INTERNAL AUDIT REPORT

Audit of the Recruitment Process (HR)
August 2019

Conclusion

Our audit procedures were designed to provide assurance to management and the Gavi Board on the adequacy and effectiveness of the key controls in the HR Recruitment process.

Gavi's HR is organised into specific functions to support business needs including HR business partnering and talent management, HR services and recruitment, in addition to driving HR strategy and people engagement.

Gavi is committed to a fair and open competitive recruitment and selection process that ensures the best candidates are selected on the basis of their merits and abilities in relation to the particular position to be filled. The recruitment team partners with and supports hiring managers to identify suitable talent. The recruitment process KPI is an average of 80 working days from the time the role is advertised until an employment agreement is signed.

Through our audit procedures, we have identified medium risk issues and made recommendations to further enhance the recruitment process.

Internal Audit Key Issues Summary

Issue Description	Rating	Ref	Page
There is need to have a formally documented HR and recruitment strategy	M	2018.04.01	3
There is need to document the criteria and the basis of the decisions made by hiring managers and other interviewers during the interview process	M	2018.04.03	6
There is need to include an additional control to the pre-employment procedures for key positions to enhance the process	M	2018.04.05	12
There is need to enhance the process of setting the starting salary for new hires	M	2018.04.06	13

Contents

Summary of Findings

Summary of Key Issues Arising

Through our audit procedures, we have identified nine medium-rated issues, some of which are summarised below. The rest of the medium-rated issues are included in appendix 1.

There is need to have a formally documented HR and recruitment strategy

We noted that there is no formally documented HR strategy. Additionally, a recruitment strategy has not been documented.

Key HR activities ("projects") are recorded and tracked online via a project management tool known as Smartsheet. Leading practices recommend having a documented human resource strategy that links the HR objectives and activities to the overall organisational strategy. A recruitment strategy should also be designed to support the HR strategy.

There is need to document the criteria and the basis of decisions made by hiring managers during the four-stage interview process

The initial screening and shortlisting stages of the Gavi recruitment process, excluding those outsourced to an external search firm, entail administering a video interview (known as Sonru) followed by a written test. Assessment and shortlisting at each stage are done by hiring managers who communicate their decisions/shortlist to HR.

We noted that the criteria applied in assessing and shortlisting candidates during the Sonru and written tests stages was not formally documented. We also noted that hiring managers did not document their assessment of each candidate and the basis for shortlisting during the Sonru stage. For the written test stage, the hiring managers did not provide formal assessments of candidates and we noted that the scoring matrices used in assessing candidates differed depending on the hiring manager.

There is need to develop consistent assessment criteria for screening candidates at both Sonru and written test stages and ensure that the criteria are applied consistently.

Secondly, the recruitment and selection policy requires HR to prepare a Candidate Assessment Report (CAR) upon conclusion of the panel interview. The CAR should include an evaluation of all the candidates interviewed and should be circulated to all panel members for comment and approval.

We noted that CARs were not prepared and circulated to the interview panel for approval, as required by the policy.

In addition, there is also a need to have structured and adequately documented evaluations of candidates interviewed during the panel interview and also to define a document retention policy for related documents.

There is need to enhance the process of setting the starting salary for new hires

The three key considerations for setting salaries for new hires (as per the HR compensations and benefits framework) are: role profile, candidate profile and internal peer equity.

We noted that, while the 2017 Compensation & Benefits Framework provides high level guidance on setting salaries for new hires, there are no detailed guidelines on how the three factors should be applied.

There is need to develop more detailed guidelines on setting salaries for new hires in order to institutionalise the process and make it less dependent on individual judgment.

There is need to include background checks for key positions to enhance the process

The recruitment and selection policy requires satisfactory reference checks to be obtained prior to making an offer to the selected candidate. However, the recruitment and selection policy does not require background checks to be conducted especially for certain key positions. Background checks should be conducted (depending on the nature of the employee's responsibilities) to ensure that the right calibre of individuals are recruited and to mitigate potential reputational risk to the organisation.

Background

Gavi's human resources function has continually evolved with the growth of the organisation. Part of the function's growth has involved reorganisation of resources to form specific functions to support business needs. The recruitment function reports directly to the Director, Human Resources. The HR function partners and supports hiring managers

Summary of Findings

throughout the process to identify suitable talent for their teams.

