

Committee of Sponsoring Organizations (COSO) of the Treadway Commission Internal Control Framework Assessment

In August 2015, the U.S. Government Accountability Office (GAO) published its review of the Internet Assigned Names and Numbers Authority (IANA) stewardship transition. GAO examined the multistakeholder community process to develop a transition proposal, contemplated risks related to the transition, and considered NTIA's plans to evaluate the transition proposal against its core goals.¹ GAO recommended that NTIA review relevant internal control frameworks, such as the Committee of Sponsoring Organizations (COSO) framework, and use relevant portions to help evaluate and document whether and how the transition proposal meets NTIA's core goals.² NTIA agreed to GAO's recommendation and used the COSO framework as a tool to supplement NTIA's criteria-assessment approach. NTIA's review focused on the specific areas referenced in the GAO report: the COSO principles associated with organizational environment, risk assessment, and monitoring.

In conducting this assessment, NTIA utilized the COSO framework questionnaire developed by Ernst & Young.³ This questionnaire provides a guide by which to develop relevant probing questions and key concepts to assess the IANA Stewardship Transition Proposal. The framework questionnaire NTIA used as a reference states (as does GAO) that the COSO-based questions are not all inclusive, and not all of the questions apply to every organization. In response to this latter point, as well as the GAO guidance to apply "relevant" parts of the framework, NTIA did not apply every question in the questionnaire and tailored others as appropriate to the transition proposal review. The framework questionnaire also recognizes that a non-compliant response does not necessarily mean a failure, and could indicate areas where future attention is possibly needed.⁴ In cases where the proposal is not explicit in responding to and/or addressing the COSO-based questions and principles, NTIA makes recommendations for the Internet Corporation for Assigned Names and Numbers (ICANN) and the multistakeholder community to consider during the proposal implementation phase. However, NTIA does not require that any of these recommendations be resolved as a pre-condition for the completion of the transition.

- Key:**
-  Denotes already in place or completed
 -  Denotes partial compliance and/or an expectation to be compliant when and if the IANA functions contract ends
 -  Denotes no indication of compliance and/or expectation to be compliant when and if the IANA functions contract ends

¹ U.S. Government Accountability Office, "Internet Management: Structured Evaluation Could Help Assess Proposed Transition of Key Domain Name and Other Technical Functions," (Sep. 18, 2015), available at: <http://www.gao.gov/products/GAO-15-642>.

² Ibid

³ "Transitioning to the 2013 COSO Framework for External Financial Reporting Purposes," Appendix A – 2013 Framework Questionnaire: Probing Questions and Key Concepts, Ernst & Young, March 2014, available at: <http://bit.ly/1rF1fH5>.

⁴ Ibid

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Organizational Environment

According to the GAO, examining the overall environment created by the proposed changes would/could satisfy our core goals for the transition. NTIA used the COSO principles for the “control environment,” and poses a series of relevant questions to assess how the proposed and existing processes and structures set the tone for accountability and meeting the organization’s goals. The assessment below for “organizational environment” looks specifically at those entities proposed to be responsible for the operations of the IANA functions - the Post-Transition IANA (PTI) and ICANN - as well as any new structures or existing institutions and practices that impact the overall organizational environment of the responsible entities.⁵ It is important to note that NTIA did not always need to reference the CCWG-Accountability proposal in this portion of the assessment, as the ICANN institution and “organizational environment” is already established. However, the CCWG-Accountability proposal does enhance the “organizational environment” to a certain degree and NTIA references it as appropriate below.

| COSO Principle | Relevant Entity | Assessment | Justification | Citations |
|---|-----------------|---|---|---|
| <i>Oversight body commitment to integrity and ethical values</i> | | | | |
| Will the Board of Directors/management be expected to lead by example and demonstrate importance of integrity and ethical values? | ICANN |  | Yes, ICANN, as the body that will sign the contract with PTI, the Service Level Agreement (SLA) with the RIRs, and the Supplemental Agreement(s) with the IETF, has an explicit expectation that its Board act with integrity and adhere to ethical values. These expectations are articulated in the ICANN Board of Directors’ Code of Conduct. Further, the “ICANN Expected Standards of Behavior” applies to those participating in ICANN multistakeholder processes, including the ICANN Board and staff. These standards of behavior include the expectation for ethical behavior and integrity. | ICANN Board of Directors’ Code of Conduct: https://www.icann.org/resources/pages/code-of-conduct-2012-05-15-en ICANN Expected Standards of Behavior: https://www.icann.org/resources/pages/expected-standards-2012-05-15-en |
| | PTI |  | NTIA anticipates that explicit expectations for the PTI Board and management to be articulated during the implementation phase. Given that PTI is to be an affiliate of ICANN, NTIA expects that PTI will adhere to a form of the existing practices and expectations established for ICANN’s Board members and senior management such as (1) the | ICG Proposal: Pg 53, para 1112 Pg 154 IANA functions contract, C.6 & H.9: |

⁵ Both the RIRs and IETF propose to contract directly with ICANN for the performance of the numbers and protocol parameters function, but it is expected that ICANN will subcontract the performance of those functions to PTI. ICANN will ultimately still be responsible for the performance of those functions, which is why ICANN is included in this part of the assessment.

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| | | | <p>ICANN Board Code of Conduct, which explicitly states the expectation for adherence to a high ethical conduct and demonstration of integrity; and (2) the “ICANN Expected Standards of Behavior” that also include the expectation for ethical behavior and integrity.</p> <p>The ICG proposal specifically indicates that the PTI Board and management will adhere to conflict of interest requirements. Further, the ICG proposal specifically states its reliance upon ICANN’s existing and soon to be enhanced accountability mechanisms.</p> <p>ACTION: NTIA recommends that ICANN and the community explicitly confirm the expectation that the PTI Board and management lead by example and demonstrate ethical behavior and integrity.</p> | <p>http://www.ntia.doc.gov/files/ntia/publications/sf_26_pg_1-2-final_award_and_sacs.pdf</p> <p>ICANN Board of Director’s Code of Conduct: https://www.icann.org/resources/pages/code-of-conduct-2012-05-15-en</p> <p>ICANN Expected Standards of Behavior: https://www.icann.org/resources/pages/expected-standards-2012-05-15-en</p> |
| <p>Will standards be put in place to guide directives, attitudes, and behaviors of the organization in achieving objectives?</p> | <p>ICANN</p> |  | <p>Yes, standards are in place at ICANN to guide the organization in achieving its governance objectives, including a Code of Conduct. Further, ICANN will be bound by legal agreements with the IETF and RIRs with respect to PTI’s achieving its IANA performance objectives.</p> <p>In addition, ICANN has codified in its bylaws a requirement that the organization must continue to “employ open, transparent, bottom-up, multistakeholder processes” and apply “policies consistently, neutrally, objectively and fairly, without singling any party out for discriminatory treatment.”</p> | <p>ICG Proposal:</p> <p>Pg 197, paras 3052-3054</p> <p>Pgs 199-200, para 3063</p> <p>PI. Annex S: Draft Proposed Term Sheet, pgs 142-155</p> <p>ICANN Board of Director’s Code of Conduct: https://www.icann.org/resources/pages/code-of-conduct-2012-05-15-en</p> <p>ICANN’s Governance Documents: https://www.icann.org/resources/pages/governance/governance-en</p> |

