process of potential service providers by Gavi's procurement team is not robust enough to identify underlying financial health risks. We noted one case of a potential fund manager where no red flags were raised regarding the entity's financial health during the due diligence process. The results of the process showed that the entity met all the criteria. However, the process failed to identify the material financial health risks which had been disclosed in one of the entity's audited financial statements including funding constraints and a pension liability shortfall. Following the 'successful' financial health due diligence process, Gavi entered into a framework agreement with the entity only for it to become insolvent eight months later. Though no funds were disbursed during the eight months period due to other mitigating measures that the CSO team invoked, the risk exposure to Gavi is still high given that the same due diligence process is used to assess the financial health of all service providers before and after contracting.

Gavi could be exposed to delivery risk, potential financial loss and reputational damage, if the financial health of a service provider is not as strong as initially envisaged or significantly deteriorates after signing the contract.

In addition, capacity assessments carried out by Gavi Secretariat are often not updated during CSO grant renewals or extensions. This is because country teams rely on prior experience with a CSO partner, particularly where past performance was deemed satisfactory, reducing the perceived need for competitive selection and/or formal reassessment. As a result, capacity challenges arising from the expansion of scope and increase in funding to CSOs may go unnoticed. If this risk is not properly mitigated, it could negatively impact implementation.

### 2.3 Matters related to the framework agreement with the fund manager

We reviewed the framework agreement between Gavi and the Fund Manager and brought recommendations to enhance risk management.

Medium priority issues

### 2.4 Gavi's funding for CSOs needs to be streamlined

Gavi's funding for CSOs remains fragmented across funding mechanisms and contracting channels (such as direct, Alliance Partners, Expanded Partners, Government and Fund Manager). While there are ongoing efforts to consolidate Gavi's funding levers (such as HSS, EAF etc) which will help with streamlining, the issue of having multiple funding mechanisms still needs to be addressed.

Having multiple funding mechanisms and contracting channels increases the administrative burden of country teams and Secretariat staff. It also limits Gavi's ability to take a portfolio-level view of CSO engagement and to measure the collective impact of CSOs on immunisation and equity outcomes.

### 2.5 Guidance and policy on indirect cost recovery for CSOs needs improvement

We reviewed guidance and policy on indirect cost recovery for CSOs and recommended improvement.

### 2.6 Improvements are needed in the monitoring of CSO contributions to Gavi's goals

There is no harmonised results framework in place to enable systematic aggregation or comparison of CSO results. Monitoring of CSO contributions is inconsistent and fragmented, with indicator frameworks and reporting templates differing across the various funding mechanisms. Gavi may be unable to report comprehensively on the impact of its CSO investments, both at country and portfolio levels due to the lack of a comprehensive monitoring framework.

We acknowledge the ongoing consultative process led by the CSO team, ZIP, MEL, HSIS and other relevant departments to develop a comprehensive monitoring framework for CSO engagement.

# 3. Background

## 3.1 Introduction

Gavi's 5.0 strategy seeks to accelerate equitable and sustainable immunisation coverage, with particular emphasis on reaching zero-dose children, under-immunised populations, and communities historically excluded due to poverty, geographic inaccessibility, and fragility. Achieving this vision necessitates deeper collaboration with actors who are embedded in and trusted by such communities—most notably, Civil Society Organisations (CSOs).

CSOs are uniquely positioned to contribute to Gavi's mission through various roles, including service delivery, advocacy, accountability, demand generation, and community engagement. In recognition of this, Gavi has progressively institutionalised civil society engagement within its operational and governance frameworks.

Following a 2018 evaluation of Gavi's support to CSOs, and in response to recommendations to strengthen engagement, the Secretariat worked closely with the CSO Steering Committee, the broader CSO Constituency, Alliance Partners, and donors to develop a comprehensive Civil Society and Community Engagement (CSCE) Approach. This culminated in the Gavi Board's approval in December 2021 of a new strategy for civil society and community engagement, aligned with the broader goals of Gavi 5.0.

## 3.2 CSCE strategy

The CSCE Strategy reflects a fundamental shift in Gavi's operating model—from treating CSOs as peripheral actors to recognising them as integral partners in achieving immunisation equity. A cornerstone of this strategy is the Board mandate requiring all countries to allocate at least 10% of combined HSS, EAF, and TCA funding ceilings to CSO implementation in Full Portfolio Planning (FPP) applications, unless a strong contextual rationale is provided.