The business unit (via the hiring manager) initiates the process online through the me@Gavi system by creating and submitting a hiring request along with the job descriptions for review and approval by the designated officials. Positions are advertised on various platforms including the Gavi website, Linkedin and other platforms for a period of three weeks. Upon shortlisting, all candidates (except those interviewing for the roles whose recruitment has been outsourced to an external search firm) are assessed and interviewed through four key stages namely: video interview, written test, panel interview and the final interview. Offers are made to the successful candidate upon completion of satisfactory reference checks by the HR recruiter.

The recruitment process is guided by the recruitment and selection policy. In addition, there is the hiring manager's toolkit which has been developed to serve as a practical reference for hiring managers during the process. The HR team has also developed an automated interview guide process which is used to generate the interview questions for open positions. The interviews aim to assess both the technical and behavioural competencies based on the core competencies which have been identified as part of the Gavi values.

The HR team has identified key performance indicators focused on measuring the efficiency and effectiveness of the recruitment process. Performance against the KPIs is regularly monitored by the HR team and reported to the GLT as part of the TPM process. The team has also adopted specific initiatives aimed at improving the quality and performance of the recruitment process including collaboration with different institutions to enhance access to a wider and diverse talent pool and obtaining feedback through surveys of both hiring managers and new hires on their experience.

Audit Objective

Our audit assessed the design and operating effectiveness of the key controls in the processes related to recruitment.

Audit Scope and Approach

We adopted a risk-based audit approach informed by our assessment of the system of internal controls.

Our audit approach included interviewing relevant Secretariat teams, reviewing relevant policies and guidelines, and reviewing, on a sample basis, evidence relating to recruitments carried out during the period under review for both Geneva and Washington-DC based positions.

This audit was designed to assess the:

- Design and operating effectiveness, where possible, of the key controls;
- Economy and efficiency of the utilisation of resources;
- Quality of implemented governance and risk management practices; and
- Compliance with relevant policies, procedures, laws, regulations and where applicable, donor agreements.

The scope of this audit covered recruitment of temporary and permanent staff carried out in the period from October 2016 to October 2018. The audit covered the following key activities in the process:

- Submission and approval of the hiring request;
- Sourcing (advertising);
- CV screening and shortlisting of candidates;
- Administration of Sonru and written test;
- Interview and selection of candidates; and
- Reference checks and offer.

As part of this audit, we also conducted a limited review of the process of recruitment of interns focussing on:

- Needs identification;
- Sourcing;
- Interview and selection; and
- Offer and contracting.

Recruitment of consultants was not considered in-scope for this audit.

We will continue to work with management to ensure that these audit 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.

Head, Internal Audit

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
2018.04.01	**There is need to have a formally documented HR and recruitment strategy** A HR strategy is important to support the achievement of the overall organisational strategy through attraction and retention of quality talent. Additionally, such a strategy broadly informs the allocation of existing capacity/resources within the HR team. A HR roadmap was developed for the year 2016/2017 which gives a high-level overview of the HR priorities and key initiatives for the period. Starting from 2018, the key HR activities ("projects") are recorded and tracked online via a project management tool known as Smartsheet.						
	We noted that there is no formally documented HR strategy. While HR has identified key initiatives as documented in the Smartsheet tool, these are more operational in nature and need an overarching strategy linking them to the long-term objectives of the function. Additionally, a recruitment strategy has also not been formally documented. The various initiatives adopted by HR, specifically in recruitment were documented in various documents and presentations.	It may be difficult to: identify and allocate resources; and measure results and achievements when the HR strategy and objectives are not adequately defined.	HR management should: a) Develop a formal HR strategy which is aligned with the overall Gavi strategy. b) Design a recruitment strategy which will ensure that the recruitment process aligns and supports the overall HR strategy.	a) It was agreed in 2018 by the DCEO that the development of a Gavi People Strategy would be part of the HR 2019/2020 workplan. Work began on this strategy in March 2019, summarising progress on Gavi's key people priorities and defining priorities for the new strategic period. A draft of this strategy, which has been shared with the audit team, is currently being discussed with the EO pending next steps, which will include engagement with various stakeholders. This work is now put on hold pending the conclusion of the organisational review. b) A recruitment strategy will also be developed as an	Director & Head, HR Director, HR &	Q4 2020 (dependent on org review)	

