

SUBJECT: **CONSENT AGENDA: CHANGES TO COMMITTEE CHARTERS**

Report of: Philip Armstrong, Director, Governance

Authored by: Joanne Goetz, Head, Governance

Agenda item: 02c

Category: For Decision

Strategic goal: Alliance operations

Section A: Overview

1. Executive Summary

- 1.1 At its meeting in June 2015, the Gavi Board approved the governance approval process for the Partners' Engagement Framework (PEF) and it was indicated that this would require minor modifications to governance processes which would be presented to the Governance Committee and then to the Board for approval in December 2015.
- 1.2 This report therefore provides an overview of the proposed amendments to the Audit and Finance Committee (AFC) and Programme and Policy Committee (PPC) Charters to align with the Board decision.

2. Recommendations

- 2.1 The Gavi Governance Committee recommends to the Gavi Board that it:
 - a) **Approve** amendments to the Audit and Finance Committee Charter as outlined in Annex A to Doc 02c.
 - b) **Approve** amendments to the Programme and Policy Committee Charter as outlined in Annex B to Doc 02c.

Section C: Risk implication and mitigation and Financial implications

3. Risk implication and mitigation

- 3.1 During their meeting in October 2015, Programme and Policy Committee members indicated that they found it difficult to make recommendations on programmatic aspects of the Partners' Engagement Framework having financial implications, without knowing whether or not the levels of funding

required would be available to Gavi. This has been mitigated in the 2016 Gavi Governance Calendar by scheduling the Audit and Finance Committee meetings to take place before the Programme and Policy Committee meetings.

4. Financial implications

4.1 There are no notable financial implications.

Section D: Implications

5. Impact on countries

5.1 There is no impact on countries.

6. Impact on Gavi stakeholders

6.1 There is no impact on Gavi stakeholders.

7. Impact on Secretariat

7.1 As recommendations on the Partners' Engagement Framework would be made directly by the AFC and the PPC to the Board, the Secretariat will no longer be required to prepare to present to an Executive Committee meeting.

8. Legal and governance implications

8.1 Legal and governance implications have been outlined through this paper.

9. Consultation

9.1 These amendments are being proposed to align the Committee Charters with the June 2015 Board decision, and as such there have not be any further consultations

10. Gender implications

10.1 There are no gender implications.

Annexes

Annex A: Audit and Finance Committee Charter with proposed amendments

Annex B: Programme and Policy Committee Charter with proposed amendments

1. Purpose

The Audit and Finance Committee (“**Committee**”) is established by the Board (“**Board**”) of the Gavi Alliance (“**Gavi**”) to assist the Board in fulfilling its responsibilities in respect to the accounting, financing, budgeting, and financial practices of the Gavi Alliance. The Committee serves the Board and the Executive Committee in an advisory function in all matters covered by this Charter. In so doing, it shall be the responsibility of the Committee to maintain regular and open communication among Committee members and with the Board and the Executive Committee.

Words and expressions used in this Charter shall, unless the context requires otherwise, have the meaning attributed to them in the Gavi By-laws.

2. Composition

The Committee shall be a Standing Committee of the Board and Article 4 of the Gavi By-laws shall govern Committee member appointment, removal and resignation; all members shall be appointed once every two years, with renewable terms. Further, the Committee shall consist of at least three Board Members/Alternates.

Membership shall be skill-based. Board Members/Alternates and Committee Delegates will be eligible for membership on the Committee with a majority of members being Board Members / Alternates. Additional non-voting expert advisers may be appointed to the Committee as needed by the Committee Chair or by the Board. The criteria for Committee membership shall be consistent with the Gavi Alliance gender policy, specifically, that gender balance in all areas of Gavi work should be ensured, including throughout the Governance structures, to the extent possible.

Members of the Committee shall have at least one of the following qualifications:

- **Financial/Accounting Knowledge:** a working knowledge of finance and accounting practices.
- **Financial Expert:** a significant, recent, and relevant expertise in finance and accounting at a level appropriate to the complexity of Gavi’s operations, including an understanding of financial statements, internal controls, procedures for financial reporting, and audit committee functions. At least one member of the Committee should be a Financial Expert.
- **Not-for-Profit Accounting Expert:** at least one member of the Committee should possess expertise in not-for-profit accounting and reporting

3. Operations

Relevant paragraphs of section 2.7.2, and all of sections 2.7.3, 2.7.4 of the Gavi Alliance By-laws shall govern Committee operations. In addition, the Committee will be governed by the following provisions.

- **Meetings:** The Chair, in consultation with the other Committee members, shall determine the schedule and frequency of Committee meetings. A majority of the Committee shall constitute a quorum for the transaction of business. Personal advisers may also attend in accordance with section 2.7.2. of the By-laws.

Any Board Member / Alternate who is not a member of the Committee may attend Committee meetings as an observer. Other observers may attend meetings under exceptional circumstances and contingent upon Committee Chair approval.

