



GAVI Alliance Audit and Finance Committee Meeting
23 September 2011
Teleconference

FINAL MINUTES

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 16.02 Geneva time on 23 September 2011. Wayne Berson, Audit and Finance Committee Chair, chaired the meeting.
- 1.2 Standing declarations of interest were tabled to the Committee (Doc #1a in the Board pack). No further conflicts of interest were declared.
- 1.3 The Committee reviewed the minutes of its meeting on 29 July 2011 (Doc #1b).
- 1.4 The Committee noted the record of actions (Doc #1c). The Secretariat informed the Committee that the Board would shortly receive the 2010 Annual Financial Report for consideration and, if thought fit, approval. The Committee understood that the timeline would result in the Report being approved by early October 2011.
- 1.5 The Committee reviewed its forward workplan (Doc #1d). It decided to move its 27 October 2011 meeting to 28 October 2011.

Decision One

The GAVI Alliance Audit and Finance Committee:

- **Approved** the minutes of its meeting on 29 July 2011.

2. Financial forecast and programme funding

- 2.1 Barry Greene, Managing Director of Finance and Operations and Tony Dutson, Senior Director, Finance and Chief Accounting Officer informed the Committee of the updated financial forecast for 2011-2016, and requested that the Committee review the financial implications of budgets and near-term funding for GAVI programmes (Doc #2). These requests derive primarily from

the recommendations of the Independent Review Committee (“IRC”) for New Proposals and the Monitoring IRC.

- 2.2 The updated financial forecast incorporates the latest demand estimates, funding decisions to date, and funding requests to be considered shortly by the Executive Committee. In sum, the Executive Committee will be requested to endorse programme budgets in excess of US\$ 1.5 billion and near-term funding of approximately \$1 billion.

Discussion

- The forecast presented to the Board in July 2011 signalled that funds pledged to GAVI were in excess of the country demand anticipated. Since that time, demand has already been shown to be much higher than expected as evidenced by the most recent round of proposals.
- Forecasting beyond three years is an inexact science, particularly in trying to anticipate investment income and IFFIm proceeds. Considering the importance of monitoring incoming resources, the Committee requested to see the Secretariat’s scenario planning regarding expected cash flow from donors, including best and worst case scenarios.
- On the expenditure side, the Committee requested information on the expected resources needed to assist certain recipient countries in graduating from GAVI support.

Decision Two

The GAVI Alliance Audit and Finance Committee:

- **Noted** that it reviewed the financial implications of the Programme Funding Plan, and that it could be approved by the Board or Executive Committee in accordance with the Programme Funding Policy.

2a. Programme funding – restricted countries

- 2a.1 During this section of the meeting (2a), Wayne Berson, Anne Schuchat, and Derek Strocher recused themselves from participating in discussion or voting.

Decision Three

The GAVI Alliance Audit and Finance Committee:

- **Noted** that it reviewed the financial implications of the Programme Funding Plan elements involving support for GAVI programmes in (North) Sudan and Myanmar, and that they could be approved by the Board or Executive Committee in accordance with the Programme Funding Policy.

Wayne Berson, Anne Schuchat, and Derek Strocher did not participate in voting on this decision.

The Committee temporarily adjourned the meeting to consider commercially sensitive items concerning an AMC Firm Order Commitment and a Rotavirus vaccine supply commitment.

3. Q2 2011 consolidated financial statements (unaudited)

- 3.1 Louis Mkanganwi, Director of Financial Reporting presented abridged consolidated statements of financial position and activities for the six months ended 30 June 2011 (Doc #5). The statements included high-level commentary on significant balances and fluctuations.

Discussion

- The Committee queried the status of the 2010 audit of federal awards performed in accordance with U.S. Office of Management and Budget Circular A-133 ("A-133 audit"). The Secretariat replied that GAVI was not responsible for filing an A-133 audit because it did not expend funds coming from USAID during 2010. However, the Secretariat expects GAVI will need to file this report for 2011.

4. Report of the Internal Auditor

- 4.1 Cees Klumper, Director of Internal Audit updated the Committee on the activities of the internal audit function (Doc #6). He provided written updates on cash programme risk management, the audit of the programme delivery function, publication of internal audit and investigation reports, transparency and accountability (TAP) team activity, investigations of misuse of funds, and the internal audit budget request for 2012.
- 4.2 In addition, Cees Klumper provided commentary on the High Level Review Panel report on the Global Fund to fight AIDS, Tuberculosis and Malaria. His comments focused on staff capacity in the grant making and monitoring function, fiduciary risk, the applications process, and disclosure of internal audit reports.

Discussion

- The Committee requested Cees Klumper to share the TAP team budget with the Committee.
- The Committee noted that the IRC wanted to streamline the applications process and asked whether the internal audit function was involved in



associated discussions. Cees Klumper noted that the programme delivery team is conducting an evaluation of the application process and that while the bedding down of the TAP function was having some impact on the pace of programme approvals, this effect was likely de minimus compared to other factors.

There being no further business, the meeting was brought to a close.

Mr Barry Greene
Treasurer



Attachment A

Participants

Committee Members

- Wayne Berson, Chair
- Magid Al-Gunaid
- Micheline Gilbert
- Anne Schuchat
- Derek Strocher

Regrets

- Dwight Bush

Secretariat

- Tony Dutson
- Barry Greene
- Kevin A. Klock
- Louis Mkanganwi

Internal Audit

- Cees Klumper

Guests

- Rob Lin, Bill & Melinda Gates Foundation