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
				extension of this broader Gavi People Strategy. This will pull together the different HR initiatives specific to recruitment which are detailed in the various documents and presentations referred to in the findings.	Senior Recruiter, HR	Q4 2020 (in sync with HR Strategy)	
2018.04.02	**There is need for a formalised internal staff mobility programme**						
	Internal staff mobility plays a key role in supporting HR objectives on retention and staff engagement.						
	The recruitment and selection policy states that "Internal employees are encouraged to apply for new vacancies and will be given consideration based on their qualification, experience, satisfactory performance and overall suitability for the position" (Section 4.6). As per the policy "Contractors or consultants, individuals from temporary staffing agency, and former interns and secondees to Gavi, shall not be considered as internal employees for purposes of applying for vacancies." (Section 4.9).						
	We sampled 22 recruitments (for both Geneva and Washington DC positions) and noted that eight internal candidates (36%) applied for open positions of which four were eventually selected as the best candidates.						
	We noted that there isn't a formalised internal staff mobility programme which indicates how the organisation supports professional development and growth of staff. Such a programme would contribute significantly to creating a supportive culture which encourages internal candidates to apply and	• Increased risk of attrition of top talent due to lack of growth opportunities within the organisation • Staff motivation and engagement may be impacted by the lack of professional development and growth opportunities	HR management should develop an internal mobility programme and ensure that the recruitment strategy takes the programme's objectives into consideration when filling open positions.	Just under half of applicants already working at Gavi (i.e. staff or consultants) are appointed to new roles, which demonstrates Gavi's support for internal mobility. In 2018, they accounted for 19 of the 41 new contracts signed. It has been our practice over several years to consider both staff and	Director, HR	Q4 2020 (in sync with HR Strategy)	

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	compete for open positions. Two of the key areas noted for improvement during the 2017 Gavi People Survey (GPS) related to staff professional development and growth (had less than 50% favourable score); hence the need for proactive measures to address this issue.	within the organisation.		consultants as 'Internal candidates'. The 2011 Recruitment Policy is outdated and will be revised to reflect the actual practice. It should be noted that due to Gavi's size, opportunities for internal mobility are naturally more limited than in larger organisations. In addition, Gavi has a long-standing approach which favours an open, competitive recruitment process to find the best candidate for each position. Given the above points, it is more difficult to develop a meaningful Internal Mobility Policy. Instead, we will look to articulate within the People Strategy Gavi's philosophy of providing employees with an environment where they can grow and enhance their knowledge, skills and experience, which is critical to employee engagement.			
2018.04.03	**There is need to document the criteria and the basis of decisions made by hiring managers during the four-stage interview process**						

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	The first round of the candidates' screening process is carried out through an automated video interview which is administered online through the Sonru system. The objective of this process is to assess the candidates' communication and technical skills through a set of questions that are timed on the screen. The shortlisted candidates from Sonru interview stage undertake a written test which is also administered remotely. Hiring managers mark the written tests anonymously and the identities of the applicants are revealed upon completion of the marking and ranking process. Assessment and shortlisting during both stages is done by the hiring manager who then communicates the shortlist to the recruiting manager in HR. The recruitment and selection Policy (December 2012) states that: "Panel members are encouraged to keep notes on the Interview Questions form. Upon conclusion of the interview, Human Resources shall prepare a Candidate Assessment Report (the "Report") which shall be circulated to all Panel members for comment and approval. The Report shall include an evaluation of all the candidates interviewed and identifies the lead candidate." (Section 5.13).						
1.	**There is need to document the criteria and the basis of decisions made by hiring managers during the Sonru and written tests interview stages** We made the following observations through our audit procedures: a) The criteria applied in assessing and shortlisting candidates during the Sonru and written test stages were not formally defined; b) The hiring managers failed to document their assessment of the candidates and the basis for shortlisting them at the Sonru interview stage in 15 out 16 recruitments for Geneva-	• There is increased risk of lack of accountability and objectivity in the screening and shortlisting process. • The transparency and integrity of the screening and shortlisting process may not be assured in the absence of robust audit trail for decisions made.	HR management should ensure that: a) Hiring managers develop robust assessment criteria for screening candidates during the Sonru and written test interview stages. To make the process more standardised across the organisation, HR can for instance develop standard assessment templates that can be customised based on the needs of the hiring manager. b) Hiring managers document and submit (to HR) comments supporting their	HR and hiring managers work closely together to ensure a fair and robust assessment and selection process. a) The Sonru and written test are screening tools to help hiring managers assess whether a candidate has the sufficient level of skills and knowledge to move to the next stage of the selection process. They are not intended to assess the fuller range of competencies which are evaluated later on in the process. HR and hiring managers design the Sonru questions and written tests in accordance with the key screening criteria specific to each role. However, this has not been systematically	Director, HR & Senior Manager, Recruitment/ Recruiter, DC	Completed, Q4 2019	Pending verificati on by Internal Audit

