Internal Audit
Results of Audit of Enterprise Risk Management

Simon Lamb

GAVI Alliance Board meeting
Phnom Penh, Cambodia
21-22 November 2013
Audit Objective and Scope

Objective

- To evaluate the processes by which risks are identified, evaluated, reported and managed in the GAVI Secretariat.

Audit Scope

- Risk is the uncertainty about events and/or their outcomes that could have a material effect on the achievement of an organisation’s goals.

- Enterprise Risk Management (ERM) is the set of processes and associated structures, policies and methods which enable an organisation to understand and manage its risks so as to achieve its goals with an acceptable level of variation.

- The audit scope encompassed all of GAVI’s activities and the associated Risk Management processes.
GAVI Alliance Board meeting 21-22 November 2013

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Risk Types
- Strategic
- Reputational
- Financial
- Legal/Regulatory
- Operational

Risk Register
- Identify
- Evaluate
- Monitor
- Manage
- Communicate

Operational Risks
- Finance
- Operations & IT, HR
- Legal/Governance
- Resource Mobilisation
- Innovations Finance
- Country Programmes
- Market Shaping, Policy & M&E
- TAP

External Influences
- Paris Declaration, MDG, etc.

Risk Response
- Incorporate risk management in Board papers
- Report quarterly on business plan
- Mitigate and communicate through quarterly risk reports
- Manage operations day-by-day
- Audit cash programmes
- Establish programme requirements in cash grant agreements

CSOs
Implementing Partners
Donors
Partner Countries
Pharma
Independents
Research and Technical
ENTERPRISE RISK MANAGEMENT FRAMEWORK

Risk Types

- Strategic
- Reputational
- Financial
- Legal/Regulatory
- Operational

External Influences

- Paris Declaration, MDG, etc.

Risk Register

Operational Risks

Mission/Objectives
- Strategic Goals
- Corporate Goals

Mission Indicators
- Strategic Targets
- Corporate KPIs

Strategy
- Business Plan & Budget

Approve Policy

Board

Oversee achievement

Risk Response

Incorporate risk management in Board papers

Report quarterly on business plan

Mitigate and communicate through quarterly risk reports

Manage operations day-by-day

Audit cash programmes

Establish programme requirements in cash grant agreements

Risk assessments:
- Country Programmes
- GAMR
- TAP

Scanning for risks

CSOs
Implementing Partners
Donors
Partner Countries
Pharma
Independents
Research and Technical
ENTERPRISE RISK MANAGEMENT: ENHANCEMENTS

1. Development of a Risk Policy
2. Process to Identify and Manage Mission-Critical Risks
3. Establishing a Country-Risk Profile
4. Process to Identify and Manage Operational Risks

Risk Register

Operational Risks

Strategy

Business Plan & Budget

Corporate Goals

Corporate KPIs

Mission/Objectives

Strategic Goals

Mission Indicators

Strategic Targets

Board

Approve Policy

Oversee achievement

Risk Response

Incorporate risk management in Board papers

Report quarterly on business plan

Mitigate and communicate through quarterly risk reports

Manage operations day-by-day

Audit cash programmes

Establish programme requirements in cash grant agreements

Risk Types
- Strategic
- Reputational
- Financial
- Legal/Regulatory
- Operational

Scanning for risks

Approve Policy

Oversee achievement

Mitigate and communicate through quarterly risk reports

Operational Risks

4.

3.

2.

1.

Risk Register

Operational Risks

Strategy

Business Plan & Budget

Corporate Goals

Corporate KPIs

Mission/Objectives

Strategic Goals

Mission Indicators

Strategic Targets

Board

Approve Policy

Oversee achievement

Mitigate and communicate through quarterly risk reports

Operational Risks

4.

3.

2.

1.

Risk Register

Operational Risks

Strategy

Business Plan & Budget

Corporate Goals

Corporate KPIs

Mission/Objectives

Strategic Goals

Mission Indicators

Strategic Targets

Board

Approve Policy

Oversee achievement

Mitigate and communicate through quarterly risk reports

Operational Risks

4.

3.

2.

1.

Risk Register

Operational Risks

Strategy

Business Plan & Budget

Corporate Goals

Corporate KPIs

Mission/Objectives

Strategic Goals

Mission Indicators

Strategic Targets

Board

Approve Policy

Oversee achievement

Mitigate and communicate through quarterly risk reports

Operational Risks

4.

3.

2.

1.

Risk Register

Operational Risks

Strategy

Business Plan & Budget

Corporate Goals

Corporate KPIs

Mission/Objectives

Strategic Goals

Mission Indicators

Strategic Targets

Board

Approve Policy

Oversee achievement

Mitigate and communicate through quarterly risk reports

Operational Risks

4.

3.

2.

1.

Risk Register

Operational Risks

Strategy

Business Plan & Budget

Corporate Goals

Corporate KPIs

Mission/Objectives

Strategic Goals

Mission Indicators

Strategic Targets

Board

Approve Policy

Oversee achievement

Mitigate and communicate through quarterly risk reports

Operational Risks

4.

3.

2.

1.
### Implementation – agreed with management

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>PRIORITY</th>
<th>ACTION DATE</th>
<th>RESPONSIBILITY</th>
<th>IN-PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop a Risk Policy</td>
<td>High</td>
<td>30-9-2014</td>
<td>Nina Schwalbe</td>
<td></td>
</tr>
<tr>
<td>Identify and manage mission-critical Risks</td>
<td>High</td>
<td>30-6-2014</td>
<td>Helen Evans</td>
<td>√</td>
</tr>
<tr>
<td>Establish a country-Risk profile</td>
<td>High</td>
<td>30-6-2014</td>
<td>Hind Khatib-Othman</td>
<td>√</td>
</tr>
<tr>
<td>Identify and manage operational Risks</td>
<td>Medium</td>
<td>31-3-2014</td>
<td>Barry Greene</td>
<td>√</td>
</tr>
</tbody>
</table>