- **Agenda:** The Chair shall develop the Committee's agenda for each Committee meeting in consultation with the Secretariat. The agenda and all pertinent information concerning the business to be conducted at each Committee meeting shall, to the extent practicable, be delivered to all Committee members sufficiently in advance of each meeting to permit meaningful review.
- **Reporting:** The Committee formally reports to the Board. The Committee shall keep minutes of its meetings and regularly report on its meetings and other activities to the Board or the Executive Committee on issues falling under the authority of either.
- **Voting:** The Chair should aim for consensus on all decisions. If consensus cannot be reached, majority and minority positions shall be reported to the Board or the Executive Committee on issues falling under the authority of either.
- **Access to Expertise, including consultants:** The Committee in fulfilling its duties under this Charter will draw on expertise from Alliance partners, the Secretariat, external consultants, individuals and institutions as appropriate.
- **Delegation of Authority:** The Committee shall have the power to delegate on an exceptional basis its authority and duties to the Committee chair or individual Committee members as it deems appropriate. It may also delegate duties to staff of the Secretariat and partner organisations as it deems appropriate.

- **Amendment:** This Charter may only be amended or varied by resolution of the Board passed in accordance with the provisions of the By-laws.

4. Duties and Responsibilities (Audit)

In carrying out its responsibilities, the Committee shall:

- Recommend to the Board the appointment and/or termination of the external auditor and the independent tax adviser.
- Review and recommend to the Board the terms of the external auditor's engagement, and scope of the annual audit, and any audit-related and non-audit services to be provided by the external auditor.
- Review and recommend to the Board the terms of the independent tax advisor's engagement.
- Examine Gavi's interim financial statements and variance reports.
- Review with the Secretariat, the internal auditor, and the external auditor Gavi's annual financial statements and the external auditor's management letter and, if appropriate, recommend the approval of the Gavi annual financial statements to the Board.
- Assess any significant disagreement among the Secretariat, the internal auditor, and the external auditor in connection with the preparation of the annual financial statements and communicate its findings to the Board.
- Conduct a separate post-audit review with the Secretariat, the internal auditor, and the external auditor to discuss the audit and any restrictions on the scope of work or access to required information and communicate its findings to the Board (the Chair may represent the Committee for this purpose but must report findings to the Committee).
- Review and report to the Board significant financial and operational risk exposures and the steps taken to monitor and control such exposures.
- Review and discuss with the Secretariat, the internal auditor, and the external auditor the adequacy of Gavi's financial reporting processes and internal controls and communicate its findings to the Board.
- Review critical financial reporting and accounting policies, practices, and judgements used by Gavi and oversee their adherence.
- Review and report to the Board any material financial or non-financial arrangements that do not appear on Gavi's financial statements.

- Oversee the construction of Gavi's tax filings and review them with the independent tax adviser.
- Recommend to the Board the appointment and/or termination of the Head of Internal Audit (who shall report directly to the Board), and assess the organisational structure, mandate, and budget for the internal audit function.
- Review compliance with and the content of Gavi's Whistleblower Policy, Document Retention Policy, and Budget Variance Policy and recommend any changes to the Board.
- Review and report to the Board any legal or other matter that could have a significant impact on Gavi's financial statements.

5. Duties and Responsibilities (Finance)

In carrying out its responsibilities, the Committee shall:

- Review the macro funding capacity and capital structure of the Gavi Alliance taking into account its affiliated entities such as the International Finance Facility for Immunisation Company, Gavi Fund Affiliate, and other affiliated entities to guide the Secretariat in the coordination of resources available from those entities and report its findings to the Board.
- Review ~~together with the Programme and Policy Committee the programmatic and the~~ financial aspects of the draft Partners' Engagement Framework~~business plan and budget~~ and make a ~~joint~~ recommendation to the Board~~Executive Committee~~.
- Review potential material financial obligations or encumbrances including security interests, asset pledges, leases, and procurement contracts and make a recommendation to the Board or Executive Committee.
- Review the Secretariat's cash management plans and strategies from time to time.
- Review long-term programme budget windows to assess potential capital needs.
- Review changes to Gavi's banking structure and keep the Board informed of any significant changes.
- Review insurance policies and annual reports from Gavi's insurance advisors.

6. Duties and Responsibilities (General)

In carrying out its responsibilities, the Committee shall:

- Review its own performance from time to time and report the results of such reviews to the Board or Governance Committee.
- Review and reassess the adequacy of this Charter from time to time and recommend any proposed changes to the Board or Governance Committee.
- Perform such other duties required by law or otherwise as are necessary or appropriate to further the Committee's purposes, or as the Board or Executive Committee may from time to time assign to it.

1. Purpose

The Programme and Policy Committee (“**Committee**”) is established by the Board (“**Board**”) of the Gavi Alliance (“**Gavi**”) to assist the Board in fulfilling its responsibilities in respect to the programmatic and policy oversight of the Gavi Alliance. The Committee serves the Board and the Executive Committee in an advisory function in all matters covered by this Charter. In so doing, it shall be the responsibility of the Committee to maintain regular and open communication among Committee members and with the Board and the Executive Committee.

Words and expressions used in this Charter shall, unless the context requires otherwise, have the meaning attributed to them in the Gavi By-laws.