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	based positions. In addition, while the Sonru system had provisions to include comments for each candidate, this functionality was not utilised by the hiring managers. c) The Sonru video screening was not consistently administered during recruitments for Washington DC (WDC) based positions. The video screening was only administered for two out of the five WDC based recruitments reviewed. Discussions with the Head of Office Services, DC, indicated that this was mainly due to the fact that majority of the applicants for open positions are local and hence the preference for face-to-face interviews which are considered more convenient. d) The hiring managers did not provide a structured/formal basis for assessing the		assessment of candidates and decisions made during the two screening stages. The documentation should be maintained appropriately on file. c) The recruitment process in Geneva and Washington DC is aligned and consistently executed, for instance like use of the Sonru system during recruitment.	captured. A template has now been developed to document the screening criteria which is agreed between the hiring manager and the HR recruiter b) Hiring manager are now required to write assessment notes for each candidate either directly on the Sonru platform or on a newly designed template that easily captures their assessment. For the written tests, a template has been developed in which the hiring managers can comment on the various criteria. The written test is always sent without the candidate names which ensures a truly unbiased evaluation of the candidates. We will monitor any potential impact on the overall time to hire, as well as the bandwidth of the HR function, and will reassess if necessary.			

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	candidates during the written tests stage in 14 out of the 16 recruitments reviewed for Geneva-based positions. Furthermore, there were no documented comments to support the basis of the scores assigned to the candidates. We noted that the scoring matrices used in assessing candidates differed depending on the hiring manager and there was no accompanying description of the frameworks applied. For instance, in some of the cases hiring managers just indicated "Pass" or "Don't Pass"; others were assigned scores of between 1 to 5; others 1 to 10. The inconsistencies were attributed to lack of structured guidelines and requirements on the expectations from the hiring managers during the process.			c) It is agreed that the recruitment process should be the same in both Geneva and DC. In future, any deviation from the standard process will be agreed with the Director, HR and documented in the recruitment file. (d) HR is now providing a template to capture the assessment of the written tests to ensure stronger consistency.			

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
2.	**There is need to enhance the supporting documentation of the decisions made during the panel interview of candidates.** We observed the following through our audit procedures: a) Formal Candidate Assessment reports were not prepared and circulated to the interview panel for comment and approval as required by the policy. For Geneva-based recruitments, the HR recruiter took notes of the interview panel's debrief discussions on the candidates. However, the notes were not structured in a manner that would facilitate easy comparison of the candidates interviewed. b) For the Washington DC recruitments, records of the interview panel's assessment of candidates were not retained on file for the candidates who did not make it past the panel interview stage. The Head of Office	• Increased risk of inconsistent assessment of individual candidates due to lack of a structured format of assessment and documentation of results • Failure to retain key information related to the recruitment process leaves no audit trail for decisions made.	HR should: a) Develop a structured candidate assessment questionnaire to facilitate the interview panel's assessment of the candidates interviewed. As part of the process, HR could identify key assessment areas (based on career levels) against which the panel would be required to rank/assign a score for each candidate as well as overall score and panel's decision. The assessment should be completed for each candidate and signed by each panel member. There should be room to tailor the tool as and when required. b) Define a document retention process which is aligned with the Gavi document retention policy	a) HR will take steps to enhance the documentation of the assessment and decision taken at the panel interview stage. The recruiter will ensure that completed interview notes are collected from each panel member and kept in the recruitment file. A new template was created to capture systematically the panel's feedback and assessment ratings. b) HR already has a check list of documents to retain in the recruitment file and will ensure future files are completed accordingly and the document retention process is consistently adhered to.	Director, HR & Senior Manager, Recruitment	Completed, Q4 2019	Pending verification by Internal Audit