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| | | | | <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> <p>CCWG-Accountability Proposal: Pg 27, para 134</p> |
| | PTI |  | <p>NTIA anticipates that such standards will be put in place for PTI during the implementation phase.</p> <p>As an affiliate of ICANN, many of the standards in place for ICANN are expected to apply to PTI as well (e.g., a code of conduct, conflict of interest policy, and governance guidelines). Further, as PTI will be a subsidiary/affiliate of a California not-for-profit, PTI will be bound by the California Corporations Code requirement for a base standard of conduct.</p> <p>On the issue of whether PTI will have standards in place to guide its actions in achieving IANA-related objectives, ICANN will enter into a contract with PTI, which will articulate the community’s expectations in PTI’s performance of the naming functions. While the IETF and RIRs are entering into legal agreements with ICANN to perform the protocol parameter and numbering functions, ICANN will subcontract this work to PTI. The “standards” for achieving objectives in the performance of these functions are the IETF MOU and Supplemental Agreement, and the RIR SLA contract.</p> <p>ACTION: NTIA recommends that ICANN and the community confirm that standards will be put in place for the purpose of guiding directives, attitudes, and behaviors of PTI in achieving objectives.</p> | <p>ICG Proposal: Pg 197, paras 3052-3054 Pgs 199-200, para 3063</p> <p>PI. Annex S: Draft Proposed Term Sheet, pgs 142-155</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> <p>ICANN’s Governance Documents: https://www.icann.org/resources/pages/governance/governance-en</p> <p>California Corporations Code, Section 5230-5239: http://www.leginfo.ca.gov/cgi-bin/displaycode?section=corp&group=05001-06000&file=5230-5239</p> |

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| <p>Will processes be put in place to evaluate Board and management adherence to standards of conduct?</p> | <p>ICANN</p> |  | <p>Yes, there are processes in place to evaluate the adherence of the ICANN Board and management to standards of conduct.</p> <p>There are existing reviews (including an annual review and report on the Board’s Code of Conduct) in place for ICANN leadership and for organizational performance. ICANN’s reconsideration process and independent review process are available to community members to challenge Board or staff decisions that are not in line with ICANN’s Bylaws or policies.</p> <p>In addition, the community is incorporating the existing Affirmation of Commitments into ICANN’s Bylaws, which will ensure that regular accountability and transparency reviews become permanent. These reviews are meant to continually assess and improve ICANN Board governance which includes an ongoing evaluation of Board performance.</p> | <p>Board Governance Committee-Annual Reports on Code of Conduct: https://www.icann.org/resources/pages/annual-reports-2012-02-25-en#code-of-conduct</p> <p>ICANN Accountability Web Page: https://www.icann.org/resources/accountability</p> <p>ICANN Accountability and Transparency Review: https://www.icann.org/resources/reviews/aoc/atrt</p> <p>CCWG-Accountability Proposal: Pg 39, para 194</p> |
| | <p>PTI</p> |  | <p>Explicit “standards of conduct” have not yet been developed for PTI, but NTIA expects that they will be established during the implementation period.</p> <p>In so far as standards of conduct are intended to guide the directives, attitudes, and behaviors of the organization in achieving objectives, the transition proposal clearly articulates expectations associated with performing the functions. Therefore, the proposed contracts/agreements and the performance expectations stipulated therein are a form of standards of conduct providing processes to evaluate PTI Board and management adherence to those standards.</p> <p>Reviews of PTI’s performance specific to the names-related function, including the oversight performed by</p> | <p>ICG Proposal: Pg 93, paras 1267-1272</p> <p>Pg 94, para 1276</p> <p>Pg 95, para 1279</p> <p>Pg 197, paras 3052-3054</p> <p>P1. Annex F: IANA Function Reviews-Statement of Work, pgs 93-100</p> <p>P1. Annex G: Proposed Charter of the Customer Standing</p> |

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| | | | <p>and accountability of PTI leadership, will take place. The Customer Standing Committee (CSC) will conduct regular operational oversight for purposes of monitoring performance. The CSC will be responsible for reviewing PTI’s monthly reports as to be required in the contract with ICANN as well as review any complaint received regarding PTI’s performance. The proposed IANA Functions Review Team (IFRT) will be responsible for conducting reviews in consultation with the CSC. The first IFR will be conducted after two years and subsequent ones no more than every five years.</p> <p>For the numbering function, the RIRs proposed a Review Committee to periodically review ICANN’s performance per their SLA and standards of conduct to be contained therein (performance requirements). For the protocol parameters function, the IETF stipulates in their supplemental agreement annual reviews of ICANN’s performance.</p> <p>ACTION: NTIA recommends the respective communities and ICANN consider, if they have not already, additional processes by which to evaluate the Board and management of PTI in meeting any standards of conduct they deem necessary to guide ethical values and integrity in achieving their objectives.</p> | <p>Committee, pg 101</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> |
| Exercise Oversight Responsibility | | | | |
| <p>Will the makeup of the Board of Directors, including the number of Directors and their background and expertise, be appropriate given the nature of the</p> | <p>ICANN</p> |  | <p>Yes, the makeup of the ICANN Board is appropriate and is periodically evaluated.</p> <p>The ICANN Board has 16 voting members and five non-voting liaisons. The ICANN SOs each select two voting members and the ALAC selects one. The remaining eight voting members are selected by a Nominating</p> | <p>Beginner’s Guide to Participating in ICANN: https://www.icann.org/en/system/files/files/participating-08nov13-en.pdf</p> <p>ICANN Board Member Evaluation</p> |

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| <p>organization? Will the makeup and skills of the board members be periodically evaluated?</p> | | | <p>Committee. The non-voting liaisons provide technical advice to the Board, representing the remaining ICANN advisory committees and the Internet Engineering Task Force.</p> <p>ICANN’s Bylaws state that it is an organization dedicated to “seeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making.” ICANN’s Board, by having Directors appointed by each of its SOs, ensures the functional, geographic, and cultural diversity of the Internet is represented on the Board.</p> <p>Each year a Board Evaluation is conducted on all ICANN Board members entering into the last year of their terms. This review is complemented by periodic structural reviews that review the Board’s makeup and performance. Together, these reviews create a meaningful evaluation of any performance issues stemming from its makeup.</p> | <p>Process: https://www.icann.org/en/group/s/board/governance/evaluation-process-16nov13-en.pdf</p> <p>ICANN Accountability and Transparency Review: https://www.icann.org/resources/reviews/aoc/atrt</p> <p>ICANN Organizational Reviews: https://www.icann.org/resources/reviews/org</p> |
| | <p>PTI</p> |  | <p>The ICG proposal did not provide this level of detail with respect to the makeup of the PTI Board, nor did NTIA require it.</p> <p>However, NTIA finds that the PTI organizational makeup is appropriate, and expects that further details regarding how the PTI Board’s makeup and skills will be evaluated will be provided during the proposal implementation phase.</p> <p>The proposed PTI Board would consist of five people, comprised of three Directors employed by ICANN and two independent Directors appointed using “an appropriately rigorous nomination mechanism.” The</p> | <p>ICG Proposal: Page 53, paras 1112-1114</p> |

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| | | | <p>skillset of the Board is recommended to be evaluated as a whole and not on a per-member basis, while also ensuring that each individual member is appropriately qualified to serve. The complete skill set of the board, as articulated in the proposal, should be balanced and cover an appropriate and complete composite of executive management, operational, technical, financial, and corporate governance experience.</p> <p>Since the proposed role of the PTI Board will be limited to providing oversight of PTI operations performed by 20 individuals, the proposed makeup and size of the PTI Board is sufficient. This is especially the case since the proposal creates other mechanisms for operational oversight provided by the community (CSC and reviews).</p> <p>ACTION: NTIA recommends that ICANN and the community consider, if they have not already, processes by which to periodically evaluate the PTI Board makeup and the skills of the members.</p> | |
| <p>Will the independence of Board members be adequately reviewed?</p> | <p>ICANN</p> |  | <p>Yes, there are overarching ICANN Board reviews in place as well as the nomination process that occurs following the end of each director’s term which allow poor performers (or those not reflecting adequate independence) to be not re-nominated.</p> <p>Per ICANN Bylaws, each Director is required to submit, not less than once a year, a statement outlining all businesses and other affiliations that relate to the business and other affiliations of ICANN. Further, each Director is responsible for disclosing to ICANN any matter that could reasonably be considered to make him/her an “interested director” or “interested person” within the meaning of Section 5233 /5227 of the California Nonprofit Public Benefit Corporation Law.</p> | <p>ICANN Board Member Evaluation Process: https://www.icann.org/en/groups/board/governance/evaluation-process-16nov13-en.pdf</p> <p>ICANN Bylaws (Board Specific): https://www.icann.org/resources/pages/governance/bylaws-en</p> <p>ICANN Ombudsman: https://www.icann.org/ombudsman</p> |

