

**INTERNAL AUDIT REPORT**  
**Cash Grant Application, Approval and Disbursement**  
**FEBRUARY 2017**



## Conclusion

Our audit procedures were designed to provide assurance to management and the Gavi Board on the adequacy and effectiveness of the governance, risk management, and internal controls over the cash grant application, approval and disbursement process.

The application, approval and disbursement process is made up of multiple interrelated processes fundamental to Gavi's operations. The success of funding decisions, including the speed to disburse funds and the extent to which funding achieves Gavi's objectives, is dependent on the effectiveness of these key underlying processes which were reviewed during this audit.

Through our audit procedures, we have identified certain control weaknesses related to the financial review of applications and the time taken to disburse funds after the applications have been reviewed by the Independent Review Committee (IRC). We have confirmed that management is aware of these issues, and that is why there are Secretariat-led steps to accelerate the process of disbursing funds (e.g. automation and optimisation of end-to-end processes). In addition, management is undertaking various initiatives to enhance the process of financial review of applications including rolling out tools (budget template, checklist, cost references) and through the new Country Engagement Framework (CEF).

## Key Internal Audit Issue Summary

Issue Description	Rating	Ref	Page
<b>Detailed Financial Review of Applications</b>			
There is need for more focus on value for money and reasonableness of costs in the budget reviews of applications	H	1	5
<b>Time-to-Cash Disbursement</b>			
Time taken to disburse funds after IRC review requires improvement	H	2	10
<b>IRC Review Process</b>			
There is need for formal differentiation of applications	M	3	13
There is need to consider the impact of the CEF on the independence of IRC members	M	4	14
There is need for independent evaluation of the IRC	M	5	15
There is need for IRC comments/ recommendations to be clearer, fully supported and adequately followed-up	M	6	16
<b>Pre-Review of Applications</b>			
There is need for independent evaluation of the pre-review process	M	7	20
There is need to address the overlaps in the financial pre-review process	M	8	21
The time allocated to countries to address pre-review comments should be increased	M	9	22
There is need to enhance accountability over pre-review recommendations	M	10	22
<b>Sub-Optimal Grant Management Support Systems</b>			
There is need to implement a single integrated grant management support system	M	11	23

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# Summary of Findings

## Summary of Key Issues Arising

Through our audit procedures, we have identified two high-rated issues related to the financial review of applications and the time taken to disburse funds after the applications have been reviewed by the Independent Review Committee (IRC) as summarised below.

### There is need for more focus on value for money and reasonableness of costs in the budget reviews of cash-based applications

There is limited focus on value for money in the current budget reviews. Financial budget reviews are performed on an individual country application basis and there is limited guidance/reference material available to assess whether the unit costs in a particular country or region are consistent and reasonable.

In addition, a detailed budget negotiation is not consistently conducted for all applications as there is currently no formal budget template and guidance in relation to how the budget negotiation should take place, what changes to the budget require additional approval and where the final budgets are maintained.

The impact of these weaknesses in the financial review of applications has been evidenced in-country by the Programme Audit team during the 2015/2016 country programme audits. In particular, country financial reporting is incomplete or not substantive because there are no formal templates and guidelines for recording expenditure against approved budget and financial reporting by countries.

In order to ensure that the financial budget reviews add value, management should consider roll out of guidance and methods to ensure that costs are being reviewed based on adequate reference and benchmarking information, including leveraging reviews performed by other organisations and local contractor knowledge, where appropriate.

We also recommend that a formal budget negotiation step is included in the application review and approval process including clear guidance on who can approve the final budgets, how savings should be treated, what changes to the budget require additional

approval (including how much the amount can vary from the IRC recommendation before additional approval is required) and where the final budgets are maintained.

### Time taken to disburse funds after IRC review requires improvement

Through our audit procedures, we confirmed that there is significant delay in the disbursement of funds to countries (the average time from IRC recommendation to cash disbursement from our sample was 247 business days compared to the target of 65 business days). This is due to various delays in the sub-processes supporting the disbursement of funds to countries including time taken to clear IRC comments, preparation & approval of the decision letter (DL), preparation of the grant approval request (AR) and time taken to meet pre-conditions before cash disbursement as part of additional risk management measures (e.g. timing of PCA reviews).

We recommend that management expedites the current initiatives to analyse and identify inefficiencies and bottlenecks impacting funds disbursements as well as the efficacy of the process.

### Other Issues identified

In addition, we identified nine medium-rated issues that cut across the nine interrelated processes within the cash grant application, approval and disbursement process that we reviewed. These relate to the pre-review of applications, the IRC review process and robustness of systems to support the cash grant application, approval and disbursement process. A detailed analysis of all issues raised, including low-rated issues, is included in the appendix.

### Secretariat Initiatives

The Secretariat is well aware of the importance of these processes, and that is why it is already undertaking various initiatives to improve these processes and ensure they are effective and support Gavi's achievement of its strategic goals.

# Summary of Findings

The Secretariat is currently undertaking various initiatives to increase the efficiency and effectiveness of the application, approval and disbursement processes as well as improve the internal control, governance and risk management practices as highlighted below.

Under the Gavi Alliance Accountability Framework (AAF), a key performance indicator has been established measuring the time taken for cash to be disbursed to countries (measured from the date of IRC recommendation). In addition, the Country Programmes teams have been working with the Knowledge Management team to analyse and identify inefficiencies and bottlenecks in the processes impacting this KPI.

Under the new CEF approach, the review of the detailed operational plan and budget brings a new focus to the budget review. The CEF approach focuses on the annual operational plan and budget and the budget negotiation step is embedded therein. The CEF internal process guidance will cover the review of the country applications' detailed budgets, including who approves the budget and how savings may be treated.

In addition, the Programme Audit team is carrying out an advisory assignment to explore the extent to which Secretariat level processes are responsive to in-country budgeting and financial management risks.

While our audit has reviewed the current processes in place, we have tried to take into account these Secretariat initiatives when recommending actions so that the principles can be used to inform future iterations of the processes.

## Audit Objective

Our audit assessed the adequacy and effectiveness of the governance, risk management and internal controls over the cash grant application, approval and disbursement process.

## 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 and members of the

Gavi Independent Review Committee (IRC), reviewing Board and committee reports, reviewing a sample of country applications and related documents (including pre-screening and pre-review documents and IRC country reports), sample-testing evidence of the Secretariat's approval processes (including clearance of IRC comments, grant approval requests and decision letters), and sample-testing the cash disbursement process. In the course of the audit we also considered the procedure and guidance documents as well as the IT systems supporting the processes.

The application, approval and disbursement processes involve multiple teams across the Secretariat. We engaged with the following teams to complete this audit: Application & Review (A&R), Country Support (CS), Health Systems & Immunisation Strengthening (HSIS), Programme Finance (PF), Vaccine Implementation (VI) (including Information Management & Quality Assurance (IMQA)), Finance, Programme Capacity Assessment (PCA), and Knowledge Management (KM).

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;
- Compliance with relevant policies, procedures, laws, regulations and where applicable, donor agreements.

The scope of this audit covered the following key areas in relation to cash grants for the period from 1 January 2014 to 18 March 2016:

- Application development;
- Application submission (including pre-reviews and pre-screenings);
- IRC meetings and recommendations;
- Information letter preparation and distribution;
- IRC comments resolution;
- Grant approval request;
- Board and Chief Executive Officer (CEO) approval;
- Decision Letter preparation and distribution; and
- Cash Disbursements.

# Summary of Findings

The following areas were not considered in-scope for the audit:

- Development, approval and implementation of application guidelines, forms, templates and related documents;
- Design and use of the Country Portal for grant applications and monitoring;
- Preparation, approval and compliance with Partnership Framework Agreements;
- Operational processes associated with the completion of pre-disbursement conditions, such as the completion of Programme Capacity Assessments by the PCA team;
- Subsequent cash disbursements, after the first disbursement;
- Calculation and approval of the programme funding envelope;
- Development, maintenance and use of 'VI Track' (a tool used to calculate vaccine doses and related vaccine supplies).

## Background

Gavi provides various types of cash grants to countries in order to support immunisation outcomes, including: Health System Strengthening (HSS) grants, Vaccine Introduction Grants (VIG), campaign operational costs, product switch grants, HPV vaccine demonstration project grants (HPV Demo), Transition grants and Cold Chain Equipment Optimisation Platform grants (Gavi pays UNICEF to buy equipment). The key cash grants (HSS, VIG and campaign operational costs) follow the same key review and approval steps.

The cash grant application, approval and disbursement process consists of the following key steps:

- Eligible Countries submit proposals through the country portal (online application system);
- Pre-reviews and pre-screening of proposals by a Gavi Alliance Partner

(for HSS proposals only) and Secretariat teams;

- Independent review by the Independent Review Committee (IRC)<sup>1</sup>;
- Preparation of the Information Letter (immediately after the IRC informing Countries of the IRC recommendation and any comments to be addressed);
- Approval Request (AR) is prepared and sent to the Gavi CEO depending on the type of grant (cash grants are approved by the CEO once any IRC comments have been addressed);
- A formal Decision Letter (DL) is sent to the country confirming the conditions of the cash grant; and
- Cash disbursements are made in accordance with the grant approval once the pre-disbursement conditions have been met.

In the audit period (1 January 2014 to 18 March 2016), a total of 177 cash and vaccine grant applications were submitted to the IRC. Of these applications, the IRC recommended approximately 159 applications for approval (90%)<sup>2</sup>.