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	Services, DC prepares a memo to the HR Director which includes a summary of the panel's decision. However, the summary in the memo was not detailed and structured in a manner that would facilitate easy comparison of the candidates interviewed.		and which specifies the documents to be retained during the recruitment process. This should be consistently adhered to.				
2018.04.04	**There is need to enhance the tools used in the recruitment process**						
	The current recruitment process consists of four stages, including Sonru video interview, written test, panel interview and the final interview round at Gavi offices. Candidates' technical, behavioural and communication skills are assessed throughout the four stages.						
	Psychometric assessments are believed to be among the most cost-effective tools in predicting future job performance of a candidate. Also known as aptitude tests or personality assessments, these tools are designed to evaluate a candidate's decision making, intelligence and motivation, and to match their personality traits and behaviours to those required for a particular job. They provide an objective and standardised view of a range of candidate competencies,	The current recruitment process may be limited in assessing whether the candidates' personality traits match the job requirements.	HR should consider enhancing the current recruitment process by introducing psychometric assessments for certain positions based on the nature of responsibilities and seniority. Reliable psychometric assessments are designed to evaluate a candidate's decision making, intelligence and motivation, and to match their personality traits and behaviours to those	As explained to the audit team, we have recently introduced psychometric testing for senior positions, which include a blend of assessment tools such as psychometric and cognitive tests, behavioural assessments and interviews. All this complements the longstanding practice at Gavi of conducting structured behavioural and competency-based interviews , for which training is regularly provided. It should be noted	Director, HR & Senior Manager, Recruitment	Completed	Pending verification by Internal Audit

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	such as knowledge, abilities and personality. In our opinion, the current recruitment process could be enhanced further by introducing psychometric assessments, which, when considered in addition to the interview process, improve objectivity and provide a more holistic assessment of potential candidates.		required for a particular job.	that while psychometric testing offers insight into a candidate's potential for success, it can be costly and time-consuming both to develop and administer. Furthermore, it must be delivered by people trained in administering and interpreting them. This is a significant cost, which would require either training employees or hiring 3rd party professionals, which is the option we have opted for our senior roles.			
2018.04.05	**There is need to include an additional control to the pre-employment procedures for key positions to enhance the process (e.g. conducting background checks)** The recruitment and selection policy requires satisfactory reference checks to be obtained prior to making an offer to the selected candidate (section 5.16). The hiring manager's toolkit expounds further on the requirements for the reference checks which include obtaining at least two references for the candidates being considered.						
	The recruitment and selection policy requires satisfactory reference checks to be obtained prior to making an offer to the selected candidate. However, it does not require background checks to be conducted especially for certain key positions. Depending on the nature of the employee's	Increased reputational or financial risk to the organisation if candidates whose background is not aligned with Gavi's mission are recruited.	HR management should develop guidelines (as part of the recruitment policy) and identify positions (depending on the nature of responsibilities and seniority) where pre-employment background checks will need to be conducted prior to offer. The extent of the	HR recently introduced a background check to the recruitment process of senior roles. We will update the Recruitment Policy to include this provision. Please note that background checks in an international context are challenging to implement due to non-availability of	Director, HR & Senior Manager, Recruitment	Q3 2020	

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	responsibilities, background checks should be conducted to ensure that the right calibre of individuals are recruited and to mitigate potential reputational risk to the organisation.		background checks should be defined based on the position and may include checks on employment, education, criminal record, involvement in offences such as sexual harassment, etc.	sound records in certain countries.			
2018.04.06	**There is need to enhance the process of setting starting salaries for new hires**						
	According to the HR compensation and benefits framework 2017 (page 7), each starting salary is defined by the responsibilities of each role (i.e. role profile), balanced against the appointee's knowledge, qualifications and skills, prior performance, experience and expected contribution (i.e. candidate profile). Care is taken to maintain equitable salaries within the organisation (i.e. internal peer equity).						
1.	**a) There is need to develop robust guidelines for setting starting salary for new hires** We selected a sample of candidates recruited during the period under review and observed that there are no written guidelines for setting salaries for new hires. The 2017 HR compensation and benefits framework (page 7) provides high level guidance regarding the three key considerations in setting the starting salary namely: role profile, candidate profile and internal peer equity. The current practice is based on a	Application of the criteria for setting the starting salary for new hires may not be consistent.	Develop the guidelines regarding the setting of salaries for new hires to institutionalise the process and make it less dependent on the individual HR staff.	Gavi's salary setting approach is governed by the 2008 Board-approved Human Resources Strategic Framework. The framework outlines an approach to compensation and benefits that is designed to promote consistency and to responsibly use donor funds to attract, engage, reward and retain employees. MDs and Directors are responsible for agreeing the salary level of new hires with the guidance of HR (as stated in the 2017 Compensation & Benefits	Director, HR & Senior Manager, Recruitment	Q4 2020	

