

ICANN 03 December 2014 BOARD MEETING
Board Papers



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AGENDA – 3 DECEMBER 2014 SPECIAL BOARD Meeting – 90 minutes

Time, etc.	Agenda Item	Shepherd	Expected Action	Potential Conflict of Interest
Assembly, Roll Call & Consent Agenda Vote	1. Consent Agenda			
30 min	1.a. Appointment of auditors – non-US locations (pending Audit Committee approval of recommendation)	Xavier Calvez	Approval	
Discussion & Decision 60 min	2. Main Agenda			
	2.a. June 2015 ICANN Meeting Venue Contracting	Nick Tomasso	Approval	
	Item Removed From Agenda			
	2.c. AOB			

ICANN BOARD SUBMISSION No. 2014-12-03-1a

TITLE: Auditor Engagement

PROPOSED ACTION: For Board Consideration and Approval

EXECUTIVE SUMMARY:

Following ICANN's RFP processes, ICANN recently appointed BDO USA LLP (a BDO member firm) to perform the required independent audit services starting with the fiscal year 2014. That work was timely concluded and the report posted on 31 October 2014. Given the current status of our Singapore branch, ICANN is now required to have its financial statements for this branch office audited by a Singapore registered audit firm. Further, as ICANN's presence in other locations evolves, we may face these same audit requirements elsewhere.

Following a staff recommendation, the Audit committee has recommend that the Board approve the appointment of BDO Singapore (a BDO member firm) as independent auditors for the ICANN Singapore branch, and authorize ICANN to engage a BDO member firm in any location where financial and audit services are necessary in the future, so long as ICANN continues to use BDO USA LLP as its independent auditors for the Bylaws-mandated financial statement audit.

STAFF RECOMMENDATION:

Staff recommends that the Board authorize the President and CEO, or his designee(s), the authority to take all actions necessary to engage one or more BDO member firms to serve as ICANN's independent auditor in any location where financial or audit services are required, so long as we continue to use BDO USA LLP as our independent auditors for the Bylaws-mandated financial statement audit.

BOARD AUDIT COMMITTEE RECOMMENDATION (Subject to Audit Committee approval):

After reviewing staff's analysis, the Board Audit Committee has agreed with the staff's recommendation and recommends that the Board authorize the President and CEO, or his designee(s), the authority to take all necessary actions to engage one or more BDO,

member firms to serve as ICANN's independent auditor in any location where financial or audit services are required, so long as we continue to use BDO USA LLP as our independent auditors for the Bylaws-mandated financial statement audit.

PROPOSED RESOLUTION:

Whereas, Article XVI of the ICANN Bylaws (<http://www.icann.org/general/bylaws.htm>) requires that after the end of the fiscal year, the books of ICANN must be audited by certified public accountants, which shall be appointed by the Board.

Whereas, in addition to the Bylaws required audit, financial statement audits may be required in other various locations where ICANN is present, which will require independent auditors registered in those locations.

Whereas, both staff and the Audit Committee recommend that the Board authorize the President and CEO, or his designee(s), the authority to take all necessary actions to engage one or more BDO member firms to serve as ICANN's independent auditor in any location where financial or audit services are required, so long as ICANN continues to use BDO USA LLP as our independent auditors for the Bylaws-mandated financial statement audit

Resolved (2014.12.xx.xx), the Board authorizes the President and CEO, or his designee(s), to engage one or more BDO member firms to serve as ICANN's independent auditor in any location where financial or audit services are required, so long as ICANN continues to use BDO USA LLP as our independent auditors for the Bylaws-mandated financial statement audit.

PROPOSED RATIONALE:

The engagement of an independent audit firm is in fulfillment of ICANN's Bylaws' obligation to undertake the annual independent audit of its financial statements. This furthers ICANN's accountability to its Bylaws and processes, and the results of the independent audit firm's work are publicly available.

ICANN engaged BDO USA LLP as its annual independent audit firm for its FY14 audit, as a result of an extensive RFP process that included notably the assessment of the presence of each responding audit firm across the world and in the countries where ICANN has offices. In that respect, staff's assessment concluded that the network of BDO member firms was present in many countries and had a strong presence in the countries where ICANN has offices.

Staff has identified the need to perform annual independent audits, for statutory purposes, in Singapore where ICANN has a hub office. Staff also considers it possible that audit requirements arise in the future in other locations where ICANN is or will be present.

