

Board Audit Committee Activities

1 July 2020 through 32 December 2020

Section I: Completed Activities – July 2020 to December 2020

Item	Description	BAC Completion Date	Accomplishments/Outcome
Executive Interviews	One Executive Interview session was held in July 2020. This meeting was a closed meeting with audit committee members and the Executive to increase assurance of direct communication and helps the audit committee to carry out oversight responsibilities.	July 2020	It is a best practice that the audit committee holds interview sessions and this practice is in line with the BAC’s charter to oversee ICANN’s internal financial and accounting controls and procedures. This was accomplished when the BAC met with the designated executive in July.
Audit Planning & Scoping Presentation for FY20 Independent Audit	ICANN’S external independent auditor, BDO, LLP, provided a detailed presentation of the FY20 audit process, including: <ul style="list-style-type: none"> - FY20 audit planning and scoping - Overall audit strategy, areas of focus - Timeline - COVID-19 impacts to audit strategy and accounting standard changes 	16 July 2020	BAC received and understood detailed audit presentation. BAC also confirmed to BDO that they are not aware of any fraud issues, and also confirmed their understanding that it is the responsibility of ICANN management to prepare the financial statements.
BAC Workplan Review	BAC reviewed its Workplan.	28 July 2020	BAC agreed that its Workplan is on target.

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Review of Auditor Independence	BAC received and discussed a presentation from ICANN org regarding auditor independence requirements under U.S. and European Union laws and the rules about changing audit firms and/or audit engagement partners on a periodic basis.	28 July 2020	BAC agreed that ICANN org is fully compliant under these requirements and is aligned with auditor independence best practices.
Review of Auditor Selection Process for FY21	BAC received and discussed a presentation from ICANN org regarding best practices for audit firm/partner selection.	28 July 2020	BAC members agreed not seek a new audit firm at this time, noting that ICANN org will continue to be compliant with both legal audit firm and partner rotation best practices in this regard.
BAC Workplan Review	BAC reviewed its Workplan.	16 October 2020	BAC agreed its Workplan is on target.
Review of Draft FY20 Audited Financial Statements	BAC received overview of the draft FY20 audited financial statements from ICANN org, including adoption of new accounting standards as well as COVID-19 disclosures in the financial statement footnotes.	16 October 2020	BAC received the comments and walked through the financial statements with ICANN org. No issues or concerns noted.

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<p>Review of FY20 Audit Committee Presentation by Independent External Auditor (BDO, LLP)</p>	<p>The Committee reviewed the FY20 Audit findings as presented by the independent audit firm. The audit includes ICANN and PTI on a consolidated basis. There were no deficiencies noted and a clean audit opinion was issued by the independent audit firm. The BAC also heard from the Committee's independent advisor, who reported that he is very satisfied with the consolidated financial statements and related disclosures.</p>	<p>16 October 2020</p>	<p>As part of its charter, the BAC duly received, reviewed and forwarded to the Board the annual financial statements of ICANN's operations and financial position and the independent auditors' report. The FY20 audited financial statements were timely published on ICANN's website as required by the ICANN Bylaws.</p>
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Section II: Appendix – Resolutions Recommended by the BAC

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