The CSCE Approach[1] is structured around three strategic priorities:

1) Political will and accountability – Empowering CSOs to advocate for immunisation commitments at all levels and to hold decision makers and service providers accountable for equitable delivery of health services.
2) Community Demand – Building trust and generating demand for immunisation by addressing misinformation, tackling social and gender-related barriers, and engaging communities in meaningful ways.
3) Complementing Public Service Delivery – Supporting CSOs to extend immunisation services to areas that are underserved by public health systems.

To operationalise this approach, Gavi established the CSCE Strategic Initiative (CSCE SI)—a time-bound, catalytic funding mechanism designed to unlock the potential of civil society actors in delivering on Gavi 5.0 goals. The CSCE SI is organised around three core components:

- Foundational Support: Strengthening the internal governance, coordination, and representational structures of the Gavi CSO Constituency, including transitioning the hosting arrangement to an organisation in the Global South.

[1] CSCE approach

- Strategic Focus Areas: Developing and applying robust monitoring, learning, and accountability systems to track CSO contributions to immunisation outcomes, inform programming, and ensure alignment with Gavi's localisation agenda.
- Multi-Country Targeted Country Assistance (TCA): Supporting flagship country-level CSO-led initiatives that demonstrate scalable approaches to reaching zero-dose children and missed communities.

Underpinning these efforts is a commitment to ensuring CSO engagement in national and subnational immunisation planning processes, promoting inclusive governance, and fostering learning across contexts. The CSCE SI is supported by a dedicated US$20 million funding envelope and monitored through a bespoke Monitoring, Evaluation and Learning (MEL) Framework tailored to CSO engagement.

Gavi's approach acknowledges the differentiated roles played by various types of CSOs—from grassroots community organisations to national networks and global advocacy bodies—and seeks to provide both financial and technical support in a manner that is responsive to context, evidence-based, and outcome-oriented.

### 3.3 Mid-term review

A mid-term review[2] (MTR) of the CSCE strategy was completed in November 2024. The three main objectives of this MTR were to measure the progress of CSO engagement in Gavi's 5.0 strategic period (2021-2025), as defined by the CSCE strategy; use the findings to inform the Gavi Alliance more broadly about how CSOs impact its work and help contribute to its goals; and offer key recommendations for Gavi's 6.0 strategic period (2026-2030) to engage CSOs and communities.

## 4. Objectives and Scope

### 4.1 Audit Objective

The objective of this audit was to provide independent assurance on the adequacy of the design and the operating effectiveness of key controls in the processes related to the management of Civil Society Organisations (CSOs) at Gavi. In particular, the audit focused on whether Gavi's systems, governance arrangements and operational practices are effective in advancing the three key strategic priorities set out in the Civil Society and Community Engagement (CSCE) approach.

The audit sought to determine whether the implementation of the CSCE strategy has been sufficiently planned, resourced, and monitored to support the achievement of Gavi's 5.0 goals, while identifying areas for improvement as Gavi transitions to its 6.0 strategy.

### 4.2 Audit Scope

The scope of the audit included a review of the following core areas:

- Governance and oversight arrangements for the CSCE strategy, including the adequacy of risk management practices;
- Implementation of the CSCE approach, assessing the extent to which engagement with CSOs is strategically planned and aligned with Gavi's immunisation objectives, including Fund management mechanisms;

[2] MTR report

- Monitoring, evaluation, and reporting systems, with a focus on accountability, performance tracking, and alignment with CSCE objectives.

The audit focused on the Gavi 5.0 strategic period (2021–2025) but also considered the preparatory work underway for Gavi 6.0. Fieldwork included an in-depth review of activities in nine countries: two High-Impact countries (Democratic Republic of the Congo, Ethiopia), three Fragile and Conflict (Central African Republic, Mali, Sudan), and four Core countries (Cameroon, Togo, Zambia, Zimbabwe).

Excluded from the scope were the selection and contract performance management processes of expanded partners, which were the subject of a separate audit conducted in 2023. The audit also leveraged findings from the 2024 Mid-Term Review of the CSCE Strategy.