For efficiency and coordination purposes, it is strongly preferred, as it is a best practice, to have financial audits in various locations performed by a well-integrated audit firm with worldwide presence.

As noted above, BDO USA LLP was selected to perform ICANN's Bylaws-mandated audit, partially as a result of staff concluding that the BDO network of member firms had a strong worldwide presence. In order to capitalize on this global footprint, both the staff and the Audit Committee have recommended that the Board authorize the President and CEO, or his designee(s), to engage one or more BDO member firms to serve as ICANN's independent auditors in any location where financial or audit services are required, so long as ICANN continues to use BDO USA LLP as our independent auditors for the Bylaws-mandated financial statement audit.

There is a fiscal impact to the engagement, but that has already been budgeted for in the FY15 budget. There is no impact on the security or the stability of the DNS as a result of this appointment.

This is an Organizational Administrative Function not requiring public comment.

Submitted by:	Xavier Calvez
Position:	CFO
Date Noted:	25 November 2014
Email:	Xavier.calvez@icann.org

ICANN BOARD SUBMISSION No. 2014-12-03-2a

TITLE: **June 2015 ICANN Meeting Venue Contracting**

PROPOSED ACTION: **For Board Consideration and Action**

EXECUTIVE SUMMARY:

The Board is being asked to authorize staff to take all steps necessary to complete contracting for a venue in Buenos Aires, Argentina for the June 2015 ICANN Public Meeting (“Meeting”), which requires Board approval as it will exceed US\$500,000. The Reference Materials for this paper summarizes the steps taken to locate a site for the June 2015 Meeting, and outlines the venue costs.

STAFF RECOMMENDATION:

Staff recommends that the Board delegate to the President and CEO, or his designee(s), the authority to take all actions necessary to enter into a contract, and make expense disbursements pursuant to that contract, for a venue in Buenos Aires, Argentina at which ICANN will hold the June 2015 Meeting.

PROPOSED RESOLUTION:

Whereas, ICANN intends to hold its second Public Meeting of 2015 in the Latin America/Caribbean region.

Whereas, staff has completed a thorough review of all proposed and available venues in Latin America/Caribbean and finds the one in Buenos Aires, Argentina to be the most suitable.

Resolved (2014.12.xx.xx), the Board authorizes the President and CEO, or his designee(s), to engage in and facilitate all necessary contracting and disbursements for the Meeting venue of the June 2015 ICANN Public Meeting in Buenos Aires, Argentina, in an amount not to exceed US\$1.5 million.

Resolved (2014.12.xx.xx), specific items within this resolution shall remain confidential for negotiation purposes pursuant to Article III, section 5.2 of the ICANN Bylaws until the President and CEO determines that the confidential information may be released.

PROPOSED RATIONALE:

As part of ICANN’s Public Meeting schedule, presently three times a year ICANN hosts a meeting in a different geographic region (as defined in the ICANN Bylaws). ICANN 53, scheduled for 21-25 June 2015, is to occur in the Latin America/Caribbean geographic region. A call for recommendations for the location of the meeting in Latin America/Caribbean was posted on 3 May 2013. Various parties sent a proposal to ICANN.

The staff performed a thorough analysis of the proposals, as well as other venues, and prepared a paper to identify those that met the Meeting Selection Criteria (see <http://meetings.icann.org/location-selection-criteria>). Based on the proposals and analysis, staff has identified Buenos Aires, Argentina as the location for ICANN 53.

The Board reviewed staff’s briefing for hosting the meeting in Buenos Aires, Argentina and the determination that the proposal met the significant factors of the Meeting Selection Criteria used to guide site selection work. The process for authorizing contracting for the selected venue site does not call for public consultation, as the assessment of the feasibility of a venue is the primary consideration.

There will be a financial impact on ICANN in hosting the meeting and providing travel support as necessary, as well as on the community in incurring costs to travel to the meeting. But such impact would be faced regardless of the location and venue of the meeting. This action will have no impact on the security or the stability of the DNS.

The Board thanks all who recommended sites for the ICANN 53.

This is an Organizational Administrative function that does not require public comment.