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	power point document which was presented to the Gavi Leadership Team as part of the GLT training on compensation and salary setting done by Mercer in September 2016. There is need to properly document the guidelines regarding setting of salaries for new hires to institutionalise the process and make it less dependent on the individual HR staff.			Framework), which mitigates the risk that salary setting is dependent on individual HR staff. In September 2016, HR mandated Mercer to train MDs and Directors in making informed decisions on compensation matters. The training emphasized that the process of determining the starting salary for a new employee needed to be fair, robust and preserve internal equity. A summary of the key considerations when setting a salary was included in the Mercer course content i.e. that each starting salary is defined by the responsibilities of each role, balanced against the appointee's knowledge, qualification and skills, prior performance, experience and expected contribution. Mercer confirmed to the Audit team in a call in May 2019 that Gavi's approach			

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
				to salary setting is aligned with market practice. We are working with Mercer to develop guidelines on the key considerations and steps taken when salary setting to provide sufficient clarity on the process, whilst enabling Gavi to retain the agility required to attract top talent needed for a high performing public private partnership.			
	b) We selected a sample of candidates recruited during the period under review and noted the lack of clarity regarding the significance of the role profile and the candidate's profile when setting starting salaries. In practice and based on our observations following review of supporting documentation, internal peer equity is the key determinant where the experience (i.e. number of years and relevance of experience) of the candidate is compared to that of internal peers in the	Application of the criteria for setting the starting salary of new hires may not be consistent	There is need for clarity regarding the significance of each of the three considerations for setting starting salaries i.e. role profile, candidate profile and internal peer equity. This should be clearly stipulated in the guidelines for setting the starting salary.	In order to assess internal peer equity, HR and the relevant MD/director undertake a thorough review of the appointee's knowledge, qualification, experience and skills, and we assess as well how closely they match the requirements of the role. This cannot be done through a formulaic approach, but requires the appropriate skill and judgement which is acquired through experience in this area.	Director HR & Head, HR	Q4 2020	

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	same grade to set the starting salary. However, we noted one instance (out of a sample of nine) where the lack of a specific professional certificate (i.e. candidate's profile) was deemed critical and given more weight.			We will work with Mercer to include in the guidelines additional clarity as to the significance of each of the three considerations, the weight that should be given to each and how they are interdependent.			
	c) We selected a sample of candidates recruited during the period under review and observed that one of the main considerations while setting the starting salary of new hires is to ensure internal equity across teams. The detailed profile of the new hire is compared with the detailed profiles of peers from other teams with similar years of experience and qualifications in order to find the right match as a guide in setting the starting salary. We noted through our audit procedures one instance (out of a sample of nine) where the detailed profile comparison of the new hire (career step 4) was limited to those of peers in	Increased risk of having inequitable salaries across teams.	Ensure that the criteria for setting the starting salary of new hires is applied consistently.	Peers both inside and outside of the team are consistently considered when setting salaries.