Between 1 January 2014 and 31 March 2016, Gavi committed to US\$ 900 million in cash grants to countries. These cash grants consist predominantly of HSS grants (US\$ 601 million; 67%), operational costs (US\$ 206 million; 23%) and VIG (US\$ 69 million; 8%)<sup>3</sup>. In addition, Gavi disbursed US\$ 663 million in cash grants in this period. Again, the majority of the disbursements related to HSS (US\$ 386 million; 58%), operational costs (US\$ 165 million; 25%) and VIG (US\$ 76 million; 11%)<sup>4</sup>. We will continue to work with management to ensure that these audit issues are adequately addressed and required actions undertaken.

<sup>1</sup> The IRC is an independent, impartial group of national health experts appointed by the Board. The Gavi By-Laws establish the IRC, which serves to guarantee the integrity and consistency of an open and transparent programme funding process.

<sup>2</sup> Figures calculated manually by Internal Audit based on a review of the IRC reports for the audit period

<sup>3</sup> Figures sourced from the CP Commitments tab of the Finance Consolidated Approvals and Disbursement Report dated 31 March 2016 filtered by grant type and programme year

<sup>4</sup> Figures sourced from the CP Disbursements tab of the Finance Consolidated Approvals and Disbursement Report dated 31 March 2016 filtered by grant type and payment year

# Summary of Findings

We take this opportunity to thank all the teams involved in this audit for their on-going assistance.

Head, Internal Audit



# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
<b>Detailed Financial Review of Applications</b>								
Throughout the application review process, there are various steps where reviews of the budget are completed, including:								
<ul style="list-style-type: none"> <li>Gavi Alliance Partner pre-review (for HSS grants): assess the feasibility of proposed activities, budgets and timeframes, as well as whether the detailed workplan and budget include detailed costing with key assumptions and justification of relevant unit costs.</li> <li>Programme Finance (PF) pre-review: perform a high level review and compliance check to ensure overall quality of the budget submitted to the IRC, including a preliminary review and assessment on the reasonableness of the unit costs and the balance of activities.</li> <li>IRC: review the proposed activities and budgets including considering whether there are realistic unit costs, a logical flow of activities, alignment of activities with outputs and objectives, and evidence that these are complementary and not duplicative across vaccine and HSS proposals.</li> </ul>								
1	High	<p><b>a) There is need for more focus on value for money and reasonableness of costs in the budget reviews of applications</b></p> <p>There is limited focus on value for money in the current financial budget reviews. Financial budget reviews are performed on individual country applications. There is some comparison performed based on the proportion of expenses allocated to different activities, but there is no formal review performed across programmes/grants for the same country or region to assess the consistency of unit costs. In addition, there are limited reference materials available to assess whether the unit costs in a particular country or region are reasonable.</p> <p>We note that at the time of the audit, the Programme Finance team had begun implementing tools to improve the budget review process including a budget review checklist which includes grant budget data from</p>	<p>Budget reviews may add little value and/or not be able to assess 'value for money' if there is no reference information to compare the underlying unit costs and cost assumptions.</p> <p>Inconsistencies in budgets between different grants for the same country or region may not be raised or addressed.</p> <p>Country financial reporting may be incomplete or not substantive due to lack of formal templates and guidelines.</p>	<ol style="list-style-type: none"> <li>Develop and implement processes to ensure that 'value for money' can be assessed in the budget reviews, including reviewing unit costs and cost assumptions based on adequate reference and benchmarking information.</li> <li>Consider whether the Programme Capacity Assessment (PCA) contractors or other local experts can be engaged to assist with these reviews.</li> <li>Consider if the budget templates and cost classifications across the cash grants can be standardised to allow easier analysis across grants and regions.</li> </ol>	<p>There is a checklist guide available as a reference document and this includes grant budget data from &gt;100 grants for comparison of budget proportionality. Still the current reviews are limited by a very short turnaround time for each wave and the above-noted technical limitations.</p> <p>In 2017 and onwards the following improvements are envisaged (and these respond to the recommended actions). Also the Country Engagement Framework (CEF) approach moves the detailed budget review down to the annual operational plan level rather than the IRC level:</p> <ol style="list-style-type: none"> <li>An exercise is planned to engage with an external consultant to further explore the definitions of value-for-money, review potential for the use of bench-marks and expand the Gavi cost databases</li> <li>The Gavi budget review template will also be enhanced based on 2016 learnings and again as a result of the above exercise. An external version of the document is also proposed.</li> </ol>	Head, Programme Finance	<ol style="list-style-type: none"> <li>30 June 2017</li> <li>31 March 2017 (use of PCA contractors is already ongoing)</li> <li>30 June 2017</li> </ol>	Open

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p>previous grants for comparison purposes.</p> <p>We believe that these points are partly due to different budget templates being used for different grants, no consistent cost classification being used across grant types and the manual nature of the budget reviews and monitoring.</p>			<p>3. Gavi is introducing a new harmonised cost framework with the revised CEF approach. This should improve the consistency of application budgets. This is being rolled out with the 2017 application guidelines.</p> <p>4. Downstream the intention is to use outside support for budget review where deemed necessary. Larger budgets are likely to be reviewed by the PCA contractors in some cases, in order to benefit from local knowledge</p>			
		<p><b>b) There is need for more clarity in the budget finalisation process</b></p> <p>A detailed budget negotiation after the IRC review is not currently completed for all grants.</p> <p>There is currently no formal step in the application review process for a detailed budget review and negotiation. As a result, there are no formal guidelines in relation to how the budget negotiation should be conducted. The existing operational guideline on budget reallocations and reprogramming for HSS grants applies to approved HSS grants and therefore does not appear to apply to the budget negotiations and reallocations prior to the grant being approved (i.e. after the IRC recommendation but before the</p>	<p>Proposal budgets may go up significantly from the version reviewed by the IRC.</p> <p>The final budget may not be clearly approved, filed and distributed making on-going oversight and monitoring very difficult.</p>	<p>1. Include a formal budget negotiation step in the application review and approval process</p> <p>2. Agree and document clear guidelines for the budget negotiation including, who can approve the final budgets, how savings should be treated, what changes to the budget require additional approval and where the final budgets are maintained.</p>	<p>The findings are mostly accepted. Gavi does not have an integrated grant management system which would show the progress of a grant through various stages in its life cycle, including budget approval. Gavi also does not have an Operational Guideline covering the grant negotiation phase and therefore the issues of post-IRC budget changes and the use of budget savings are not specifically addressed.</p> <p>Despite this, and with the availability of the budget review checklist provided by PF, additional budget review is done depending on risk and materiality but the finalisation process is not seen within any system. Under the new CEF approach the positioning of the budget review will change and it will become clearer that this is a 'downstream' grant preparation/ negotiation function. Under the new approach the review of the detailed</p>	<p>Director, HSIS Head, Programme Finance Director, Country Support Project Lead, CEF</p>	31 Dec 2017	Open



# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p>grant approval request is approved).</p> <p>In addition, there are no formal guidelines outlining how savings should be treated (i.e. can they be reallocated), at what point further approval is required from the IRC (i.e. if the budget has increased 'significantly' from the budget reviewed by the IRC), who has the authority to approve the final budget, and where/how the final budget should be saved and distributed.</p>			<p>operational plan and budget brings a new focus to the budget review. Management agrees with the recommendations and proposes the actions below. However, decisions on the depth and responsibilities for conducting detailed budget reviews will need further internal discussion based on resource levels in respective teams to be finalised by end Q2 2017:</p> <ul style="list-style-type: none"> <li>The CEF approach focuses on the annual operational plan and budget and the budget negotiation step is embedded therein. The CEF internal process guidance will cover the review of the detailed budgets, including who approves the budget and how savings may be treated.</li> <li>For non-CEF approach grants an Operational Guideline was originally planned but, due to its expected short lifespan due to the CEF changes, this will be addressed informally based on risk and materiality.</li> </ul>			
	Medium	<p><b>c) There is need for clarity on the treatment of changes to the budget after IRC review</b></p> <p>From our review of a sample of applications, we noted that the cash grant amounts recommended for approval by the IRC for VIGs and operational costs were not clearly stated in the IRC country reports (the amount is usually included in the narrative on</p>	<p>The cash grant amount for VIG and operational costs recommended for approval by the IRC may be unclear.</p> <p>Significant changes to the target population after the IRC review may not be approved appropriately.</p>	<p>Clarify and document the process and parameters for finalising the cash grant amount for VIGs and operational costs, including who can approve the final cash grant amount and significant increase in the target population after the IRC review.</p> <p>In our view, there should be clarity on what constitutes a significant change to a proposal</p>	<p>We will clarify and document the process for finalising cash grant amounts for VIGs and operational costs.</p>	<p>Director, Country Support Head, Programme Finance Project Lead, CEF</p>	30 Sept 2017	Open