Submitted by: Nick Tomasso
Position: VP, Meetings & Int’l Real Estate Operations
Date Noted: 26 November 2014
Email: nick.tomasso@icann.org



Proposed Board Resolutions
03 December 2014
Special Meeting of the ICANN Board

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1. Consent Agenda:

a. Appointment of Auditors – non-US locations (pending Audit Committee approval of recommendation)

Whereas, Article XVI of the ICANN Bylaws (<http://www.icann.org/general/bylaws.htm>) requires that after the end of the fiscal year, the books of ICANN must be audited by certified public accountants, which shall be appointed by the Board.

Whereas, in addition to the Bylaws required audit, financial statement audits may be required in other various locations where ICANN is present, which will require independent auditors registered in those locations.

Whereas, both staff and the Audit Committee recommend that the Board authorize the President and CEO, or his designee(s), the authority to take all necessary actions to engage one or more BDO member firms to serve as ICANN's independent auditor in any location where financial or audit services are required, so long as ICANN continues to use BDO USA LLP as our independent auditors for the Bylaws-mandated financial statement audit

Resolved (2014.12.xx.xx), the Board authorizes the President and CEO, or his designee(s), to engage one or more BDO member firms to serve as ICANN's independent auditor in any location where financial or audit services are required, so long as ICANN continues to use BDO USA LLP as our independent auditors for the Bylaws-mandated financial statement audit.

Rationale for Resolution 2014.12.xx.xx

The engagement of an independent audit firm is in fulfillment of ICANN's Bylaws' obligation to undertake the annual independent audit of its financial statements. This furthers ICANN's accountability

to its Bylaws and processes, and the results of the independent audit firm's work are publicly available.

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Staff has identified the need to perform annual independent audits, for statutory purposes, in Singapore where ICANN has a hub office. Staff also considers it possible that audit requirements arise in the future in other locations where ICANN is or will be present.

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There is a fiscal impact to the engagement, but that has already been budgeted for in the FY15 budget. There is no impact on the security or the stability of the DNS as a result of this appointment.

This is an Organizational Administrative Function not requiring public comment.

2. Main Agenda:

a. June 2015 ICANN Meeting Venue Contracting

Whereas, ICANN intends to hold its second Public Meeting of 2015 in the Latin America/Caribbean region.

Whereas, staff has completed a thorough review of all proposed and available venues in Latin America/Caribbean and finds the one in Buenos Aires, Argentina to be the most suitable.

Resolved (2014.12.xx.xx), the Board authorizes the President and CEO, or his designee(s), to engage in and facilitate all necessary contracting and disbursements for the Meeting venue of the June 2015 ICANN Public Meeting in Buenos Aires, Argentina, in an amount not to exceed US\$1.5 million.

Resolved (2014.12.xx.xx), specific items within this resolution shall remain confidential for negotiation purposes pursuant to Article III, section 5.2 of the ICANN Bylaws until the President and CEO determines that the confidential information may be released.

Rationale for Resolutions 2014.12.xx.xx – 2014.12.xx.xx

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Meeting Selection Criteria (see <http://meetings.icann.org/location-selection-criteria>). Based on the proposals and analysis, staff has identified Buenos Aires, Argentina as the location for ICANN 53.

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The Board thanks all who recommended sites for the ICANN 53.

This is an Organizational Administrative function that does not require public comment.

b. AOB

Directors and Liaisons,

Attached below please find the Notice of date and time for a Special Meeting of the ICANN Board of Directors:

3 December 2014 – Special Meeting of the ICANN Board of Directors - at 22:00 UTC – This Board meeting is estimated to last 90 minutes.

<http://www.timeanddate.com/worldclock/fixedit.html?msg=ICANN+Board+Meeting&iso=20141203T14&p1=137&ah=1&am=30>

Some other time zones:

3 December 2014 – 2:00pm PST Los Angeles

3 December 2014 – 5:00pm EST Washington, D.C.

3 December 2014 – 11:00pm CET Brussels

4 December 2014 – 9:00am AEDT Sydney

4 December 2014 – 6:00am CST Taipei

Consent Agenda

- **Appointment of auditors – non-US locations – pending Audit Committee Approval**

Main Agenda

- **Decision on ICANN 53 Location**
- **Item Removed From Agenda**
- **AOB**

MATERIALS -- [Once materials are available, you can find them here on BoardVantage.](#) If you have trouble with access, please let us know and we will work with you to assure that you can use the BoardVantage Portal for this meeting.

If call information is required, it will be distributed separately

If you have any questions, or we can be of assistance to you, please let us know.

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