Firstly, an analysis is conducted by the Senior Manager, Recruitment who reviews several relevant data points ie salary data for current employees who are most relevant and comparable in terms of their role, qualification, experience and skills. as well as salary data for all employees within the same career step. This is followed by a review with the Director or Head, HR, where salary data for peers both inside and outside of the team is further reviewed. | | | |

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	the same team. The list and salaries of all career step 4 staff from other teams are included in the working paper, but there is no evidence to indicate that the detailed profiles of selected career step 4 staff in other teams with similar years of experience and qualifications were also considered when setting the starting salary of this new hire.			Finally, the salary is reviewed and agreed with the MD and/or director of the department/team. Each appointee's credentials are compared against peers within Gavi with an additional focus on the most relevant and comparable profiles. In the instance noted, which was for a highly specialised role, HR determined that the most relevant and comparable profiles were within the team. This notwithstanding, other less comparable profiles across Gavi were also reviewed and discussed verbally in less detail, which was why they were included in the working paper.			
2.	**a) There is need to enhance the documentation related to the setting of salaries for new hires** According to the HR compensation and benefits framework 2017 (page 10), managing directors and directors are responsible for	Management of the hiring team may not be involved in setting starting salaries of new hires to ensure equity and consistency; in line with the HR compensation and	Ensure that managing directors and directors are involved and agree the salary level of all new hires in accordance with the compensation and benefits framework. In addition, this process	MDs and directors are systematically involved in setting the salary for each new starter. Whenever possible, a face to face meeting is arranged with the MD or director with the Senior Manager, Recruitment,	Director, HR & Senior Manager, Recruiter	Completed, Q2 2019	Pending verification by IA.

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	agreeing the salary level of new hires. Based on the sample selected of candidates recruited during the period under review, we could not independently confirm the level of involvement of managing directors and directors (i.e. of the hiring team) in the process of setting salaries for new hires as the HR team does not maintain documentary evidence in all cases.	benefits framework 2017.	should be properly documented.	to discuss the salary setting of the new hire. Previously, this step was not systematically documented, unless a face to face meeting was not possible and the review was made through an email exchange. This was the case for 5 of the 12 recruitments sampled and for which email documentation is available. For 1 other of the recruitment samples, a discussion with the MD was not required as the policy regarding salary increases for employees who are promoted was applied. We will consider having the relevant ET member approve each starting salary in me@gavi in addition, or instead of, the Director, HR. In the meantime, we will document these conversations between MDs/Directors and Senior Manager, Recruitment either on an email or with a			

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
				signature on the salary analysis sheet.			
	b) The HR team consults managing directors of the hiring team when setting salaries for new hires. However, the only data point which is made available to them for purposes of benchmarking is the salary data of staff within their team. We appreciate the need to limit access to salary information of other teams to only the HR team but believe there may be merit in providing more data points, especially to managing directors to ensure equity within career steps and across teams.	Increased risk of having inequitable salaries across teams.	Consider providing more data points to managing directors of the hiring team when setting starting salary of new hires.	As outlined in the 2017 Compensation & Benefits Framework, MDs and directors have visibility of the salary scales . Directors have access to salary data only within their team, whereas MDs have access to data from all teams within their department. HR will reflect on whether it would be appropriate to share additional data points with MDs and directors in this context.	Director, HR & Senior Manager, Recruitment/Recruiter DC		
2018.04.07	**The recruitment and selection policy needs to be updated** The recruitment and selection policy became effective on 01 December 2012. However, the recruitment process has undergone some changes since the policy was adopted. A hiring manager's toolkit was developed in July 2017 as a reference point for hiring managers during the recruitment process.						
	We noted that the recruitment and selection policy has not been reviewed and updated since 2012 to reflect changes in the	Recruitment activities may not be consistently executed in the absence of updated policies.	Management should review and update the recruitment and selection policy to ensure that it reflects the changes in the recruitment process	Gavi's approach and practices have evolved greatly since 2012. In late 2018, HR were in the process of updating the Recruitment Policy to reflect	Director, HR & Senior Manager, Recruitment	Q4 2020	

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	process. Some of the gaps noted include: a) The policy does not mention some of the key stages in the recruitment process as currently executed such as the Sonru video interviews and the final face-to-face interview process at Gavi. b) The policy states that written tests are optional, at the discretion of the hiring manager and based on the panel interview. However according to the current procedures, the written test is a mandatory stage for shortlisting candidates and is administered prior to the panel interview. c) According to the policy, temporary positions should be first advertised internally in order to provide staff with every opportunity to acquire new skills or improve existing ones and only advertised externally when internal sourcing is not successful. However, currently, sourcing for all positions (including		(including alignment of roles and responsibilities of the various parties involved in the recruitment process) and remains relevant.	those changes and the policy was sent for initial review by Legal in February 2019. In view of this audit, HR decided to put on hold this work in order to have the opportunity to consider any recommendations from the audit findings. The revised Recruitment Policy will be completed and published during 2020. We note that the Recruitment Policy is intended to be high level, and that additional detail regarding some of the specifics of the process will be documented in the Hiring Manager Tool Kit, which provides a comprehensive guide for hiring managers.			