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p>page three of the report). In addition, in the majority of the sample selected, there were queries or discrepancies with the cash grant amount related to confirmation of the target population or the calculations used. Therefore, it was not clear what cash grant amount was recommended for approval by the IRC.</p> <p>We were unable to find any formal guidelines in relation to how to treat changes to the target population after the IRC review (e.g. what constitutes a significant change to the target population and how this should be treated).</p> <p>For one application we reviewed, we found that due to a significant change in the target population requested by the country, the revision in the target population had to go to the High Level Review Panel, and then back to the IRC for review. It is not clear whether this process would be followed again if a similar issue were to occur, and by how much the target population has to change in order to trigger re-review by the IRC (or another body).</p>		budget after IRC review and how this change should be treated.				
	Medium	<p><b>d) There is need for clarity regarding accountability and responsibility for the detailed budget review</b></p> <p>From our review of the roles of the various stakeholders in the application review process, we</p>	Sufficient financial reviews may not be completed and financial programmatic risks may not be identified or addressed	1. Confirm which team/committee is accountable for completing a financial review of the budget and assessing the reasonableness of the unit costs and cost justifications. In particular, clarify what level of	The CP approach was to leave the discussion on budget review open and assess the roles and resource levels in the respective teams in 2016, following considerable restructuring and addition of resources. PF, a key player in this,	Director, HSIS Head, Programme Finance	30 Sept 2017	Open

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p>found that the responsibility and accountability for a detailed financial review is not clear.</p> <p>With the recent introduction of the dedicated PF team with in-house financial expertise, there is a need to review the roles and responsibilities throughout the process to ensure this expertise is being utilised and that there is clear accountability assigned for detailed financial reviews while avoiding duplication and overlap.</p> <p>We found that there were inconsistencies within the various documents as to which team/committee should be responsible for the detailed financial review. For two applications sampled, the IRC country report included actions for the Secretariat or country to perform a detailed review of the budget. For an additional two applications, the Secretariat pre-screening form stated that the IRC will assess whether the budget and cost assumptions are reasonable. In fact, for one application, the pre-screening form states that the IRC will determine the reasonableness of the budget, however, the IRC report states they were not able to assess reasonableness of the costs with the information available and recommends the Secretariat review the unit costs for reasonableness.</p> <p>For some applications sampled, it was difficult to assess how</p>		<p>financial review the IRC is expected to perform.</p> <p>2. Ensure there is no overlap of financial reviews performed.</p> <p>3. Once the level of financial review to be performed by the IRC is clarified and agreed, ensure the required IRC members have the required skills and expertise to conduct this review.</p>	<p>proposed their role and threshold levels in a document entitled 'PF – Scope of work – Core roles and responsibilities'. This also included the roles of SCMs and POs (although was silent on the other teams involved in budget review: HSIS and VI teams). This was disseminated within CP management and accepted but left open to amendment after an initial trial period.</p> <p>In response to recommendations 1 and 2 therefore:</p> <ul style="list-style-type: none"> <li>The level of budget review will be re-visited in the next version of the budget review checklist</li> <li>In terms of who is responsible and overlap, the CEF internal process guidance will address this issue including roles of Secretariat and partners. Until then and for non-CEF approach budgeting, the PF responsibilities document will be followed at least in so far as PF/SCM/PO responsibilities are concerned). PF will be asked to revisit this document in Q1 or Q2 of 2017, and will remain on call for the IRC.</li> </ul>	Director, Country Support Project Lead, CEF		

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p>detailed the IRC financial review was as the IRC country reports did not include clear conclusions on whether the IRC believed the budgets and unit costs were reasonable and the actions relating to the budgets were not clear and specific.</p> <p>We note that there is currently no cross-cutting financial management expert in the IRC. We understand that in previous IRC meetings, a financial management expert has reviewed all the applications, and that this review was not considered to add significant value to the review process.</p>						
<b>Time-to-Cash Disbursement</b>								
2	High	<p><b>Time taken to disburse funds after IRC review requires improvement</b></p> <p>Under the new Gavi Alliance Accountability Framework, a key performance indicator has been established measuring the time taken for cash to be disbursed to countries (measured from the date of the IRC recommendation). The Country Programmes teams have been working with the Knowledge Management team to analyse and identify inefficiencies and bottlenecks in the processes impacting this key performance indicator. In order to streamline the processes, certain initiatives are underway, including automating the process for tracking and clearing IRC comments, use of tracking spreadsheets for preparation of decision letters, undertaking compression exercises to reduce the time taken to prepare and distribute decision letters, and improving the process documentation.</p> <p>Our audit testing confirmed that there are significant delays in the disbursement of funds. The average time taken from IRC recommendation to cash disbursement for the sample selected was 247 business days. This is consistent with the findings from the Knowledge Management assessment. The time to cash disbursement can be broken down into the following processes:</p> <ul style="list-style-type: none"> <li>• IRC recommendation to formal clearance of IRC comments: average time for the sample selected was 102 business days versus a target of 22 business days (2 business days to prepare the Information Letter and 30 calendar days to clear the comments) in the process documentation;</li> <li>• Formal clearance of IRC comments to approval of the decision letter: average time for the sample selected was 38 business days, and there is currently no clear target timeframe in the OGs for this step although the OGs do state that the time from IRC approval to sending out the decision letter should be approximately 25 business days (5 weeks) which implies this step should take 5 business days; and</li> <li>• Approval of the decision letter to disbursement of funds: average time for the sample selected was 107 business days versus a target of 40 business days (8 weeks) in the OG.</li> </ul> <p>As part of this audit we have sought to identify the key root causes for the delays in cash disbursements. We have detailed these in 2(a) – 2(e) below.</p>						
2(a)		<b>Time taken to address IRC comments requires improvement</b>	Significant delays in addressing the IRC comments mean that	Continue to work to address the root causes of the delay in addressing IRC comments in	Agree. 2 issues have been identified: (1) the nature of IRC comments, which are often not	Regional Heads, CS with support	30 June 2017	Open

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p>For the sample of applications reviewed, it took on average 102 (business) days from the date of the IRC recommendation to the date the IRC comments were approved for clearance.</p> <p>The process guidelines state that the comments clearance process should take a maximum of 30 (calendar) days for all grants.</p> <p>Management are aware of this delay, and are working with the Knowledge Management team to understand the root cause of these delays and how process can be improved.</p>	the grant approval and cash disbursements are significantly delayed.	order to ensure the comments process meets the 30 calendar day timeframe stipulated by management. Implement a process to ensure that overdue items are identified and escalated, to ensure delays can be effectively resolved.	specific to trigger easy responses by the countries, (2) the lack of tools to monitor responses to IRC comments. Both are being addressed by the new automated Issues Resolution Tool	from Knowledge Management to develop and implement the Issue Resolution Tool		
2(b)		<p><b>Time taken to prepare and approve the Approval Request (AR) requires improvement</b></p> <p>From a sample of ARs selected for review, we noted that the process of preparation and approval of ARs took an average of 29 business days after the IRC comments have been cleared. According to OG 3.1, the recommended time for preparing and approving AR is one week after IRC comments are cleared.</p>	Delay in preparation and approval of ARs delays the approval of Decision Letters (DL) approval leading to further delay in cash disbursement and subsequently implementation of programme activities.	<ol style="list-style-type: none"> <li>1. Ensure that the Information Management and Quality Assurance (IMQA) team uses an AR tracking tool, to help monitor the timelines from preparation to approval and identify causes of delay. Furthermore, integrate the AR process flow with the Comments Clarification process flow (in the Comments tracker tool).</li> <li>2. Assess whether the timelines for preparing and approving ARs are realistic and consider updating/revising the OG 3.1</li> </ol>	The OG 3.1 is being updated, and 7 days for prep and approval is perhaps too short. The average of 22 business days is most likely reflecting the slow approvals when clarifications are needed, versus faster approvals when no clarification is needed. Hence perhaps the analysis would be more revealing/helpful if we analysed average delays for the 2 specific groups to avoid the "skewed" data. Furthermore the analysis did not investigate delays in obtaining signatures and for you information, we are in fact seeing some issues here at present which may benefit from understanding.	Director, Vaccine Implementation, Country Programmes	30 June 2017	Open
2(c)		<p><b>Time taken to prepare and approve a decision letter (DL) requires improvement</b></p> <p>From a sample of DLs selected for review, we observed that the Decision Letters were not prepared and approved on time. The average time from clearance of the IRC comments to the approval of</p>	Delay in sending out DLs leads to further delay in cash disbursement and subsequently implementation of programme activities.	1. Ensure the DL tracker is used to effectively monitor the preparation of the DLs and identify any delays being encountered. Ensure that any delayed DLs are identified and escalated to ensure that issues can be proactively resolved.	DL tracker will be provided by IMQA to RH to facilitate monitoring for each region	Regional Heads, CS with support from IMQA	30 June 2017	Open

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		the DL was 38 business days compared to a target timeframe of 5 business days.		2. Based on the data from the DL tracker, revise and update the timelines for preparing and approving of the DL in OG 3.1 and OG 3.3				
2(d)		<p><b>The PCA timing needs to be aligned with the application review process</b></p> <p>The Transparency and Accountability Policy states that 'prior to submission of a proposal, the Gavi Secretariat will, together with the government and in-country development partners, reach a consensus on the specific financing modality' for the support (Clause 4.1.1), and that 'Gavi, together with the implementing country government, will establish and agree upon minimum requirements for the specific financing modality' (Clause 4.1.3).</p> <p>In addition, the PCA User Guide approved in July 2016 states that a 'PCA will typically be undertaken prior to development of new grants'.</p> <p>During our audit, we noted that the timing of PCAs was not consistent, and there was a lack of clarity amongst Secretariat teams of when in the application process a PCA should be completed. For one application sampled, it was known at the time of the Secretariat pre-screening that a PCA review was required and the earliest it could be completed was six months after the IRC meeting. For this example, the application was recommended for approval by the IRC in June 2015, the PCA review was completed in Q1 2016, and the country was still in the process of addressing the PCA recommendations.</p>	If the timing of the PCA is not aligned with the application review process, applications may be recommended for approval by the IRC, and then be significantly delayed due to the completion of the PCA.	<p>1. Implement a clear process for ensuring that PCAs are completed in accordance with the Transparency and Accountability Policy and the PCA User Guide (i.e. prior to submission of a proposal).</p> <p>2. Clearly outline whether there are certain situations where a PCA is not required prior to submission of a proposal, and if so, the approval process for these situations.</p>	The CEF process anticipates that the PCA should be timed to allow the findings to be considered when prioritising objectives and investment priorities for grants (i.e. how Gavi resources can address weaknesses in capacities) and how grants should be managed (e.g. decision on funding recipient).	Director, HSIS Director, Country Support Project Lead, CEF	30 June 2017	Open



# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
2(e)		<b>There is need for a tool for tracking recommendations from Financial Management Agreements (FMA) or Grant Management Requirements (GMR).</b> From the review work carried out on cash grants that were disbursed directly to countries through government, we were unable to determine the status of implementation of the agreed recommendations from FMA/GMR accompanying the Cash Disbursement Request (CDR)	CDR reviewers may approve cash disbursement to countries that have not fulfilled the financial pre-requisite conditions .e.g. countries may not have addressed identified weakness from PCAs	Consider implementing a tracking tool which will enable recommendations from FMA/GMR to be followed-up and to ensure they are addressed before cash disbursement	We will liaise with the Knowledge Management team to utilise the newly developed Issue Resolution Tool to monitor recommendations from the FMA/GMR	Director, Country Support	30 Sept 2017	Open

## IRC Review Process

Gavi's By-Laws establish an IRC for the review of new vaccine and cash grant proposals. The IRC model is a system of review undertaken by a committee of independent technical experts. IRC members are appointed by the Gavi Board and the IRC is ultimately accountable to the Board.

The IRC serves to guarantee the integrity and consistency of an open and transparent funding process, and advises Gavi on whether to fund country plans and programmes. The IRC is integral to the Gavi's process of resource allocation, and the aim of the IRC review is to make a recommendation as to whether a country plan will likely achieve (i.e. on a balance of probabilities) the proposed results and contribute to Gavi achieving its mission and strategy.

The IRC review is a desk-based assessment of written funding applications submitted to Gavi by eligible countries, and takes place in Geneva approximately three times a year. The SCM for each country provides a briefing to the IRC, and relevant Secretariat and partner representatives attend the IRC sessions to answer questions as required. Two IRC reviewers are assigned to review each country application along with two cross-cutting reviewers who analyse specific themes for all applications (including gender and equity, and cold chain). The IRC reviewers present an overview of the application to the wider IRC, and a plenary session is then held to discuss the application, and reach a consensus on the IRC's recommendation for funding.

At the end of each review session, the IRC prepares a report for each country whose application was submitted and reviewed by the IRC. The report either recommends the application for approval (with or without comments to be addressed prior to approval) or recommends the application for resubmission (with a clear rationale of why the IRC did not consider the country's application ready to be approved and the actions required to be addressed by the country for resubmission).

3	<b>Medium</b>	<b>There is need for formal differentiation of applications</b> We found that, generally, only a few countries make up a large portion of the application funding for each IRC meeting: <ul style="list-style-type: none"> <li>March 2016: four applications out of 15, made up 79% (by value) of the applications recommended for approval, with one application making up 39%. Therefore, the remaining 11 applications made up 21%, including one</li> </ul>	Limited resources (including time) may not be spent on the higher risk and more complex applications.	<ol style="list-style-type: none"> <li>1. Consider whether more formal differentiation can be implemented in the application review process, keeping in mind the impact of any differentiation on the on-going monitoring and support provided to countries throughout the life of a grant.</li> <li>2. In particular, consider whether the review process can be simplified for those country applications that are considered lower risk.</li> </ol>	<p>Agree in principle; already piloted.</p> <p>For the November 2016 IRC review, the A&amp;R team introduced two elements of differentiation into the reviews after discussion and agreement from the IRC Chair and Vice-Chair:</p> <p>(a) suggested appropriate and varying length of time for each country review (based on a number of factors including size of investment, type of supports, and number of supports; and</p>	Director, Strategy, Funding & Performance Head, Application & Review	Findings were inconclusive; will implement again for March 2017 round before determining feasibility of implementing on a permanent basis. 30 Jun 2017	Open
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# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p>application which was for approximately US\$ 150,000</p> <ul style="list-style-type: none"> <li>November 2015: three applications, out of 24, made up 72% (by value) of the applications recommended for approval. Therefore, the remaining 21 applications made up 28%.</li> </ul> <p>There is formal differentiation in the application process based on the type of grant (e.g. different requirements and assessment criteria dependent on the grant type and additional review steps for HSS grants). From our attendance at the IRC, we also found that there is informal differentiation in the IRC review, with the IRC spending longer discussing more complex applications. Currently, there is no formal differentiation of process applied for the review and approval of country applications by the IRC, regardless of size, complexity or risk.</p>			<p>(b) reduced the number of reviewers for a small-investment country.</p> <p>Furthermore, under CEF, there will be a strong approach on differentiation, including whether a country undergoes an in-country review.</p>			
4	Medium	<p><b>There is need to consider the Impact of the new Country Engagement Framework on the independence of IRC members</b></p> <p>We interviewed some former and current IRC members as part of the audit process and noted their concerns regarding the impact of the new Country Engagement Framework on their independence due to its emphasis on direct engagement</p>	<p>Greater country engagement has the potential to impact on the independence of the IRC reviewers.</p> <p>IRC decisions are made without direct country engagement which may lead to greater inefficiencies in obtaining clarifications, lower understanding of the country context and</p>	<ol style="list-style-type: none"> <li>1. Ensure any changes to the level of independence in the IRC process is appropriately approved by the Board in accordance with the Board's risk appetite.</li> <li>2. Consider whether greater country engagement can be introduced into the application review and IRC process while still maintaining the required level of independence and objectivity in the review process.</li> </ol>	<p>Agree.</p> <p>Board has approved allowing other impartial technical experts (in addition to IRC members) to serve as independent reviewers as long as there is no conflict of interest.</p> <p>The distinction between greater country engagement and the application review process remains clear within the new CEF model: the iterative dialogue phase (i.e., proposal development) and the</p>	<p>Director, Strategy, Funding &amp; Performance Head, Application &amp; Review</p>	<p>Board decision in December 2016. 30 June 2017</p>	Open

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p>of reviewers with countries. There is need for management to engage the IRC members further on this as they roll out the CEF.</p> <p>Currently, any queries for the country from the IRC are resolved through the A&amp;R team and the SCM. There is no direct country participation in the IRC process.</p> <p>We understand that country participation in the IRC process was previously piloted and was not repeated due to various issues including time differences, delays, availability, language and the loss of anonymity of IRC members.</p> <p>The new Country Engagement Framework being developed is anticipated to increase the level of country engagement in the application review and approval process.</p>	a lack of transparency of process for the country.		<p>review remain two separate processes.</p> <p>Final model of CEF will be subject to Board review and approval.</p>			
5	Medium	<p><b>There is need for independent evaluation of the IRC</b></p> <p>The IRC Chair performs a formal performance evaluation of the individual IRC members after each IRC meeting. There is currently no formal performance evaluation performed of the IRC itself and IRC Chair by either the IRC members or the Secretariat.</p> <p>The IRC Terms of Reference do not include a requirement for the performance of the IRC to be assessed.</p>	The IRC may not be performing its role to the required level or providing value for money.	<ol style="list-style-type: none"> <li>1. Consider implementing a process to evaluate the performance of the IRC Chair on a regular basis</li> <li>2. Consider implementing a quality assurance or assessment process for the IRC as a whole.</li> </ol>	<ol style="list-style-type: none"> <li>1. Agree; already implemented A&amp;R team has included questions in end-of-review survey of IRC reviewers asking them to evaluate the performance of the IRC Chair and Vice-Chair.</li> <li>2. CEF is currently still an evolving model and as such the role of the IRC within this, too. However, we have been capturing the early learnings already (e.g. the Cambridge Economic Policy Associates report) and will build in elements of quality assurance for reviewers into the new model.</li> </ol>	Director, Strategy, Funding & Performance Head, Application & Review	<ol style="list-style-type: none"> <li>1. November 2016 IRC round</li> <li>2. 31 Dec 2017</li> </ol>	Open

