

SUBJECT: RISK & ASSURANCE REPORT

Agenda item: 06

Category: For Decision

Section A: Introduction

- At the end of each year, the Board reviews and approves the Alliance's Risk & Assurance Report. The 2017 Risk & Assurance Report has been reviewed and recommended for approval by the Audit & Finance Committee (AFC) and guidance from both the Audit and Finance Committee and the Programme and Policy Committee (PPC) have been incorporated in the final version annexed to this paper.
- The Gavi Alliance Board is requested to approve the report and to provide guidance on the questions outlined below.

Section B: Risk & Assurance Report

1. This year's Risk & Assurance Report

- 1.1 The Gavi Alliance Board has ultimate responsibility for risk oversight in the Alliance and is responsible for agreeing on overall risk appetite and understanding and agreeing with the most significant risks and related mitigation. It therefore has an annual in-depth discussion on risk, based on a comprehensive Risk & Assurance Report.
- 1.2 Gavi's last Risk & Assurance report prioritised 15 top risks that are most important for the Alliance to manage. The focus of this year's report is on how Gavi's top risk profile has evolved since last year and on how Gavi's actual risk exposure compares to risk appetite, informed by the Risk Appetite Statement approved by the Board at its last June meeting. It also provides an update on risk management at Gavi. Responding to feedback on last year's report, this year's report is more concise (with more detailed information moved to the annexes) and includes an expanded analysis on exogenous factors and how these may impact Gavi's risk profile.
- 1.3 This year's report shows that Gavi's overall risk profile has remained relatively stable with 15 top risks and few new risks – although the level of individual risks has evolved and the understanding of risks prioritised last year further enhanced. It also highlights three key risks which are currently outside risk appetite for Board discussion. The Secretariat is seeking Board guidance on whether it feels existing mitigation measures can bring risk exposure within appetite fast enough, whether it is necessary to accelerate

efforts to strengthen risk mitigation strategies or to adjust the Alliance's risk appetite.

Section C: Actions requested of the Board

The Gavi Alliance Audit and Finance Committee recommends to the Gavi Alliance Board that it:

- **Approve** the 2017 Risk & Assurance Report attached as Annex A to Doc 06.

The Gavi Alliance Board is furthermore requested to **provide guidance** on the following questions:

- (a) Does the Board agree with the top risks identified this year and its ranking against likelihood and impact?
- (b) Are there concerns on risk exposures clearly outside Gavi's risk appetite (particularly **a) Country management capacity, b) Data quality, and c) Ability to reach under-immunised**) and – if so, are further investments or different approaches to mitigation required?
- (c) Do any of these risks require a more in-depth discussion by the Board at a future date?

Annexes

Annex A: 2017 Risk & Assurance Report