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	temporary ones) has been open to both internal and external candidates. d) The policy states that initial shortlisting of applicants is to be carried out by Human Resources. This is currently done by the respective hiring manager. e) The policy requires successful candidates to undertake a 'fitness for work' medical examination prior to reporting. This is currently not done as it is not in line with good practice.						
2018.04.08	**There is need to ensure the increased demand and use of interns is in line with the objectives of the internship programme**						
	Gavi offers internship opportunities for periods ranging from a minimum of six weeks to a maximum of 20 weeks. According to the intern policy (2013), "Internships are not intended for work of a continuing and/or operational nature, or for work generally performed by a Gavi employee". According to the internship procedures, interns are recruited to support the business unit in delivery of specific tasks or projects.						
1.	We noted that there has been an increase of over 50% in the number of interns recruited between the years 2016 and 2018 as shown below:	Increased risk of contravention of international labour requirements which may pose reputational risk to the organisation.	a) HR management should enhance the checks and balances in the internship programme to ensure that the programme operates within the intended objectives. For instance, there may be need to limit the number of interns a	An Internship Strategy is planned, as part of our work on the overall Recruitment Strategy. As part of this work, we will also consider whether additional steps may be needed to ensure the work of interns continues to be in line with the spirit of the internship	Director, HR & Senior Manager, Recruitment	Q4 2020	

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	Year / No. of interns / Year on year growth table: 	Year	No. of interns	Year on year growth
2018	55	53%
2017	36	33%
2016	27	- | Based on discussions with some teams, the increased demand for interns is partly due to the workload and resource constraints. However, only a more in-depth review of the current trend may help inform the underlying causes and whether the duties being performed by interns across all teams are still in line with the objectives of the internship programme.		business unit can recruit in a given period of time. b) In addition, HR should continue to challenge managers about the work or projects that they give to interns and ensure that the work complies with their job descriptions.	policy, whilst not being too rigid on the number of interns. We will also update the internship policy to take into account recent changes such as the addition of annual leave for interns.			
2.	**There is need to enhance the documentation related to the hiring of interns** The intern recruitment process is a light-touch process which is mostly run by the respective intern supervisor within the relevant team with support from the HR intern	• Lack of proper audit trail for decisions reached in the recruitment of interns. • The process of recruitment of interns may not be transparent and objective.	HR should ensure that intern supervisors document their assessment and basis of selection of the preferred candidates. This information should be shared with HR for filing.	It is important that we retain a light-touch process for the recruitment of interns. However, HR will provide each intern hiring manager with an assessment template in which they can document intern assessment and selection decisions.	Director, HR & Senior Manager, Recruitment		

Appendix 1: Detailed Findings and Recommendations

Issue No.	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	Action Owner	Target Completion Date	Status
	coordinator. According to the internship procedures (2013), the intern supervisor is responsible for shortlisting candidates, scheduling and conducting interviews with the short-listed applicants and providing the final selection recommendation to the intern coordinator (sections 2.2.4 and 2.2.5). We noted that intern supervisors do not formally document their assessment of the candidates interviewed for internship programmes to support their final decision regarding the preferred candidate. Discussions held with the intern coordinator indicated that in most cases, the intern coordinator normally holds discussions with the hiring supervisor to obtain feedback on the process. However, the discussions are not documented.						

Appendix 2: Summary of Performance Ratings and Distribution

Summary Performance Ratings on Areas Reviewed

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	Address a fundamental control weakness in relation to internal controls, governance and/or risk management that should be resolved as a priority
Medium	Address a control weakness in relation to internal controls, governance and/or risk management that should be resolved within a reasonable period of time
Low	Address a potential improvement opportunity in relation to internal controls, governance and/or risk management

Distribution

Title
Director, Human Resources
Head, DC Office Services
Head, Human Resources

For Information

Title
Chief Executive Officer
Deputy Chief Executive Officer
Managing Director, Audit & Investigations
Executive Team
Chief of Staff
Director, Legal
Head, Risk