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		An independent review of the Gavi IRCs was conducted in 2010 by an independent consultancy firm. The 2010 report raised the following recommendation: 'It would be worth considering the development of a quality assurance mechanism for IRC decision making. All IRCs should be subjected to regular quality assurance and evaluation'.						
<p><b>There is need to make IRC comments and recommendations clearer, fully supported and they should be adequately followed-up</b></p> <p>In recommending applications for approval, the IRC can raise comments that the country needs to address before the application can be approved. These comments should be specific and actionable, and should be able to be resolved by the country (or at least a credible road map to resolve the issue be submitted by the country) within 30 calendar days.</p> <p>Once the IRC country report has been finalised, an information letter is sent to the country confirming the IRC's recommendation decision and outlining the IRC comments that have to be addressed prior to approval.</p> <p>The SCMs are responsible for ensuring that the country responses are received and appropriately address the IRC comments. When the IRC comments relate to specialist areas, such as supply chain, HSS, vaccines, etc. the SCMs are responsible for ensuring the relevant specialist teams also review the country responses. If the SCM and the specialist teams agree that the country responses adequately address the IRC comments, approval of the clearance of the comments is requested via email from the Director, CS. If there is a disagreement or lack of clarity on whether the country responses are adequate, then the SCM can request the Director, CS to call a Comments Review Panel (CRP) meeting. The CRP is an internal Secretariat team chaired by the Director, CS that reviews the country responses and advises whether they adequately address the IRC comments. The CRP document their findings in a memo for approval by the Managing Director, CP and Managing Director, Policy &amp; Performance.</p> <p>An Excel Comments Tracker tool is used to track the clearance of the IRC comments. The country responses, SCM review comments, specialist team review comments, SCM final recommendation, and final approval are meant to be recorded in the Comments Tracker.</p> <p>In addition to specific comments for countries to address, the IRC also raises other comments and recommendations in the country reports including: strengths, weaknesses, comments for consideration, and comments for the Secretariat and Alliance partners to address.</p> <p>The IRC also prepares an overall consolidated report which includes recommendations to the Secretariat, Alliance partners and the Board on Gavi programmes and policies. Once a year, the Chair of the IRC presents to the Policy &amp; Performance Committee.</p>								
6(a)	Medium	<p><b>Some of the IRC comments to be addressed by countries need to be clearer</b></p> <p>From our review of a sample of IRC country reports, we found that some of the IRC comments raised for the country to address were unclear in terms of what exactly was required to</p>	Countries are unable to address the IRC comments because they are unclear or not practical, leading to a delay in grant approval. The Secretariat is unable to approve the clearance of the IRC	Continue to reinforce the importance of ensuring the IRC country comments are clear, actionable and can be responded to within 30 days, and ensure that the Secretariat teams are raising concerns on the draft reports where comments are not clear.	Agree. The A&R team has communicated this to the IRC and Secretariat teams and will continue to do so.	Director, Strategy, Funding & Performance Head, Application & Review	On-going Check-in date: 30 June 2017	Open

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		adequately address the comments. We understand that this has been a focus area for the Secretariat and the IRC with clear guidance provided. In addition, the Secretariat teams are given an opportunity to review the draft IRC country reports prior to finalisation, and therefore are given an opportunity to highlight any unclear comments.	comments because it is unclear what is required, leading to a delay in grant approval.					
6(b)	Medium	<b>Some IRC conclusions in the reports need to be clearer and should support the recommendations</b> From our review of a sample of IRC country reports, we found that the information provided in the 'Conclusion' section of the reports was somewhat inconsistent in terms of the level of detail and the clarity provided on whether the IRC believed the proposal's objectives would be met.	IRC country reports may not clearly document support the IRC's decision	Ensure that IRC country reports clearly support the IRC decisions, and that the 'Conclusion' section clearly outlines the IRC's findings including whether the IRC believes the proposal's objectives will be met.	Agree. The A&R team has communicated this to the IRC (as also reflected in the IRC report template) and will continue to do so.	Director, Strategy, Funding & Performance Head, Application & Review	On-going Check-in date: 30 June 2017	Open
6(c)	Medium	<b>IRC recommendation not supported by the IRC report</b> During our review of IRC country reports, we identified one report which did not appear to clearly support the final recommendation by the IRC. It is understood that this recommendation was based on wider public health concerns for the country. This raises the question as to whether the IRC should be considering wider	IRC recommendations may be inconsistent if some are made based on wider public health concerns, and some are made solely on the strength of the country proposal.	Provide additional guidance to the IRC for situations when a country application falls short of the standard for IRC approval, but where there are wider public health concerns that warrant consideration.	Agree	Director, Strategy, Funding & Performance Head, Application & Review	At the March 2017 IRC round 31 March 2017	Open

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		public health issues as part of their decision-making or whether they should provide a recommendation based on the strength of the proposal alone, and the CEO and/or Board should then consider their recommendation in light of any wider public health concerns.						
6(d)	Medium	<p><b>There is need for IRC reports to countries to focus more on IRC's findings and recommendations</b></p> <p>From our review of a sample of IRC country reports, we observed that a large portion of the reports are a summary of the information provided in the country applications. We believe that the country governments are the primary recipients and end-users of the IRC country reports, therefore the reports should be more focused on the IRC's findings and recommendations. We note that this point has also been raised in feedback provided by IRC members.</p>	IRC country reports may not meet the users' needs.	<ol style="list-style-type: none"> <li>1. Clarify the primary recipient and user of the IRC country reports and ensure the content is tailored appropriately.</li> <li>2. Ensure the IRC country reports are focused more on the IRC's findings and recommendations.</li> </ol>	<p>Agree.</p> <p>The A&amp;R team has communicated this to the IRC (as also reflected in the IRC report template) and will continue to do this.</p>	Director, Strategy, Funding & Performance Head, Application & Review	On-going Check-in date: 30 June 2017	Open
6(e)	Medium	<p><b>IRC actions to the Secretariat and/or the Alliance Partners should be formally tracked and followed up</b></p> <p>The actions identified by the IRC to be addressed by the Secretariat and/or the Alliance partners are not currently formally tracked and followed-up.</p>	Grants may be approved without the IRC comments to the Secretariat and/or Alliance partners being adequately addressed.	<ol style="list-style-type: none"> <li>1. Include the IRC comments for the Secretariat and Alliance partners to address in the Comments Tracker to ensure they are followed-up and monitored.</li> <li>2. Clarify the timeframe of the IRC comments to the Secretariat and Alliance partners in the IRC country reports. In particular, identify which comments need to</li> </ol>	<p>Agree.</p> <p>1. A&amp;R team enters IRC comments for Gavi in the Comments Tracker (now called the Issues Resolution Tool) as of Nov 2016, which facilitates the follow-through process.</p> <p>2. A&amp;R team can provide this guidance to the IRC</p>	Director, Strategy, Funding & Performance Head, Application & Review	<ol style="list-style-type: none"> <li>1. On-going and milestone dates are in the Issues Resolution Tool.</li> <li>2. 31 March 2017</li> </ol>	Open



# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p>From our review of a sample of IRC country reports, we found that the IRC comments for the Secretariat and/or Alliance partners were not always clear in terms of the specific action required, the timeframe, and whether the actions had to be completed prior to grant approval.</p> <p>For one application we reviewed, the IRC comments for the Secretariat appeared to be short-term and we noted that the grant was approved before the Secretariat actions had been completed. For other applications reviewed, the IRC comments for the Secretariat had a longer term focus and could clearly not be addressed prior to the grant approval.</p> <p>The operational guidelines and new comments review process document do not cover the IRC comments for the Secretariat and Alliance partners to address.</p>		be addressed prior to grant approval.				

## Pre-Review of Applications

A Gavi Alliance Partner organises and coordinates an independent team to perform a pre-review of all HSS grant applications. This pre-review takes place after initial submission of the country application to Gavi. The Secretariat considers this pre-review as technical assistance provided by the Gavi Alliance Partner to the country (rather than an element of the Secretariat's review and approval process). The findings from the Gavi Alliance Partner pre-review are delivered directly to the country during a debrief session (which members of the Secretariat are invited to join). The Gavi Alliance Partner pre-review team do not have any approval authority, and the findings are recommendations for the country to consider rather than mandatory requirements that require action.

The Gavi Alliance Partner pre-review team is made up of members that have a broad understanding of health systems and immunisation, and practical experience in low or middle income countries. Teams of 2-3 members review each application and the lead reviewer provides a written report on the findings. A consolidated overall report is also provided to the Secretariat containing recommendations for improving funding requests including country guidelines and application forms. The pre-review is based on a clear and transparent review criteria covering the key elements of the Gavi HSS guidelines and application forms.

The HSIS team liaise with the Gavi Alliance Partner on the pre-review process including reviewing the pre-review criteria and attending the debrief sessions. The Gavi Alliance Partner 'own' the pre-review process including selecting the members, organising the pre-review meetings, and communicating the findings and reports to the country. The Gavi Alliance Partner pre-review is part of the Gavi PEF and is classified under Foundational Support. The pre-review is included as one element under the HSS Programmatic Area of the PEF.