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| | | | <p>There is also an Ombudsman in place that provides an internal evaluation of complaints by members of the community who believe they have been treated unfairly (including by the ICANN Board). Included in the Ombudsman responsibilities is an annual report analyzing the year’s complaints and resolutions, which could include complaints against the Board’s or Board member’s independence.</p> | |
| | PTI |  | <p>The ICG proposal takes into consideration independence of the PTI Board and proposes mechanisms by which to ensure a sufficient level of independence. The PTI Board is proposed to consist of five people, comprised of three Directors employed by ICANN and two independent Directors appointed using “an appropriately rigorous nomination mechanism.” The skill set of the Board is recommended to be evaluated as a whole and not on a per-member basis, while also ensuring that each individual member is suitable and appropriately qualified to serve. The complete skill set of the Board should be balanced and cover an appropriate and complete composite of executive management, operational, technical, financial, and corporate governance experience.</p> | <p>ICG Proposal: Pg 53, paras 1112-1114</p> |
| <p>Will the Board have a role in the design, implementation, and/or operation of internal controls?</p> | ICANN |  | <p>Yes. The ICANN Board has in place an Audit Committee, which includes overseeing ICANN’s financial and accounting controls. There is also a Board Governance Committee charged with overseeing compliance with codes of conduct and other corporate governance matters. In addition, there is a Board-level Risk Committee that oversees risk management for ICANN as an organization.</p> <p>With respect to the IANA functions objectives, associated internal controls are specified in the RIR SLA regarding numbering and the IETF MoU/Supplemental</p> | <p>ICG Proposal: Pg 197, paras 3052-3054</p> <p>See ICANN Board Committees: https://www.icann.org/resources/pages/board-of-directors</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> |

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| | | | <p>Agreement regarding the protocol parameters and ICANN was involved in the design of those agreements.</p> <p>In addition, ICANN’s Board is responsible for initiating Organizational Reviews, which review the effectiveness and relevance of ICANN’s SOs, ACs (excluding the GAC), and other critical bodies like the Nominating Committee. The Board establishes the criteria and standards under which these reviews shall occur.</p> | <p>Board Audit Committee Charter: https://www.icann.org/resources/pages/charter-2012-02-25-en</p> <p>ICANN Organizational Reviews: https://www.icann.org/resources/reviews/org</p> |
| | PTI |  | <p>Yes. The role of the PTI Board will be limited and most of PTI’s oversight and internal controls will be dictated through agreements with ICANN. Specifically, controls associated with performance of the names function will be detailed in the PTI contract with ICANN. The role of the PTI Board in designing the controls associated with the numbering and protocol parameters functions is not the same, as those agreements are negotiated between ICANN and the RIRs, and ICANN and the IETF respectively. However, since ICANN will subcontract the performance of these functions to PTI, PTI will be responsible for implementation and operations as articulated in the ICANN SLA with the RIRs and the MoU/supplemental agreement between ICANN and the IETF, but they will be directed through subcontracts between ICANN and PTI.</p> <p>The function of the PTI Board is to provide oversight of PTI operations and therefore it will be expected to ensure implementation and operation of internal controls take place.</p> | <p>ICG Proposal: Pg 197, paras 3052-3054</p> <p>PI. Annex S: Draft Proposed Term Sheet, pgs 142-155</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> |
| Will there be a charter outlining the duties and responsibilities of the audit committee (or other similarly focused | ICANN |  | <p>Charters are in place for all the existing ICANN Board-level committees that have an audit purpose, including the Audit Committee.</p> <p>Further, ICANN’s Bylaws outline the Board’s role and</p> | <p>ICANN Board Audit Committee: https://www.icann.org/en/groups/board/audit/charter</p> <p>ICANN Board Governance</p> |

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| committee)? | | | <p>responsibilities for the initiation of organization-wide Organizational Reviews. The Bylaws compel the Board to define the criteria and standards of reviews.</p> <p>The CCWG-Accountability proposal will also create a community audit process to investigate fraud or gross mismanagement of funds by the Board. However, the proposal does not specify the creation of an audit committee or the use of any existing committee or mechanism to oversee the audit. Thus, there is not a proposed charter nor are there detailed criteria specified regarding this audit process. As this level of detail was not required, NTIA expects that the community will address this during the proposal implementation phase.</p> <p>ACTION: NTIA recommends that the community specify who or what will be responsible for overseeing the proposed community audit process including whether or not a charter will be established or other vehicle by which to articulate the duties and responsibilities associated with audit oversight.</p> | <p>Committee: https://www.icann.org/en/groups/board/governance/charter</p> <p>ICANN Board Risk Committee: https://www.icann.org/en/groups/board/risk/charter</p> <p>CCWG-Accountability Proposal: Pg 14, para 52</p> |
| | PTI |  | <p>The ICG proposal did not provide this level of detail, nor did NTIA require it. NTIA expects that a charter or other vehicle will be developed during the proposal implementation phase that outlines the duties of the audit or other committee responsible for overseeing PTI financials and/or its budget.</p> <p>The ICG proposal specifies that a process needs to be developed for performing a specific IANA budget review and audit that will include the PTI annual budget as well. This process development is an opportunity by which the community would specify a charter or other similar vehicle for the purpose of defining a PTI audit/oversight</p> | <p>ICG Proposal: Pg 172-173, paras 2090-2093</p> <p>P1. Annex F: IANA Functions Reviews-Statement of Work Duration and Review Periodicity, pgs 93-100</p> <p>P1. Annex G: Proposed Charter of the Customer Standing Committee, pgs 101-106</p> |

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| | | | <p>committee’s responsibilities.</p> <p>Much of the IANA operational costs and budget will continue to be the responsibility of ICANN. There is already in place at ICANN a Board-level Audit Committee with a charter that outlines its duties and responsibilities, which include overseeing all audit related activities including ICANN’s internal financial and accounting controls and procedures.</p> <p>In terms of overseeing internal controls specific to performing the IANA functions, there are a number of audit committee-like bodies and processes that are to be chartered. The ICG proposal requires numerous audits as part of the contract between ICANN and PTI, as well as the SLA between ICANN and the RIRs and the MoU/Supplemental agreement between the IETF and ICANN.</p> <p>Specific to the names related function, the ICG proposal creates an oversight committee (CSC) responsible for reviewing the outputs of the contractual audit requirements. Additionally, ICANN will convene an IANA Functions Review Team to regularly assess PTI’s performance. These bodies therefore will perform an audit function for the name-related function. The CSC has a draft charter and statement of work for the reviews.</p> <p>The RIRs will establish a Review Committee for the purpose of monitoring ICANN’s/PTI’s performance of the number-related functions that will take into consideration audit requirements detailed in the numbers SLA. The RIRs have finalized a charter for this Review Committee.</p> | <p>P1. Annex S: Draft Proposed Term Sheet, pg 153</p> <p>P1. Annex Q: IANA Budget, pgs 135-136</p> <p>ICANN Board Audit Committee Charter: https://www.icann.org/resources/pages/charter-2012-02-25-en</p> <p>Final Version IANA Numbering Services Review Committee Charter: https://www.nro.net/review-committee-charter-final</p> |

