

Board Audit Committee Activities

July 1 to December 31, 2023

Section I: Completed Activities –July 2023 to December 31, 2023

Item	Description	BAC Completion Date	Accomplishments/Outcome
FY23 Independent External Audit, Audit Firm Appointment	The BAC met with the external audit firm to discuss the FY23 Audit process, including the audit approach, scope, auditor's responsibilities, anticipated timeline and deliverables. The audit firm also informed the Committee of a new accounting pronouncement (ASC 842) which requires companies to classify all leases as operating or financial leases. The Committee also discussed the timing for appointing the audit firm and agreed that it would be prudent to make the appointment approximately six months in advance of the work that pertains to that year.	27 July 2023	The BAC agreed to engage and appoint the independent audit firm on an annual basis.
Internal Audit Function	The Committee considered a proposal to implement an internal audit function.	27 July 2023	ICANN org to prepare relevant materials to support the proposal to implement an internal audit function.

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IRS Form 990	The BAC received a high-level overview on the IRS Form 990, which is ICANN's annual information return, that was filed on 9 May 2023.	27 July 2023	The BAC received and discussed ICANN's FY23 Form 990. There were no significant questions or issues raised.
FY23 Independent External Audit - Review	The BAC received a briefing from ICANN's independent audit firm on the FY23 audited financial statements, which includes PTI's financial statements. The firm noted that it was a "clean audit" with an unmodified opinion, indicating that no audit adjustments, significant deficiencies or material weaknesses were identified this year. The BAC also received a briefing on the draft Audited Financial Statements to see the high-level financial results.	26 September 2023	The audit firm reported on several aspects of its work as part of its required communications to the BAC. The Committee discussed adding a note to the FY23 Audited Financial Statement to reflect the amount that was transferred to the Reserve Fund for the year, and asked ICANN org to update the draft FY23 Audited Financial Statement accordingly.
BAC Work Plan, Presentation from Audit Firm, Audit Firm Assessment, Decision	The BAC met with the external audit firm Moss Adams, reviewed the FY24 Audit proposal from the Moss Adams and recommended that the Board appoint Moss Adams as the independent audit firm for FY24.	19 December 2023	The BAC recommended that the Board appoint the independent audit firm to serve as ICANN's audit firm for the FY24 audit, which the Board approved on 21 December 2023 (see Board Resolution.)
Executive Interview	One executive interview, with just the Executive and the Committee members, was held by the BAC during the period of July 2023 to December 2023.	27 July 2023	Interview completed. The purpose of the interviews is to allow BAC to better identify any potential pressures that executives might have that could increase overall risks to ICANN.

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