### 4.3 Audit Approach

The audit employed a risk-based methodology, informed by an understanding of Gavi's operating environment, governance systems, and internal controls. The fieldwork comprised:

- Interviews with key staff and stakeholders;
- Document and policy reviews;
- Walkthroughs of processes and control activities;
- Assessment of the design and operational effectiveness of internal controls;
- Evaluation of the risk management processes and their application to CSO engagement.

We will continue to work with management to ensure that these issues are adequately addressed and required actions undertaken.

We take this opportunity to thank all the teams involved in this audit for their on-going assistance.

Director, Internal Audit

# 5. Annexes

## Annex 1 – Acronyms

| | |
|---|---|
| CSO | Civil Society Organisation |
| CSCE | Civil Society and Community Engagement |
| CPD | Country Programmes Delivery |
| FM&RA | Financial Management and Risk Assurance |
| HSS | Health systems strengthening |
| EAF | Equity Accelerator Funding |
| KPI | Key performance indicator |
| MEL | Monitoring, Evaluation and Learning |
| MoH | Ministry of health |
| PFM | Portfolio Financial Management |
| PPC | Programme and Policy Committee |
| SCM | Senior Country Manager |
| SI | Strategic Initiative |
| TA | Technical Assistance |
| TCA | Targeted Country Assistance |
| TOR | Terms of Reference |
| UNICEF | United Nations Children's Fund |
| WHO | World Health Organization |
| USD | United States Dollars |
| ZIP | Zero-Dose Immunisation Programme |

## Annex 2 – Methodology

Gavi's Audit and Investigations (A&I) audits are conducted in conformance with the Global Internal Audit Standards of the Institute of Internal Auditors. These Standards constitute the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the audit activity's performance. The Institute of Internal Auditors' Global Guidance is also adhered to as applicable to guide operations. In addition, A&I staff adhere to A&I's Audit Manual.

The principles and details of the A&I's audit approach are described in its Board-approved Terms of Reference and Audit Manual and specific terms of reference for each engagement. These documents help our auditors to provide high quality professional work, and to operate efficiently and effectively. They help safeguard the independence of the A&I's auditors and the integrity of their work. The A&I's Audit Manual contains detailed instructions for carrying out its audits, in line with the appropriate standards and expected quality.

In general, the scope of A&I's work extends not only to the Gavi Secretariat but also to the programmes and activities carried out by Gavi's grant recipients and partners. More specifically, its scope encompasses the examination and evaluation of the adequacy and effectiveness of Gavi's governance, risk management processes, system of internal control, and the quality of performance in carrying out assigned responsibilities to achieve stated goals and objectives.

## Annex 3 – Definitions: opinion, audit issue rating

### Issue Rating

For ease of follow up and to enable management to focus effectively in addressing the issues in our report, we have classified the issues arising from our review in order of significance: High, Medium and Low. In ranking the issues between 'High,' 'Medium' and 'Low,' we have considered the relative importance of each matter, taken in the context of both quantitative and qualitative factors, such as the relative magnitude and the nature and effect on the subject matter. This is in accordance with the Committee of Sponsoring Organisations of the Treadway Committee (COSO) guidance and the Institute of Internal Auditors standards.

| Rating | Implication |
|---|---|
| **High** | At least one instance of the criteria described below is applicable to the finding raised:<br>• Controls mitigating high inherent risks or strategic business risks are either inadequate or ineffective.<br>• The issues identified may result in a risk materialising that could either have: a major impact on delivery of organisational objectives; major reputation damage; or major financial consequences.<br>• The risk has either materialised or the probability of it occurring is very likely and the mitigations put in place do not mitigate the risk.<br>• Fraud and unethical behaviour including management override of key controls.<br>Management attention is required as a matter of priority. |
| **Medium** | At least one instance of the criteria described below is applicable to the finding raised:<br>• Controls mitigating medium inherent risks are either inadequate or ineffective.<br>• The issues identified may result in a risk materialising that could either have: a moderate impact on delivery of organisational objectives; moderate reputation damage; or moderate financial consequences.<br>• The probability of the risk occurring is possible and the mitigations put in place moderately reduce the risk.<br>Management action is required within a reasonable time period. |
| **Low** | At least one instance of the criteria described below is applicable to the finding raised:<br>• Controls mitigating low inherent risks are either inadequate or ineffective.<br>• The Issues identified could have a minor negative impact on the risk and control environment.<br>• The probability of the risk occurring is unlikely to happen.<br>Corrective action is required as appropriate. |