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| | | | <p>Lastly, the IETF plans to review ICANN's/PTI's performance on an annual basis per their supplemental agreement using existing internal structures.</p> <p>The customers of the relevant functions provide audit committee type functions. With these proposed audits and mechanisms by which to review them, it is not clear that an audit committee at the PTI Board level is necessary considering the small size and limited responsibilities of the PTI Board. Further, ICANN (as signatory to the contract with PTI) has a Board level audit and other related committees in place.</p> <p>ACTION: NTIA recommends that ICANN and the community consider extending the ICANN Board Audit Committee responsibilities to the PTI and/or that an audit committee be established at the PTI Board level if they deem it necessary.</p> | |
| <p>Will there be communication lines between the Board (or appropriate management) and auditors/oversight body(ies)?</p> | <p>ICANN</p> |  | <p>Specific lines of communication are called for throughout the ICANN organization, including between the Board/management and those responsible for auditing and providing oversight. These lines of communication are articulated in ICANN's Bylaws and fleshed out in Board resolutions and correspondence.</p> <p>For example, the Board's Audit Committee acts as an interface between independent auditors and ICANN staff responsible for annual financial reporting, as well as overseeing the selection of independent auditors.</p> <p>In the case of Organizational Reviews, the Board's Organizational Effectiveness Committee selects an independent evaluator via a public Request for Proposal to undertake an external review of an ICANN</p> | <p>CCWG-Accountability Proposal: Annex 1, pg 1, para 8 Annex 2, pg 1, para 1</p> <p>ICANN's Board Audit Committee: https://www.icann.org/resources/pages/charter-2012-02-25-en</p> <p>ICANN Board Organizational Effectiveness Committee: https://www.icann.org/resources/pages/charter-oec-2015-08-14-en</p> |

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| | | | <p>organization. The independent evaluator delivers a report to the Organizational Effectiveness Committee, who posts the report for public review. The report is also sent to a Working Party comprised of members of the organization being reviewed, who develop a feasibility and implementation review of the independent review. Once this is received, the Organizational Effectiveness Committee considers the results of the independent review and the input of the Working Party to make recommendations to the entire Board. In the case of a review of the ICANN Board, the process remains the same, however the Board itself selects a subset of current and former Board members to join the Working Party responsible for evaluating the feasibility of the independent reviewer’s recommendations. These lines of communication are clearly established, and have been tested through implementation.</p> <p>In addition to existing lines of communication, the CCWG-Accountability proposal provides that the Empowered Community can retain, through ICANN, a third-party firm to undertake an audit to investigate gross mismanagement and fraud. The lines of communication between the community, ICANN, and this independent auditor are not clear. As NTIA did not require this level of detail, NTIA expects that the community will address this during the proposal implementation phase.</p> <p>ACTION: NTIA recommends that the community establish to whom any auditor retained to investigate gross mismanagement and fraud directly reports its findings, and how these findings will be considered.</p> | <p>ICANN Bylaws: http://www.icann.org/resources/pages/governance/bylaws-en#IV</p> <p>GNSO Organizational Review Process: https://community.icann.org/display/GR2/GNSO+Review+2014+Home</p> <p>Board Organizational Review: https://www.icann.org/en/system/files/files/board-review-final-26jan10-en.pdf</p> <p>Example Request for Proposal: https://www.icann.org/news/announcement-6b-2014-04-23-en</p> |

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| | PTI |  | <p>The community will develop a process by which to review and audit the PTI and IANA budget during the implementation phase.</p> <p>In terms of communication lines being established between PTI management and auditors of IANA functions performance, these have been determined. For the naming function, the draft CSC charter states that a representative from PTI will be a liaison to the CSC and that both the CSC and PTI will designate primary and secondary points of contact to facilitate communication. There will also be an IANA functions Operator staff member (PTI staff) appointed as a point of contact for the future IANA Functions Review Teams.</p> <p>With respect to the protocol parameter function, it is understood-based largely on existing practice, that there will be a communication line between the IETF and the party responsible for the performance of the protocol parameter function. However, this is not explicit in the ICG proposal.</p> <p>Similar to the protocol parameters, it is not explicit, but understood, that the numbering Review Committee will have a communication line with the party responsible for performing the numbering function.</p> <p>ACTION: NTIA recommends that ICANN and the community clearly articulate communication lines as they develop a process by which to review and audit the PTI and IANA-specific budgets. Further, the RIRs and IETF could consider making specific references to a line of communication between them (in the auditing capacity) and PTI (as the entity to perform their relevant functions).</p> | <p>ICG Proposal:</p> <p>Pg 96, para 1285</p> <p>Pg 102, para 1327</p> <p>Pg 103, para 1331</p> |

Attachment 5: COSO Assessment Chart

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| <i>Establish Structure, Responsibility, and Authority</i> | | | | |
| Is the organizational structure appropriate for the size and operating practices of the organization to enable management to carry out their oversight responsibilities? | ICANN |  | <p>Yes, the organizational structure is appropriate to carry out oversight responsibilities. Implicit in ICANN’s bottom-up approach is oversight of processes, given the necessity for transparency and collaboration to achieve policy goals. This structure is complemented by the use of independent reviews which ensure that the bodies suggesting policy to the ICANN Board, and the Board itself, remain effective and accountable.</p> <p>The CCWG-Accountability proposal’s recommendations build on the current ICANN structure by empowering the community to hold the ICANN Board accountable. This is appropriate given the bottom-up, multistakeholder processes and approaches that are a cornerstone of ICANN’s operations.</p> | <p>ICANN Bylaws: https://www.icann.org/resources/pages/governance/bylaws-en</p> <p>ICANN’s Mission and Core Values: https://www.icann.org/resources/pages/governance/bylaws-en</p> <p>CCWG-Accountability Proposal: Pg 13, paras 45-46 Pg 27, para 134</p> |
| | PTI |  | <p>Yes, the organizational structure is appropriate when considering the size of PTI and the proposed operating practices for oversight.</p> <p>Based on information in the ICG proposal, PTI will have a small board with “minimal responsibilities.” The existing IANA department and administrative staff from ICANN will be transferred to PTI.</p> <p>It is not yet clear what the oversight responsibilities of the PTI Board will be, but as the effective sole member, ICANN is obliged to ensure that PTI is sufficiently equipped to meet the minimum code of conduct requirements found in California Law for California-based not-for-profits.</p> <p>Further, much of the oversight pertaining to the performance of the IANA functions is proposed to be exercised through the CSC, IANA Function Reviews</p> | <p>ICG Proposal: Pg 11, para 14 Pg 12, paras 18 and 20 Pg 52, paras 1108-1109 Pg 53, para 1112</p> |

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| | | | <p>(including those of the IRFT/SIRFT, the IETF, and RIR Review Committee), and the relevant contractual tools (PTI contract, IETF MoU/Supplemental Agreement, and RIR SLA).</p> <p>This structure appears to be sufficient. Further, there are mechanisms proposed (such as reviews) that would allow the structure to be amended to better meet the organization’s objectives if necessary.</p> | |
| <p>Are reporting lines clearly defined?</p> | <p>ICANN</p> |  | <p>ICANN’s reporting lines are outlined in the organization’s Bylaws. The fundamental roles of ICANN’s Board or SOs and ACs, and how they factor into ICANN’s decision-making, are detailed in Sections VI through XI. Each SO or AC is responsible for reporting its policy recommendations to the ICANN Board.</p> <p>The CCWG-Accountability proposal enhances this existing structure by enabling the community to challenge a Board decision. The reporting lines are clearly established in the proposal for how this process would work. If a Decisional Participant decides to escalate a petition to use a community enforcement power, there are clear lines of communication and reporting established for communication to the ICANN Board and to other SOs and ACs. An SO or AC must formally contact other SOs or ACs to request them in a petition. At least one SO or AC must support the petition (or two in some cases) for ICANN staff to host a Community Forum for all stakeholders to discuss the issue driving the petition. The SO or AC must designate a liaison or liaisons to answer questions in the forum. The ICANN Board will be required to participate, with the goal of resolving the issue through dialogue. If the issue is not resolved through dialogue, the Decisional Participants must vote on whether to use a community</p> | <p>ICANN Bylaws: https://www.icann.org/resources/pages/governance/bylaws-en</p> <p>CCWG-Accountability Proposal: Annex 2, pgs 4-9, paras 17-38</p> |