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
At the same time as the Gavi Alliance Partner pre-review, the PF team also conduct a high-level financial review for all HSS grant applications. This review focuses on the compliance and completeness of the budget submitted and aims to ensure the overall quality of the budget.								
7	Medium	<p><b>There is need for independent evaluation of the pre-review process undertaken by the Gavi Alliance partner</b></p> <p>The Secretariat participates in the pre-review process spearheaded by the Gavi Alliance Partner through presence on the debrief calls with countries, receipt of country and consolidated reports, debrief of cross-cutting recommendations for the Secretariat and review of updated country submissions based on the recommendations. In addition, the Secretariat receives informal feedback from countries on the value of the Gavi Alliance Partner pre-review process.</p> <p>To date, there has not been any independent formal assessment or review of the effectiveness of the pre-review process, including formal feedback sought from countries or the pre-review team members.</p> <p>In addition, we have been unable to confirm with the Secretariat how much is specifically paid under the PEF for the pre-review (we were only able to see the total paid for the HSS Programmatic Area under the Foundational Support element of the PEF).</p> <p>As result, it has been difficult for us to objectively assess whether</p>	<p>The pre-review process may not be effective, provide value for money or lead to improvements in the design and implementation of proposals.</p> <p>Countries may not get value out of the pre-review process, and technical assistance funds may be better spent in other ways to improve the design and implementation of proposals.</p>	<p>Consider implementing a formal process of assessing the effectiveness of the pre-review process, including feedback from countries, the Secretariat, the IRC and the pre-review team members. The assessment should consider whether the process is effective and provides value for money compared to other methods of technical assistance in the application development process.</p>	<p>We agree with the findings, but the recommendation for a formal assessment process is no longer relevant. The pre-review members in September 2016 did conduct a self-assessment with summary of contributions, strengths and weaknesses. However, as we have changed the approach for application and review for HSS to the new Country Engagement Framework process, and the associated country-based dialogue (as opposed to a document review which was the focus of the Gavi Alliance Partner Pre-Review), there is no value in doing a further assessment of the Gavi Alliance Partner pre-review at this time. Discussions are on-going as to how the funds set aside for the Gavi Alliance Partner pre-review under PEF will be used to support countries during the iterative country dialogue under CEF to ensure the relevant technical expertise is available in-country (augmented if needed by regional staff or consultants as last resort).</p>	Director, Health Systems & Immunisation Strengthening	NA	Closed

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		the pre-review process is effective and provides value for money.						
8	Medium	<p><b>There is need to address the overlaps in the financial pre-review process</b></p> <p>The Gavi Alliance Partner pre-review and PF financial review appear to cover very similar areas in relation to financial budgets, including: arithmetical accuracy, compliance with HSS country ceilings, coherent links between programme details and the budgeted activities, reasonableness of unit cost assumptions, rationale for large items, justification for (and compliance of) HR related costs, and alignment between the budget and the procurement plan.</p> <p>These reviews are completed at the same time, and the findings are provided to the country at similar times. Therefore, for countries receiving the feedback, there is potential for confusion due to duplication and/or contradiction in the feedback received.</p> <p>The PF team have identified this risk, and have commenced discussions with the Gavi Alliance Partner to consider how this could be addressed.</p>	<p>Countries may receive duplicate and/or contradicting feedback from Gavi (from the Gavi Alliance Partner and the Secretariat), and be unsure of which feedback to address and prioritise.</p> <p>The same review may be completed twice leading to an inefficient use of resources.</p>	Continue the discussions with the Gavi Alliance Partner to resolve how the PF and Gavi Alliance Partner budget pre-reviews and findings can be aligned to avoid duplication and any potential contradicting advice provided to countries.	The issue is correctly described, but the recommendation is no longer relevant. The CEF internal process guidance (refer action point above) will address the roles of Secretariat and partners. Under CEF, it is anticipated that the Gavi Alliance Partner will contribute to the preparations for and during the country dialogue prior to, and during, the independent review process.	Director, Health Systems & Immunisation Strengthening	NA	Closed
9	Medium	<p><b>The time allocated to countries to address pre-</b></p>	The Gavi Alliance Partner pre-review may not add value to the	Consider whether additional time can be allowed in the process for countries to address the Gavi	Agree. For the March 2017 IRC round, the A&R team will shorten the period	Director, Strategy,	31 March 2017	Open

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p><b>review comments should be increased</b></p> <p>The full Gavi Alliance Partner pre-review reports are generally between 20-40 pages long, and countries are given approximately 12 business days to address the recommendations. In some cases, the findings and recommendations are significant and require fundamental changes to the proposal documents and engagement of multiple stakeholders.</p> <p>In our opinion, this timing is not adequate for countries to substantively address the review comments given the nature and significance of some of the comments raised. We are aware of one case where a country withdrew their application in two consecutive rounds as they were not able to address the Gavi Alliance Partner pre-review comments in time.</p>	country (and ultimately to Gavi) if the country does not have adequate time to address the comments.	Alliance Partner pre-review comments, or whether the Gavi Alliance Partner pre-review can take place earlier in the application development process (prior to submission to Gavi).	scheduled for the Gavi Alliance Partner pre-reviews in order to allow countries more time to respond to queries.	Funding & Performance Head, Application & Review		
10	Medium	<p><b>There is need to enhance accountability over pre-review recommendations</b></p> <p>The Gavi Alliance Partner recommendations to the Secretariat in the consolidated overall report are shared with the relevant Secretariat teams. In addition, any recommendations relating to country guidelines or application forms are addressed as part of</p>	<p>Valuable recommendations and risk mitigations identified by Gavi Alliance Partner may not be addressed or implemented on a timely basis.</p> <p>The Gavi Alliance Partner may continue to spend time raising recommendations that the Secretariat has risk-</p>	Implement a more formal process for dealing with the Gavi Alliance Partner pre-review recommendations, including agreeing on actions and assigning responsibilities and timelines for remediation. For clarity, we are not recommending that all recommendations have to be actioned – if recommendations will not be implemented, the rationale for this could be documented clearly.	<p>We agree with the finding, that the Gavi Alliance Partner pre-review recommendations have not been followed up as systematically as IRC comments.</p> <p>As noted above, a formal Gavi Alliance Partner pre-review will no longer take place under the CEF. Under CEF, it is anticipated that the Gavi Alliance Partner will contribute to the preparations for and during the country dialogue prior to, and during, the independent review process.</p>	Director, Health Systems & Immunisation Strengthening	NA	Closed

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p>the annual guidelines review and update process.</p> <p>There is currently no formal process in place to document the Secretariat's response to the recommendations, including assigning responsibility and timelines for any actions required. As a result, we found it difficult to confirm whether all the recommendations had been addressed or consciously risk-accepted.</p>	<p>accepted or has consciously decided not to action.</p>					
<p><b>Sub-Optimal grant management support systems</b></p> <p>Management has automated some of the grant management processes (e.g. Cash Disbursement Request, IRC comments and VI Track) and is still in the process of automating other processes in this cycle to enhance efficiency and effectiveness.</p>								
11(a)	Medium	<p><b>There is need to implement a single integrated grant management support system</b></p> <p>Currently, there is no single integrated grant management system supporting the Secretariat's grant management processes. As a result, each team (A&amp;R, HSIS, VI, CS, PF and Finance) has created tools based on their needs, resulting in multiple disintegrated tools being used throughout the process which have to be manually updated and that are not integrated. In addition, the data in these systems is structured differently.</p>	<p>Increased risk of duplication of effort</p> <p>Increased risk of input and output data errors</p> <p>Increased risk of security of the data maintained in these manual systems</p> <p>It is time consuming for staff to maintain the disintegrated tools</p>	<p>1. We recommend the review and prioritisation of the critical processes of the grant management cycle from up-front rather than starting from the back-end. Knowledge Management and CP should consider reviewing the current criteria for prioritising automation of the processes in the grant management cycle.</p> <p>2. Consider implementing an integrated solution of all grant management processes</p>	<p>These issues have also been raised in the Grant Closure report, and therefore will be tracked and monitored through the Grant Closure report.</p>	<p>Regional Heads, CS with support from KMTS</p>	<p>30 June 2018</p>	<p>Open</p>
11(b)	Medium	<p><b>The system of identifying and tracking grants should be improved</b></p> <p>We noted that there is no system of identifying and</p>	<p>It is difficult to monitor grants through the system (from application to closure) and especially for</p>	<p>Consider allocating each grant a Grant Identifier code at the point when the proposal is received.</p>	<p>These issues have also been raised in the Grant Closure report, and therefore will be tracked and monitored through the Grant Closure report.</p>	<p>Regional Heads, CS with support from KMTS</p>	<p>30 June 2018</p>	<p>Open</p>

# Appendix 1: High & Medium Rated Detailed Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		tracking a grant (e.g. Grant Identifier Code) at the point when an application is received by Gavi from a country. Currently, this happens much later on in the process after the IRC. A manual code is generated and allocated to any issued Approval Requests in the VI Track by IMQA team.	grants that have to be resubmitted.					



## Appendix 2: Low-Rated Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
<b>1. Involvement of Secretariat teams in Country Application Development</b>								
The Full Country Evaluation Cross-Country Report for 2015 includes the following recommendation: 'We recommend earlier guidance and technical support from Gavi and partners to ensure that the design of HSS grants is sustainable ... This could take the form of greater involvement of the SCM or the Gavi HSS team (with increased staffing) at the design phase ... While the provisions included in the guidelines represent an important first step, guidelines alone are insufficient without active and in-depth engagement to orient countries.'								
	Low	<p><b>Lack of clarity on the level of involvement of Secretariat teams during application development</b></p> <p>We noted that currently there is lack of clarity on how Secretariat teams should be involved in the application development stage of the process. Some teams raised concerns over conflicts of interest while others were getting more actively involved in the development process with in-country missions. With the implementation of the Partnership Engagement Framework, it is unclear whether assistance with application development is solely the responsibility of the partners or whether the Secretariat teams have a role to play in this process.</p>	The expertise of the Secretariat and Alliance partners is not utilised to provide advice and guidance to countries in designing successful programmes, including lessons learnt not being shared and applied.	Provide clear guidance on the role of the Secretariat teams in the application development process.	Until now, countries with partners' support are fully responsible for developing applications. If Secretariat has to be directly involved, this will require clarification at the corporate/ management level	MD, Country Programmes	30 Sept 2017	Open
<b>2. Review of financial arrangements of new proposals</b>								
The PCA team reviews country applications at the pre-screening stage before IRC review to ensure that issues and risks associated with the financial arrangements have been identified and addressed.								
	Low	<p><b>PCA pre-screening requirements not completed for some applications</b></p> <p>For four (out of 13) of the applications reviewed, the pre-screening section by the PCA team had not been completed. For these applications, the SCM had provided confirmation on the pre-screening forms that the applications were ready for review by the IRC, and the applications were reviewed and recommended for approval by the IRC.</p> <p>As noted above, the PCA team is in the process of confirming how the PCA reviews fit into the application review and approval process. This will also provide clarity on what pre-screening reviews should be conducted by the PCA team.</p>	Issues and risks associated with the financial arrangements of the new proposal may not be identified and addressed.	<ol style="list-style-type: none"> <li>1. Review the PCA pre-screening requirements to ensure they add value to the application review process.</li> <li>2. Based on the above assessment, ensure that the PCA pre-screening requirements are completed as agreed, and ensure that the application is not cleared for IRC review until the required pre-screening has been completed.</li> </ol>	<ol style="list-style-type: none"> <li>1. Done.</li> <li>2. This has been effected.</li> </ol>	Director, Strategy, Funding & Performance  Head, Application & Review  Director, Programme Capacity Assessment	NA	Closed