2. Composition

The Committee shall be a Standing Committee of the Board and Article 4 of the Gavi By-laws shall govern Committee member appointment, removal and resignation; all members shall be appointed once every two years, with renewable terms. Further, the Committee shall consist of at least three Board Members / Alternates.

Membership shall be skill-based (please refer to the immediately following paragraph). Board Members / Alternates and Committee Delegates will be eligible for membership on the Committee with a majority of members being Board Members/Alternates. Additional non-voting expert advisers may be appointed to the Committee as needed by the Committee Chair or by the Board. The criteria for Committee membership shall be consistent with the Gavi Alliance gender policy, specifically, that gender balance in all areas of Gavi work should be ensured, including throughout the Governance structures, to the extent possible.

Members of the Committee shall have at least one of the following qualifications:

- **Expertise in epidemiology or vaccinology.**
- **Public health expertise:** all members of the Committee should possess a strong knowledge of global public health, including familiarity with Gavi partner mandates and the strategies and global health initiatives impacting Gavi’s work (such as the MDGs, GIVS, RED, etc).
- **Development financing expert:** at least one member of the Committee should possess expertise in financial issues particular to the international development context, including familiarity with implementing country budgetary processes.

- **Vaccine research & development:** at least one member of the Committee should have a strong knowledge of issues related to vaccine research and development, including the vaccine pipeline, market demand and supply, and procurement.
- **Immunisation services and delivery:** familiarity with systems that impact the delivery of immunisations, including but not limited to: the cold chain, healthcare waste management, logistics systems, and health worker training.
- **Health systems expertise:** Committee members should all possess at least general knowledge of health systems capacities and constraints in implementing countries.
- **Monitoring & evaluation:** at least one member of the Committee must have a strong knowledge of health information management systems and evaluation platforms for global health programmes.
- **Strategic planning:** Committee members should be familiar with Gavi and other global health partnership strategic planning processes, including partner contributions.

3. Operations

Relevant paragraphs of section 2.7.2., and all of sections 2.7.3., 2.7.4. of the Gavi Alliance By-laws shall govern Committee operations. In addition, the Committee will be governed by the following provisions.

- **Meetings:** The Chair, in consultation with the other Committee members, shall determine the schedule and frequency of Committee meetings. A majority of the Committee shall constitute a quorum for the transaction of business. Personal advisers may also attend in accordance with section 2.7.2. of the By-laws.

Any Board Member / Alternate who is not a member of the Committee may attend Committee meetings as an observer. Other observers may attend meetings only under exceptional circumstances and contingent upon Committee Chair approval.

- **Agenda:** The Chair shall develop the Committee's agenda for each Committee meeting in consultation with the Secretariat. The agenda and all pertinent information concerning the business to be conducted at each Committee meeting shall, to the extent practicable, be delivered to all Committee members sufficiently in advance of each meeting to permit meaningful review.

- **Reporting:** The Committee formally reports to the Board. The Committee shall keep minutes of its meetings and regularly report on its meetings and other activities to the Board or the Executive Committee on issues falling under the authority of either.
- **Voting:** The Chair should aim for consensus on all decisions. If consensus cannot be reached, majority and minority positions shall be reported to the Board or the Executive Committee on issues falling under the authority of either.
- **Access to Expertise, including consultants:** The Committee in fulfilling its duties under this Charter will draw on expertise from Alliance partners, the Secretariat, external consultants, individuals and institutions as appropriate.
- **Delegation of Authority:** The Committee shall have the power to delegate on an exceptional basis its authority and duties to the Committee chair or individual Committee members as it deems appropriate. It may also delegate duties to staff of the Secretariat and partner organisations as it deems appropriate.
- **Amendment:** This Charter may only be amended or varied by resolution of the Board passed in accordance with the provisions of the By-laws.

4. Duties and Responsibilities

In carrying out its responsibilities, the Committee shall:

- Advise the Executive Committee and the Board on all Gavi policy and programmatic proposals that require decisions by the governing bodies.
- Review the programmatic aspects of the ~~business plan~~ Partners' Engagement Framework and make suggestions to the Secretariat.
- Review ~~together with the Audit and Finance Committee~~ the programmatic ~~and financial~~ aspects of the draft Partner's Engagement Framework ~~business plan and budget~~ and make a ~~joint~~ recommendation to the ~~Board~~ Executive Committee.
- Serve as the lead committee to respond to IRC policy recommendations and pass them on to the Board/Executive Committee as appropriate.
- Receive regular country support updates from the Secretariat, including progress with country programme funding expenditures, and review performance.

- Provide advice to the Executive Committee on criteria for, and recruitment of, IRC members.
- Review all country support processes, including harmonisation of the Gavi procedures and processes with other support for country led efforts to achieve the MDGs.
- Review its own performance from time to time and report the results of such reviews to the Board or Governance Committee.
- Review and reassess the adequacy of this Charter from time to time and recommend any proposed changes to the Board or Governance Committee.
- Perform such other duties required by law or otherwise as are necessary or appropriate to further the Committee's purposes, or as the Board or Executive Committee may from time to time assign to it.