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| | | | <p>power. If the vote meets the threshold for the specific power, the community must advise the Board on its decision and recommend it take the necessary action to comply with its decision. If no action is taken, the community can proceed with its enforcement actions.</p> | |
| | PTI |  | <p>Reporting lines are clearly defined in that the naming function will be performed by PTI via a contract with ICANN. It is expected that points of contact will be identified in the contract and/or other documentation, during the proposal implementation phase.</p> <p>According to the Proposed Term Sheet between ICANN and PTI, the primary parties that need to be involved in key changes and in communicating (“reporting”) deliverables are identified. The ICG proposal also details how and to whom the CSC will communicate to resolve customer service complaints.</p> <p>With respect to the RIRs, ICANN will ultimately be responsible for performing the numbering function as signatory to the RIR SLA, but since the operations will be subcontracted to PTI, established reporting lines may be necessary between the RIRs and PTI as well. The RIRs will likely rely on much of the existing structure and process, in which reporting lines are already established. Escalation contacts are also already noted on the IANA web page. Other reporting lines have not been made explicit in the ICG proposal or other available materials.</p> <p>Similar to the RIRs and numbering, ICANN will also be ultimately responsible for the protocol parameters function through an MoU/Supplemental Agreement with the IETF, but PTI will actually perform the function. While the details in the ICG proposal are limited, it is explicit that the IETF will rely on existing reporting</p> | <p>ICG Proposal:</p> <p>P1. Annex S: Draft Proposed Term Sheet, pg 151</p> <p>P1. Annex I: IANA Customer Service Complaint Resolution Process for Naming Related Functions, pgs 110-111, paras 1367, 1377-1381</p> <p>IANA Escalation: http://www.iana.org/help/escalation-procedure</p> |

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| | | | <p>practice. This includes the escalation points of contact listed on the IANA web page. Most interaction between those performing the protocol parameters function and the IETF is currently through the Protocol Parameters Engagement Manager at ICANN.</p> <p>ACTION: NTIA recommends that ICANN, the RIRs, and IETF consider, if they have not already, explicitly indicating key lines of reporting in their contracts and/or other agreements with PTI/ICANN.</p> | |
| <p>Are there appropriate policies in place or envisioned for achieving the organizations objectives? Are there policies for matters such as problem resolution, security practices, transitioning to a successor, etc.?</p> | <p>ICANN</p> |  | <p>Yes, appropriate policies are in place at ICANN.</p> <p>ICANN’s Bylaws provide for the role of the Board, supporting organizations, advisory committees, mission, fiscal matters, staff policies, and other essential ICANN functions. The Bylaws also detail avenues for problem resolution throughout the organization, ranging from the initiation of a policy development process for creating or changing a specific ICANN policy to reconsideration and independent review processes to challenge decisions. There is also an ombudsman who can attempt to resolve issues using dispute resolution techniques.</p> <p>In addition, the Bylaws provide for Board Director removal, which can be achieved by a three-fourths majority vote of all other Directors. The CCWG-Accountability proposal will build on this existing mechanism by allowing the Empowered Community to remove individual Board Directors, as well as the entire Board. The proposal emphasizes engagement to resolve issues between the community and the Board, with the removal of a Director or the entire Board as an option of last resort.</p> | <p>CCWG-Accountability Proposal: Annex 4, pg 9, para 49 Annex 2, pg 1, para 1</p> <p>Board Organizational Review: https://www.icann.org/resources/reviews/org/board</p> <p>ICANN Security Team: https://www.icann.org/resources/pages/security-2012-02-25-en</p> <p><u>ICANN Bylaws:</u> https://www.icann.org/resources/pages/governance/bylaws-en#VI</p> |

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| | PTI |  | <p>On the matter of security practices, ICANN has a Security Team that looks at operational and physical security. This is handled at the staff level. The Security Team's policies are open to community input.</p> <p>Yes, appropriate policies are proposed.</p> <p>As the entity to perform the IANA functions, PTI will be subject to policies and procedures for a range of matters, which are largely to be dictated by the relevant contracts/agreements as described in the ICG proposal. For example, there are conflict and dispute resolution processes established, escalation procedures, and a process for separation/transition to a successor operator. Further, there are expectations identified with respect to security practices and service levels proposed for the PTI contract with ICANN, the RIR SLA contract, and the IETF MoU/Supplemental Agreement.</p> <p>The ICG proposal also clearly articulates that the primary responsibility of PTI is operation of the IANA functions, and the responsibility of policy development associated with the IANA functions lies with the respective customer communities and the multistakeholder organizations that represent them (ICANN, RIRs, IETF).</p> | <p>ICG Proposal: Pgs 28-29, para 97 Pg 197, paras 3052-3054 PI. Annex S: Draft Proposed Term Sheet, pgs 142-155 Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> |
| Are processes called for or envisioned to evaluate the organizational structure to ensure it can best meet objectives and adapt to new ones? | ICANN |  | <p>Yes, ICANN's current Bylaws detail in Section IV an independent structural review to determine whether an ICANN organization has a continuing purpose in the ICANN structure, and, if so, whether any change in structure or operations is desirable to improve its effectiveness. The CCWG-Accountability proposal includes in these reviews how the organization remains accountable to its constituency, which is essential for making sure that an organization is meeting the objectives of its stakeholders and adapting to changes in its constituency. The CCWG will flesh out the details of</p> | <p>ICANN Bylaws: https://www.icann.org/resources/pages/governance/bylaws-en CCWG-Accountability Proposal: Annex 10, pg 4, para 15 Annex 12, pg 2, para 5</p> |

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| | PTI |  | <p>this review process in its Bylaw-mandated post-transition workstream.</p> <p>Yes, processes are proposed to evaluate the organizational structure and to adapt if necessary.</p> <p>The IANA Functions Review (IFR) is proposed to take place two years from the date of the IANA Stewardship Transition and subsequent reviews are recommended to take place in no more than five-year intervals. The reviews are targeted largely at PTI’s performance, but will also look at the effectiveness of the new structures created to perform oversight. The review will identify areas of improvement in the performance of the IANA functions and associated oversight mechanisms.</p> | <p>ICG Proposal:</p> <p>P1. Annex F: IANA Function Reviews-Statement of Work Duration and Review Periodicity, pg 93, paras 1267, 1268, 1270; pg 94, para 1276; pg 95, para 1279</p> |
| Demonstrate Commitment to Competence | | | | |
| Are there screening procedures proposed for selecting key staff, committee, and review team members? | ICANN |  | <p>Yes, screening procedures currently exist. ICANN’s Bylaws detail the criteria for the selection of Board Directors and offer general guidelines on who should be a Member of which SO or AC, as well as what the leadership in each one of those organizations should be. ICANN’s senior management sets ICANN staff selection policies.</p> <p>In the CCWG-Accountability proposal’s recommendation to create a standing independent review panel that can review Board decisions, there are recommendations for the makeup of this panel. The proposal recommends that the panel be comprised of experts with significant legal expertise, particularly international law, corporate governance, judicial systems, and dispute resolution.</p> | <p>ICANN Bylaws: https://www.icann.org/resources/pages/governance/bylaws-en</p> <p>CCWG-Accountability Proposal: Annex 7, pg 2</p> |
| | PTI |  | <p>Yes, there are screening procedures proposed.</p> <p>Key PTI Staff: The proposal indicates specific and detailed requirements for a qualified program manager,</p> | <p>ICG Proposal: Pg 173; para 2093</p> |