## Appendix 2: Low-Rated Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
<b>3. Process of management of Secretariat pre-screening comments and IRC comments requires improvement (tracking, clearance and approval)</b>								
	Low	<p><b>a) System of tracking and updating country responses is not robust</b></p> <p>In the application pre-review and pre-screening process, the Secretariat teams are asked to update their comments in the pre-screening forms for any responses and clarifications provided by the country. For some of the pre-screening forms reviewed, we found it difficult to assess which of the Secretariat comments had been addressed by the country prior to submission to the IRC and which comments were still valid.</p> <p>This observation was also raised in feedback from IRC members confirming that in some situations it is difficult to ascertain whether the pre-screening comments have been addressed.</p> <p>We believe this is in part due to there being a lack of clarity as to which team is accountable for ensuring the pre-screening findings are communicated to the country and are addressed. In some situations, the comments in full were provided by the SCM to the country, but in other situations only some or none of the comments were provided.</p>	Country responses and clarifications may not be reflected in the pre-screening forms, meaning IRC members may be required to duplicate work to ascertain which comments have been addressed	<ol style="list-style-type: none"> <li>1. Ensure the accountabilities for ensuring the pre-screening findings are communicated to the country are clear.</li> <li>2. Ensure that pre-screening comments are clearly updated to reflect country responses and clarifications prior to submission to the IRC.</li> <li>3. Clearly date all documents submitted to the IRC to ensure there is clarity as to which versions of the documents are the most recent.</li> </ol>	<p>Agree in principle. A&amp;R team already undertakes the following steps:</p> <ol style="list-style-type: none"> <li>1. E-mails explaining the pre-screening process are sent prior to each IRC which clearly state that it is the responsibility of the SCM to communicate pre-screening findings to the country</li> <li>2. A&amp;R informs all stakeholders when new information comes in, so they may update their pre-screening accordingly</li> <li>3. While documents may not be dated in all cases, the A&amp;R team within the documents management process clearly indicates which the latest versions are.</li> </ol> <p>In addition, clearer instructions have been added to the pre-screening forms for the March 2017 IRC.</p>	Director, Strategy, Funding & Performance Head, Application & Review	31 July 2017	Open
		<p><b>b) Lack of adequate segregation of duties in the approval of clearance of IRC comments</b></p> <p>There is currently a lack of adequate segregation of duties for the SCMs and the Director, CS in having the authority to approve the clearance of IRC comments, but also having a (shared) Team Performance Metric based in part on how quickly the IRC</p>	The CS team may approve the clearance of IRC comments when adequate information has not been received in order to meet the time to cash disbursement KPI.	Consider whether this control weakness could be further managed by having a separate team (not subject to the time to cash disbursement performance metric) review the clearance of the IRC comments either as part of the process or as a quality assurance measure	We note the issue raised but we believe that with the implementation of the automated issue resolution tool, this risk is well managed. The tool will ensure that there is adequate documentation for the	Country Support team	NA	Closed

## Appendix 2: Low-Rated Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p>comments are cleared (time to cash disbursement).</p> <p>We note that the documentation of the country responses and the Secretariat teams' validation of the responses in the IRC Comments Tracker goes some way to managing this weakness in control.</p>		on a sample basis (e.g. A&R or IMQA).	clearance of IRC comments, and that the Regional Heads perform a quality assurance review prior to approval by the Director, CS.			
	Low	<p><b>c) Comments tracker not fully completed on time to capture all IRC comments</b></p> <p>The Comments Tracker spreadsheet has been updated and improved in 2016.</p> <p>From our review of a sample of applications, we found that the Comments Tracker was not fully completed for the November 2015 and March 2016 IRC meetings. In particular, the date of approval from the Director, CS was only completed for one application sampled. In addition, evidence of the review and approval processes was not consistently saved in the central folders, meaning that evidence had to be requested and provided from individual's email folders.</p> <p>Further to the point above, due to the potential conflict of interest in the process, it is even more important that the Comments Tracker is fully completed, and sufficient documentation is maintained to support the SCMs decision</p> <p>It is understood that the IMQA team has recently implemented a control that they cannot proceed with preparing the approval request until all fields in the Comments Tracker have been completed.</p>	Grant approvals may be processed without the IRC comments being adequately addressed.	<p>1. Continue to enforce the control that IMQA cannot prepare an approval request until the Comments Tracker is fully completed and appropriate evidence of approval is filed.</p> <p>2. Ensure the email to the Director, CS requesting approval of clearance of the IRC comments provides a link to the completed Comments Tracker and any required documentation to support the decision.</p>	The new Issues Resolution Tool will simplify the follow up and ensure that all steps are being adequately completed.	Regional Heads, CS with support from the Knowledge Management and IMQA teams	30 June 2017	Open
		<p><b>d) Differences noted between key documents on the IRC comments clearance process</b></p> <p>We found three key resources documenting the IRC comments clearance process: the operational guideline 3.1, a comments</p>	Staff may not be clear on which resource to reference for the IRC comments clearance process, and may follow incorrect steps	1. Update the operational guideline 3.1 to reflect the current process and incorporate the comments review process document (so there are not two separate documents).	OG will be updated	Senior Manager, OGS	30 Sept 2017	Open

## Appendix 2: Low-Rated Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p>review process document and the process map in the process modelling tool.</p> <p>We found some differences between these documents with the operational guideline having the most significant differences to the actual process being followed.</p>	<p>if they refer to the operational guideline.</p>	<p>2. Ensure the process map in the PMT is consistent with the final operational guideline.</p>				
	<b>Low</b>	<p><b>e) System to review and monitor IRC comments for consideration and strengths &amp; weaknesses is not in place</b></p> <p>The IRC reports are provided to the country and include 'comments for considerations' and 'strengths and weaknesses' prepared by the IRC. SCMs are encouraged to follow up on these points during the joint appraisal process or similar reviews.</p> <p>There is currently no systematic approach to review and monitor these recommendations and observations. In addition, there is no process to ensure that long term items are tracked and considered as part of the on-going grant management cycle.</p>	<p>The time spent by the IRC to identify and raise these observations may not be valuable if they are not used to drive improvements, or items that should be tracked through the life of the grant are missed.</p>	<p>1. Consider whether the risks raised in the IRC reports can be used as an input into the country risk matrix, to ensure that the risks are monitored on an on-going basis.</p> <p>2. Implement a process to ensure that any considerations raised by the IRC requiring on-going monitoring feed into the on-going grant management processes including the annual joint appraisal.</p>	<p>1. The country risk matrix already uses all elements, both programmatic and fiduciary risk.</p> <p>2. Agree that an "issue tracker", containing both IRC and HLRP comments needs to be put in place in each region, to ensure adequate follow up</p>	<p>Regional Heads, CS</p>	<p>30 Jun 2017</p>	<p>Open</p>
		<p><b>f) Formal management responses to IRC recommendations not completed consistently</b></p> <p>In the past, the Secretariat has prepared formal management responses to the IRC recommendations raised in the overall consolidated report. We note that this has not been done since the November 2014 IRC and, as a result, we found it difficult to assess which of the recommendations had been addressed.</p> <p>An annual update to the Policy &amp; Performance Committee on the management responses to the IRC recommendations was last done in May 2015.</p> <p>We selected one IRC recommendation from the November 2014 IRC central report and noted that it was raised by the IRC again in</p>	<p>Valuable recommendations and risks identified by the IRC may not be addressed on a timely basis.</p> <p>Alternatively, the time spent by the IRC to raise central issues may be wasted if no action is taken to address them.</p>	<p>1. Implement a formal process to respond to the IRC central recommendations, including assigning responsibilities and timelines for any agreed actions.</p> <p>2. Consider whether this process can be combined with the process for following-up on the recommendations from the Gavi Alliance Partner pre-review.</p> <p>3. For clarity, this does not mean that all recommendations have to be actioned – if recommendations will not be implemented, the rationale</p>	<p>Agree.</p> <p>1. A&amp;R team will develop formal process.</p> <p>2. A&amp;R team will discuss with HSIS.</p> <p>3. A&amp;R will consider the feasibility of this when developing the process.</p>	<p>Director, Strategy, Funding &amp; Performance Head, Application &amp; Review</p>	<p>30 June 2017</p>	<p>Open</p>

