



GAVI ALLIANCE

AUDIT AND FINANCE COMMITTEE CHARTER

Approved on 29-30 October 2008

1. Purpose

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

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

2. Composition

The Committee shall be a Standing Committee of the Board and Article 4 of the GAVI By-laws shall govern Committee member appointment, removal and resignation; all members shall be appointed on an annual basis, with renewable terms. Further, the Committee shall consist of at least three Board Members/Alternates.

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

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

- Financial/Accounting Knowledge: a working knowledge of finance and accounting practices.
- Financial Expert: a significant, recent, and relevant expertise in finance and accounting at a level appropriate to the complexity of GAVI’s operations, including an understanding of financial statements, internal controls, procedures for financial reporting, and audit committee functions. At least one member of the Committee should be a Financial Expert.

- Not-for-Profit Accounting Expert: At least one member of the Committee should possess expertise in not-for-profit accounting and reporting.

3. Operations

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

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

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

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

Reporting. The Committee formally reports to the Board. The Committee shall keep minutes of its meetings and regularly report on its meetings and other activities to the Board or the Executive Committee on issues falling under the authority of either.

Voting. The Chair should aim for consensus on all decisions. If consensus cannot be reached, majority and minority positions shall be reported to the Board or the Executive Committee on issues falling under the authority of either.

Access to Expertise, including consultants. The Committee in fulfilling its duties under this Charter will draw on expertise from Alliance partners, the Secretariat, external consultants, individuals and institutions as appropriate.

Delegation of Authority. The Committee shall have the power to delegate on an exceptional basis its authority and duties to the Committee chair or individual Committee members as it deems appropriate. It may also delegate duties to staff of the Secretariat and partner organisations as it deems appropriate.

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

4. Duties and Responsibilities (Audit)

In carrying out its responsibilities, the Committee shall:

- Recommend to the Board the appointment and/or termination of the external auditor and the independent tax advisor.

- Review and recommend to the Board the terms of the external auditor's engagement, and scope of the annual audit, and any audit-related and non-audit services to be provided by the external auditor.
- Review and recommend to the Board the terms of the independent tax advisor's engagement.
- Examine GAVI's interim financial statements and variance reports.
- Review with the Secretariat, the internal auditor, and the external auditor GAVI's annual financial statements and the external auditor's management letter and, if appropriate, recommend the approval of the GAVI annual financial statements to the Board.
- Assess any significant disagreement among the Secretariat, the internal auditor, and the external auditor in connection with the preparation of the annual financial statements and communicate its findings to the Board.
- Conduct a separate post-audit review with the Secretariat, the internal auditor, and the external auditor to discuss the audit and any restrictions on the scope of work or access to required information and communicate its findings to the Board. (The Chair may represent the Committee for this purpose but must report findings to the Committee).
- Review and report to the Board significant financial and operational risk exposures and the steps taken to monitor and control such exposures.
- Review and discuss with the Secretariat, the internal auditor, and the external auditor the adequacy of GAVI's financial reporting processes and internal controls and communicate its findings to the Board.
- Review critical financial reporting and accounting policies, practices, and judgements used by GAVI and oversee their adherence.
- Review and report to the Board any material financial or non-financial arrangements that do not appear on GAVI's financial statements.
- Oversee the construction of GAVI's tax filings and review them with the independent tax advisor.
- Recommend to the Board the appointment and/or termination of the Head of Internal Audit (who shall report directly to the Board), and assess the organisational structure, mandate, and budget for the internal audit function.
- Review compliance with and the content of GAVI's Whistleblower Policy, Document Retention Policy, and Budget Variance Policy and recommend any changes to the Board.
- Review and report to the Board any legal or other matter that could have a significant impact on GAVI's financial statements.

5. Duties and Responsibilities (Finance)

In carrying out its responsibilities, the Committee shall:

- Review the macro funding capacity and capital structure of the GAVI Alliance taking into account its affiliated entities such as the International Finance Facility for Immunisation Company, GAVI Fund Affiliate, and other affiliated entities to guide the Secretariat in the coordination of resources available from those entities and report its findings to the Board.
- Review the GAVI Alliance work plan budget, and the GAVI Secretariat administrative budget, and make a recommendation to the Board whether to approve them.
- Review potential material financial obligations or encumbrances including security interests, asset pledges, leases, and procurement contracts and make a recommendation to the Board or Executive Committee.
- Review the Secretariat's cash management plans and strategies from time to time.
- Review long-term programme budget windows to assess potential capital needs.
- Review changes to GAVI's banking structure and make a recommendation to the Board whether to approve them.
- Review insurance policies and annual reports from GAVI's insurance advisors.

6. Duties and Responsibilities (General)

In carrying out its responsibilities, the Committee shall:

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