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| | | | <p>which is incorporated in the proposed contract term sheet between ICANN and PTI. Further, any changes to key personnel require PTI Board consent and the replacement personnel must possess equal or exceeding qualifications. PTI management/staff requests for changes in key personnel must be submitted to the PTI Board 15 days prior to making any permanent substitution and the request should contain detailed explanation of circumstances necessitating the change, complete resumes of the substitutes and any other data requested by the PTI Board. There are also conflict of interest requirements in the current contract with NTIA that the community proposes to include in the contract between ICANN and PTI.</p> <p>CSC: the plan proposes that representatives have direct experience and knowledge of the IANA functions. Composition includes the naming customers and a liaison from PTI. Members will be appointed by their respective communities, but all candidates are required to submit an expression of interest articulating what skills they bring, their knowledge of IANA functions, their understanding of CSC purpose, and their commitment to time necessary to effectively participate in the CSC. The customer community (represented by the ccNSO and RySG) is expected to consult with each other prior to finalizing their selections with a view to providing, to the extent possible, diversity in terms of geography and skill set.</p> <p>IFR Team: Membership will be comprised of community members to ensure adequate representation of the IANA customers and the broader community. Individuals interested in participating in the review team must submit an expression of interest that indicates</p> | <p>P1. Annex F: IANA Function Reviews-Statement of Work Duration and Review Periodicity, pg 95, para 1283; pg 96, para 1288; pg 97, para 1289</p> <p>P1. Annex G: Proposed Charter of the Customer Standing Committee (CSC), pg 103, paras 1334-1336</p> <p>P1. Annex S: Draft Proposed Term Sheet, pgs 150, 151, 154</p> |

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| | | | <p>their skills that will contribute to the review, knowledge of the functions, understanding of the IFR purpose, and understanding of the time commitment required and their ability to commit. It will be left to the relevant SO/AC to appoint individuals based on these statements.</p> <p>RIR Numbering Review Committee: Membership will be composed of suitably qualified Internet number community representatives from each RIR region. The selection of these representatives is to be conducted in an open, transparent, and bottom up manner appropriate for each RIR region. There should be equal representation from each RIR region.</p> | |
| <p>Does the organization have policies and practices in place to articulate the skills, competencies and behaviors that should be in place at all levels of the organization?</p> | <p>ICANN</p> |  | <p>Yes, ICANN’s Bylaws articulate the skills and competencies that should be held by its Board of Directors, and also defines the roles and explains who should participate in its various SOs and ACs (e.g., the Country Code Names Support Organization). ICANN has an Expected Standards of Behavior for anyone taking part in ICANN’s multistakeholder process.</p> | <p>ICANN Bylaws: https://www.icann.org/resources/pages/governance/bylaws-en</p> <p>ICANN Expected Standards of Behavior: https://www.icann.org/resources/pages/expected-standards-2012-05-15-en</p> |
| | <p>PTI</p> |  | <p>As the proposed PTI will be a subsidiary/affiliate of ICANN, it is expected that many of the policies and practices currently in place at ICANN will apply to PTI and the ICANN-based committees/teams (CSC, IFR Teams). These include the “ICANN Expected Standards of Behavior.” Related policies and practices specific to PTI and its new accountability structures are not expected to be developed until after NTIA approval of the proposal, but skills and competencies are clearly articulated in the proposal.</p> <p>Key PTI Staff: The proposal indicates specific and</p> | <p>ICG Proposal: Pg 173, para 2093</p> <p>P1. Annex F: IANA Function Reviews-Statement of Work Duration and Review Periodicity, pg 96, para 1288; pg 97, para 1292</p> <p>P1. Annex G: Proposed Charter of the Customer Standing</p> |

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|----------------|-----------------|------------|---|--|
| | | | <p>detailed requirements for a qualified program manager, which is incorporated in the proposed contract term sheet. There are also conflict of interest requirements in the current contract with NTIA that the community proposes to include in the PTI contract with ICANN.</p> <p>CSC: It is proposed that representatives have direct experience and knowledge of the IANA functions. All candidates are required to submit an Expression of Interest articulating what skills they bring, knowledge of IANA functions, understanding of CSC purpose, and a commitment to time necessary to effectively participate in the CSC.</p> <p>IFR Team: It is proposed that membership be comprised by community members in a manner that ensures adequate representation of the IANA customers and the broader community. Individuals interested in participating in the review team must submit an expression of interest that indicates their skills that will contribute to the review, knowledge of the functions, understanding of the IFR purpose, and understanding of the time commitment required and their ability to commit. It is clearly stated in the draft charter that all members selected are expected to participate actively and that reviews will be “high-intensity projects.”</p> <p>RIR Numbering Review Committee: This committee will be composed of suitably qualified Internet Number Community representatives from each RIR region. The selection of these representatives will be conducted in an open, transparent, and bottom up manner appropriate for each RIR region.</p> <p>ACTION: NTIA recommends that ICANN and the</p> | <p>Committee (CSC), pg 103, para 1334</p> <p>P1. Annex S: Draft Proposed Term Sheet, pgs 150, 151, 154</p> <p>ICANN Expected Standards of Behavior: https://www.icann.org/resources/pages/expected-standards-2012-05-15-en</p> |

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| | | | <p>community consider, if they have not already, confirming that existing ICANN practices and policies will apply to PTI and/or that PTI-specific policies and practices will be developed.</p> | |
| <p>Does the organization have policies and practices in place that include evaluating performance, including taking remedial actions for any issues identified?</p> | <p>ICANN</p> |  | <p>Yes, ICANN’s Bylaws include independent Organizational Reviews that review the effectiveness of each of ICANN’s Board, SOs, ACs (excluding the GAC), and other key organizations. In addition, ICANN’s Ombudsman offers dispute resolution mechanisms that can allow individuals to address issues with other parts of the ICANN community.</p> <p>The Affirmation of Commitments outlines several reviews that address performance and process effectiveness, including accountability and transparency, security and stability, and consumer trust and competition. Each of these reviews assesses the performance of different actors in the ICANN community and provides recommendations to the Board to address issues.</p> <p>The CCWG-Accountability proposal enshrines these reviews in ICANN’s Bylaws, and supplements the accountability and transparency review by including a review of the role and effectiveness of GAC interaction with the broader ICANN community, in addition to the existing requirement to review the GAC’s interaction with the Board.</p> | <p>ICANN Organizational Reviews: https://www.icann.org/resources/reviews/org</p> <p>CCWG-Accountability Proposal: Pg 43, para 209</p> <p>ICANN Ombudsman: https://www.icann.org/ombudsman</p> <p>Affirmation of Commitments Reviews: https://www.icann.org/resources/reviews/aoc</p> |
| | <p>PTI</p> |  | <p>Yes, policies and practices are proposed that evaluate performance of the IANA functions and require remedial actions if issues are identified.</p> <p>Specific to operations of the IANA functions, the ICG proposal articulates performance expectations, performance oversight, performance reviews, and</p> | <p>ICG Proposal: P1. Annex F: IANA Function Reviews-Statement of Work Duration and Review Periodicity, pgs 93-100</p> |