## Appendix 2: Low-Rated Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p>the March 2015 and June 2015 reports. We were unable to evidence that it had been fully addressed, or formally risk-accepted, at the time of the audit.</p> <p>The previous independent evaluation of Gavi's IRCs conducted in 2010 identified a similar issue and recommended that 'a central log is kept of IRC Recommendations to the Board /Executive Committee and that a systematic feedback mechanism is created to inform IRC committees about their policy recommendations, using the log as a record of information.'</p>		for this could be documented clearly.				
		<p><b>g) Inconsistencies noted in the completion of pre-screening forms by SCMs</b></p> <p>The strengths and weaknesses section of the pre-screening forms to be completed by the SCMs is optional for HSS grants but mandatory for the vaccine grants. In addition, there is little guidance provided in relation to how much information should be included in these sections, and what the information should be based on. For example, how much should the strengths and weaknesses be informed by the country's previous grant performance including achievement of objectives and absorption capacity.</p> <p>Through reviewing a sample of the pre-screening forms across different countries, grant types and review periods, we identified that there is inconsistency in the level of detail provided by SCMs in response to these questions.</p>	SCMs' assessment of country applications may be overly subjective and inconsistent across different countries. This in turn may influence the IRC reviewers as they are potentially receiving assessments based on inconsistent criteria.	Consider providing additional guidance to teams on the areas and level of detail required to be covered in the pre-screening forms, including how previous grant performance should be considered and whether an assessment of strengths and weaknesses is required for all applications.	OG on pre-screening will be developed to guide CP staff (not only SCM but also VI and all other technical teams in CP).	Senior Manager, OGs with support from Regional Heads, CS and A&R	30 Sept 2017	Open
		<p><b>h) Inconsistencies noted in the completion of pre-screening forms by the VI team</b></p> <p>The VI team complete pre-screening for vaccine programme proposals.</p>	The level of review by the VI team may be inconsistent across different countries. This may mean that	Consider formalising the level of detail and areas to be considered by the VI team in completing the pre-screening forms.	Agree. A&R team will provide additional guidance to Secretariat teams on the	Director, Strategy, Funding & Performance	31 March 2017	Open

## Appendix 2: Low-Rated Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		From our review of a sample of the pre-screening forms, we observed that the level of detail of the notes and the content covered was inconsistent. There does not appear to be a standard set of criteria or areas that the VI team have to look at and comment on, as well as an agreement as to how much detail should be provided.	the country does not receive the same level of comments to address prior to the IRC review, and/or that the IRC reviewers receive different levels of information when considering different applications.		completion of the pre-screening form.	Head, Application & Review		
<b>4. Improvement opportunities regarding processing of Approval Requests (AR)</b>								
	<b>Low</b>	<p><b>a) Review process of Approval Requests cannot be evidenced</b></p> <p>From the sample of ARs selected for review, we noted that there was lack of documentary evidence of the review done on the draft AR within IMQA team to ensure that the draft AR is free from any material errors. From the sample of ARs, we did not find any errors. The draft AR is sent to Finance team after this review.</p>	Approval of AR with incorrect information	Ensure that the draft AR is reviewed by different person other than the preparer and the evidence of review is maintained.	Tracking sheets will assist as would work flow identification. However there can be a workload increment in filling tracking sheets and keeping them up-to-date. A system solution would assist in this area and is perhaps a "low hanging fruit" for KMTS to invest resources in, for a quick return.	Director, Vaccine Implementation, Country Programmes	30 Sept 2017	Open
		<p><b>b) Key process steps of the AR process not included in OG 3.1</b></p> <p>The Approval Request steps in O.G 3.1 (Gavi Funding and Country Application Process) are not comprehensive enough. For example, the AR steps in O.G 3.1 under provision 10(d) do not provide for key process steps like validation, review, timing, completion and distribution of the AR.</p>	OG users may not be able to apply the Approval Request process steps consistently. In addition, it may be difficult to assess and monitor compliance with the OG	Management should consider reviewing and updating OG 3.1 to include the key process steps of the AR process or alternatively develop a new AR OG	The OG 3.1 is being updated.	Director, Vaccine Implementation, Country Programmes	30 Sept 2017	Open
<b>5. Improvement opportunities regarding processing of Decision Letters (DLs)</b>								
	<b>Low</b>	<p><b>a) Approval of some DLs contravened guidelines on Signature Authorities for Legal Agreements</b></p> <p>We reviewed Decision Letters that were approved by officers in charge and noted</p>	Errors in DLs may not be identified in good time and before commitments are made to countries	Adhere to the guidelines on Signature Authorities for Legal Agreements.	Agreed. CP Management in liaison with the Legal team will develop guidelines for CP staff on the delegation of	MD, Country Programmes, Senior Manager, OGS	31 Dec 2017	Open



## Appendix 2: Low-Rated Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		that the approval authority had not been properly delegated to them by the CEO or MD, Finance & Operations in accordance with the guidelines on signature authorities for legal agreements.			authority that adhere to the guidelines on Signature Authorities for Legal Agreements.			
		<p><b>b) Streamlining of the DL review and approval process needed to ensure that they are approved after ARs</b></p> <p>From a sample of selected DLs for review, we came across one instance where the Decision Letter to the country was approved 7 days before the Approval Request (DL was approved on 28 January 2016 while the Approval Requests was approved on 03 February 2016). The DL was sent by email to the country on 16 February 2016.</p>	There is increased risk of sending out DLs with errors when DLs are approved before Approval Requests are finalised.	Streamline the review and approval process to ensure that DLs are only approved after ARs have been approved.	Agreed. CP management is reviewing the Approval Request and Decision Letter processes in the Operational Guidelines to ensure that a DL is only approved after the AR.	Senior Manager, OGS	30 Sept 2017	Open
		<p><b>c) DL trackers for 2014, 2015 and 2016 are not up to date</b></p> <p>We noted that the 2014, 2015 &amp; 2016 DL trackers were incomplete. This is further demonstrated by the fact that 80% of the sample selected for review was not captured in the DL trackers.</p>	It may be difficult to determine the amount of time taken to prepare, review, approve, distribute and publish DLs. In addition, the DL trackers may not be a reliable source of vital information regarding number of DLs issued, approved and distributed.	Ensure that all DLs are captured in the DL tracker as they are issued. In addition, all teams should review and sign off in the DL Trackers.	We are working with the Knowledge Management team to develop an automated workflow for the DL process.	Director, Country Support	30 Sept 2017	Open
		<p><b>d) A majority of the DLs are not published on the Gavi website on a timely basis</b></p> <p>We selected a sample for review and noted that 70% of the Decision Letters had not been published on Gavi's website as at 02 June 2016 in accordance with Gavi's transparency principles.</p>	Having incomplete information on the Gavi website may impact Gavi's Aid Transparency Index score.	<ol style="list-style-type: none"> <li>1. Ensure that all approved DLs are published on Gavi website in accordance with Gavi's transparency principles.</li> <li>2. In addition, the CS team should sign off in the DL Tracker when a DL is published on the Gavi website.</li> </ol>	Agreed. CP management will ensure that all approved DLs are published on Gavi website and specify in the operational guideline and DL tracker the team responsible for publishing the approved Decision Letters on Gavi website.	Director, Country Support	30 June 2017	Open

## Appendix 2: Low-Rated Findings & Recommendations

Issue No.	Issue Rating	Issue Description	Risk/Implication	Recommended Actions for Management	Management Comments	ET Member/ Action Owner	Target Completion Date	Status
		<p><b>e) Key process steps of the DL process not included in OG 3.1</b></p> <p>The Decision Letter process steps in O.G 3.1 (Gavi Funding and Country Application Process) and 3.3(Cash Disbursement) are not comprehensive enough. For example, the DL steps in both O.Gs and do not provide for key process steps like validation, review, timing, completion and distribution of the DL.</p>	OG users may not be able to apply the DL process steps consistently. In addition, it may be difficult to assess and monitor compliance with the OG.	<ol style="list-style-type: none"> <li>1. Management should ensure the OG for generating Decision Letter has been finalised and approved.</li> <li>2. In addition, management should consider reviewing and updating OG 3.1 and 3.3 after approving the DL OG.</li> </ol>	OG will be revised	Senior Manager, OGs	30 Sept 2017	Open
6	Low	<p><b>Countries delay in confirming receipt of funds</b></p> <p>From the sample of Cash Disbursements selected for review, we noted that countries delay in confirming receipt of funds to Gavi. In addition, there is no standard format for the confirmation of receipt of funds by countries.</p>	Errors in cash disbursement may not be detected in good time and remedial action taken promptly.	<ol style="list-style-type: none"> <li>1. Consider developing a standard format for confirmation of receipt of funds by countries.</li> <li>2. Consider updating OG 3.3 (Cash Disbursements) to include a provision which shifts the responsibility of confirmation of receipt of funds from Gavi POs to countries.</li> </ol>	<ol style="list-style-type: none"> <li>1. Standard form will be developed</li> <li>2. OG will be updated</li> </ol>	Senior Manager, OGs with support from Programme Finance	30 Sept 2017	Open

# Appendix 3: Summary of Performance Ratings and Distribution List

## 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
Managing Director, Country Programmes
Director, Strategy, Funding and Performance
Director, Health Systems & Immunisation Strengthening (HSIS)
Director, Country Support

## For Information

Title
Chief Executive Officer
Deputy Chief Executive Officer
Managing Director, Audit & Investigations
Executive Team
Director, Legal
Director, Vaccine Implementation
Head, Programme Finance
Head, Applications & Review
Chief Knowledge Officer, Knowledge Management & Technology Solutions
Director, Programme Capacity Assessment
Head, Risk