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|--|-----------------|---|--|--|
| | | | <p>complaint/problem resolution processes. All of these include the ability to take remedial actions if necessary.</p> | <p>P1. Annex G: Proposed Charter of the Customer Standing Committee (CSC), pgs 101-106</p> <p>P1. Annex H: Service Level Expectations, pgs 107-109</p> <p>P1. Annex I: IANA Customer Service Complain Resolution Process for Naming Related Functions, pgs 110-111</p> <p>P1. Annex J: IANA Problem Resolution Process (for IANA naming service only), pg 112</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> |
| <p>Do the entity's policies include succession plans for senior executives and contingency plans for assignments of responsibilities important for internal control?</p> | <p>ICANN</p> |  | <p>Yes, ICANN's Bylaws provide instruction for Board member replacement at the end of their terms. Each ICANN organization and ICANN's staff set their own policies for how their leadership is replaced, and these processes have functioned well. The CCWG-Accountability proposal includes the ability to remove a Board member or members. In this case, the Nominating Committee will have several "reserve" candidates ready to serve through the original candidate's term. For SO or AC appointed Directors, each SO and AC will use its normal nominating process to appoint a director to serve through the original candidate's term.</p> | <p>ICANN's Bylaws: https://www.icann.org/resources/pages/governance/bylaws-en</p> <p>CCWG-Accountability Proposal: Annex 4, pg 15, para 65 Annex 4, pg 19, para 76</p> |
| | <p>PTI</p> |  | <p>With respect to operations of the IANA functions, plans and/or planning associated with succession and</p> | <p>ICG Proposal:</p> |

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| | | | <p>continuity are addressed in the ICG proposal. Namely, all three functional communities (names, numbers, and protocol parameters) build in the ability to “separate” from the operator if deemed necessary.</p> <p>The names proposal includes a “Framework for Transition to Successor IANA Functions Operator” that specifies considerations for a smooth, stable, and functional transition in the unlikely event it is necessary. It also proposes that the contract between ICANN and PTI require continuity of operations that includes a commitment on behalf of the operator (PTI) to fully engage in a transition should one ever be necessary.</p> <p>The CRISP Team (numbers) proposal indicates that the RIRs will include in their contract with ICANN the requirement for the IANA functions operator to ensure an orderly transition of the numbering function while maintaining continuity and security of operations, in the unlikely event of separation.</p> <p>The IANAPLAN WG (protocol parameters) stated in their proposal the need for ICANN (as the contracted party responsible for the IANA functions) to “acknowledge that it will carry out the obligations established under the current IANA functions contract between ICANN and the NTIA to achieve a smooth transition to subsequent operator(s), should the need arise. Furthermore, in the event of a transition, the IETF community expects that ICANN, the IETF, and subsequent operator(s) will work together to minimize disruption in the use [of] the protocol parameters registries or other resources currently located at iana.org.” It is the intention of the IETF to build such arrangements into future agreements (Supplemental Agreement) following NTIA’s stewardship</p> | <p>Pgs 171-172, para 2089</p> <p>Pgs 198-199, para 3062</p> <p>P1. Annex M: Framework for Transition to Successor IANA Functions Operator, pgs 122-124</p> <p>P1. Annex S: Draft Proposed Term Sheet, pg 145</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> |

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| | | | <p>transition.</p> <p>Specific to PTI as an organization and its senior executives, NTIA expects that succession and contingency planning will be developed in the proposal implementation phase.</p> <p>ACTION: NTIA recommends that ICANN and the community consider, if they have not already, specifically documenting succession plans for PTI senior executives.</p> | |
| Enforce Accountability | | | | |
| Does the organization's structure and tone at the top help establish and enforce individual accountability for performance of internal control responsibilities? | ICANN |  | Yes, ICANN's structure, with the CCWG-Accountability proposal's recommended enhancements, reinforces responsibility and accountability for the continued management of ICANN's bottom-up, multistakeholder process. Specifically, the power for an ICANN SO or AC to remove its appointed Director to the Board reinforces the individual responsibilities for ICANN Board Directors to be accountable to their appointing organizations. Within organizations, the explicit emphasis on multistakeholder governance in the Bylaws impresses upon all ICANN bodies that their active participation in the model is necessary for the continued development of Internet policy. | CCWG-Accountability Proposal: Annex 4, pgs 1-26 |
| | PTI |  | <p>Yes, overall, the tone at the top is sufficient to establish accountability.</p> <p>The approaches proposed (contracts, reviews, problem resolution, the ability to apply remedial actions, etc.) by the three operational communities (names, numbers, and protocol parameters) were developed expressly for the purpose of establishing and enforcing accountability.</p> | ICG Proposal: Pg 6, paras x017-x018 |

Attachment 5: COSO Assessment Chart

Risk Assessment

According to the GAO, NTIA could use the COSO “Risk Assessment” framework to evaluate the IANA transition proposal with regard to risk and specifically help NTIA consider the extent to which the multistakeholder community identified risks and the extent to which proposed mechanisms serve as appropriate accountability activities to manage those risks.

| COSO Principle | Relevant Proposal | Assessment | Justification | Citations |
|--|-------------------|---|---|---|
| Define Objectives and Risk Tolerances | | | | |
| Do the proposals define objectives for proposal development and for meeting NTIA’s criteria? | ICG |  | <p>Yes.</p> <p>In its proposal, the ICG articulates the basis (objectives) by which it assessed the three component proposals (names, number, and protocol parameters). Namely, the ICG established objectives of “whether the community processes used to develop the proposals were open and inclusive, and whether they achieved consensus; the proposals are complete and clear; the three proposals together are compatible and interoperable, provide appropriate and properly supported accountability mechanisms, and are workable; and the proposals together meet the NTIA criteria.” The ICG issued a Request for Proposals (RFP) that clearly articulated how the three communities were to respond and what information should be included to substantiate the objectives. The three communities conditioned their proposals on these “objectives” as articulated in the RFP that ultimately provided the basis for the ICG’s assessment.</p> <p>In addition, each of the communities identified their own objectives.</p> <p>The CWG-Names developed “Principles and Criteria that Should Underpin Decisions on the Transition of NTIA Stewardship for Naming Related Functions,” which were meant to be the basis upon which to test the names proposal. In terms of post-transition “objectives,” the</p> | <p>ICG Proposal:</p> <p>Pg 5, para x010</p> <p>Pg 11, para 10</p> <p>Pg 48, para 1098</p> <p>Pg 56, paras 1134-1137</p> <p>Pgs 171-172, para 2089</p> <p>Pg 197, para 3052</p> <p>Pg 198, para 3060</p> <p>Pgs 199-200, para 3063</p> <p>P1. Annex C: Principles and Criteria that Should Underpin Decisions on the Transition of NTIA Stewardship for Names Functions, pg 87, para 1264</p> <p>P1. Annex H: Service Level Expectations, pgs 107-109</p> <p>P1. Annex S: Draft Proposed Term Sheet, pgs 142-155</p> |

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| | | | <p>names proposal calls for a contract between ICANN and the newly formed PTI. While not yet drafted, the proposal articulates what should be included in a draft term sheet that includes all service provision-related expectations. Associated with this will be Service Level Expectations (SLEs). A set of principles were also developed for the sole purpose of developing these SLEs.</p> <p>The CRISP Team, representing the customers of the numbering function (RIRs), developed “IANA Service Level Agreement Principles” to guide the drafting of an SLA with ICANN. The SLA between the RIRs and ICANN is the intended primary source of accountability in the performance of the numbering function and basis of their proposal. A Numbering SLA was drafted and outlines the post-transition “objectives” with respect to how the numbering function is to be performed moving forward.</p> <p>The IANAPLAN Working Group, charged with developing the protocol parameters portion of the proposal on behalf of the IETF community, drafted principles to help establish future IANA performance metrics and operational procedures. The protocol parameters community proposed no changes to their existing relationship with ICANN and the operation of the protocol parameters. They will continue to rely on their existing MoU with ICANN and Supplemental Agreement, which articulates service level expectations. In terms of post-transition “objectives,” the MoU between the IETF and ICANN is already in effect and will not be modified. The Supplemental Agreement will continue to be updated on an annual basis. The amended Supplemental Agreement is not yet available, but will</p> | <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> <p>IANA Stewardship Transition Coordination Group Request for Proposals: https://www.icann.org/en/system/files/files/rfp-iana-stewardship-08sep14-en.pdf</p> <p>Supplements to RFC 2860 (IETF-ICANN MoU): http://iaoc.ietf.org/contracts.html</p> |

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| | CCWG-Accountability |  | <p>cover objectives associated with operations of the protocol parameters function moving forward.</p> <p>Yes, the CCWG-Accountability developed a defined set of objectives regarding the transition and meeting NTIA’s criteria. The CCWG-Accountability worked on the basis of a Charter that established the group’s goals, working methods, and responsibilities. The completion of these objectives, as well as documentation that the process was bottom-up and consensus-based, is fully reflected in the group’s final report.</p> <p>The proposal notes its objective of assessing ICANN’s overall accountability to its community in the absence of a contract with the U.S. government, and what recommendations would be needed to ensure that ICANN remains accountable. The proposal also details how its recommendations match the needs of both NTIA and CWG-Stewardship, which coordinated the work of the naming community.</p> | <p>CCWG-Accountability Proposal: Pg 8, paras 11-12 Pg 50, paras 243-246 Annex 13, pgs 1-4 Annex 14, pgs 1 -3</p> <p>CCWG-Accountability Charter: https://community.icann.org/display/acctcrosscomm/Charter</p> |
| Do the proposals identify how these objectives were to be achieved and who would be responsible for achieving them? Are/were time frames established? | ICG |  | <p>Yes.</p> <p>The ICG developed objectives for both the ICG itself as well as for the three communities (names, numbers, and protocol parameters) as they drafted their component proposals. The time frame for meeting these objectives was bound to the proposal development and ICG assessment processes.</p> <p>The CWG-Names principles are applicable to the names community and time bound to the development of the names proposal. With respect to the proposed contract between ICANN and PTI for performing the naming function, time frames will be established and are enumerated in the draft term sheet as related to the contract term, reviews, complaint escalation processes,</p> | <p>ICG Proposal: Pg 5, para x010 Pg 11, para 10 Pg 48, para 1098 Pgs 171-172, para 2089 Pgs 199-200, para 3063 P1. Annex C: Principles and Criteria that Should Underpin Decisions on the Transition of NTIA Stewardship for Names</p> |

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| | | | <p>and deliverables.</p> <p>The CRISP Team (numbering community) principles were/are applicable and time bound to the RIRs as they consult(ed) with their communities and draft(ed) an SLA with ICANN. The SLA, as reflected in the draft, will include time frames associated with the terms of performance, mediation, performance, and deliverables.</p> <p>The IANAPLAN (protocol parameters community) principles are applicable to the IAB, IAOC, and the rest of the IETF community as they work to establish future IANA performance metrics and operational procedures that will be articulated in their Supplemental Agreement. The guiding principles are time bound to the revision of the Supplemental Agreement and to future amendments.</p> | <p>Functions, pg 87, para 1264</p> <p>P1. Annex S: Draft Proposed Term Sheet, pgs 142-155</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> <p>IANA Stewardship Transition Coordination Group Request for Proposals: https://www.icann.org/en/system/files/files/rfp-iana-stewardship-08sep14-en.pdf</p> |
| | CCWG-Accountability |  | <p>Yes, the ICANN community, through a public comment process, recommended the creation of the CCWG-Accountability, which was responsible for coordinating recommendations for enhancing ICANN accountability. The CCWG-Accountability's Charter established that working group as the sole party responsible for developing these recommendations, and that its Chartering Organizations would be responsible for reviewing the recommendations before delivery to the ICANN Board. The charter also established consensus as the primary work method for developing recommendations.</p> <p>The timeline for the group's work was established to ensure time for the recommendations to be adopted ahead of the expiration of the U.S. Government's contract with ICANN.</p> | <p>CCWG-Accountability Charter: https://community.icann.org/display/acctcrosscomm/Charter</p> <p>ICANN Call for Participants: https://www.icann.org/resources/pages/process-next-steps-2014-10-10-en</p> |

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| <p>Do the proposals define objectives in measurable terms so that performance in meeting objectives can be assessed?</p> | <p>ICG</p> |  | <p>Yes, the ICG articulated its objectives in a way to be measurable for the purpose of assessing the proposals.</p> <p>The CWG-Names specifically defined its objectives for the purpose of testing its proposal against them. Their objectives associated with the proposed ICANN-PTI contract, as defined in the draft term sheet and SLEs, is also measurable for the purpose of assessing contractor performance.</p> <p>The CRISP Team’s SLA principles are also measurable as they articulate component parts to be specifically addressed in their proposed SLA with ICANN. The SLA will include objective measurements for the purpose of assessing the contractor’s performance in provision of the numbering service.</p> <p>The IANAPLAN Working Group’s principles are also measurable for purposes of identifying requirements for its proposal development effort and needs in protocol parameters service provision moving forward.</p> | <p>ICG Proposal:</p> <p>Pg 5, para x010</p> <p>Pg 11, para 10</p> <p>Pg 48, para 1098</p> <p>Pgs 171-172, para 2089</p> <p>Pgs 199-200, para 3063</p> <p>P1. Annex C: Principles and Criteria that Should Underpin Decisions on the Transition of NTIA Stewardship for Names Functions, pg 87, para 1264</p> <p>P1. Annex H: Service Level Expectations, pgs 107-109</p> <p>P1. Annex S: Draft Proposed Term Sheet, pgs 142-155</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> <p>IANA Stewardship Transition Coordination Group Request for Proposals: https://www.icann.org/en/system/files/files/rfp-iana-stewardship-08sep14-en.pdf</p> |

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| | CCWG-Accountability |  | Yes, the proposal outlines 12 specific recommendations, and includes a detailed annex for each with an explanation of the recommendation and how it meets either NTIA’s criteria or the CWG-Stewardship dependencies. The report also includes a Stress Test annex with a series of hypothetical situations where ICANN’s accountability to its community and its Bylaws is tested, and demonstrates how the recommended changes would prevent such situations from occurring. | CCWG-Accountability Proposal: Pgs 51-52 Annex 15, pgs 1-49 Annex 4, pg 1, para 2 |
| Identify, Analyze, and Respond to Risks | | | | |
| Do the proposals identify risks related to achieving the defined objectives? | ICG |  | <p>Yes. The proposal identifies risks, but also expressly indicates where there are no risks.</p> <p>The ICG asked in its RFP for the names, numbers, and protocol parameters communities to describe the implications of the changes being proposed and if there were any risks to operational continuity and how they would be addressed.</p> <p>The naming community indicated that its proposal minimizes risk by essentially maintaining ICANN as the IFO, even though operational separation is proposed by establishing PTI as an affiliate of ICANN. It is expected that this change will have little to no impact on operations as the IFO systems, processes, procedures, and personnel will remain exactly the same as they are at present. Further, the naming community evaluated the elements of its proposal and determined that they are all workable with no negative impact on operations. Lastly, as part of the CCWG-Accountability proposal development process, certain “Stress Tests” were applied to test the proposed structure against various scenarios in an effort to identify and mitigate risks.</p> <p>The numbering community explained that the intent of</p> | <p>ICG Proposal:</p> <p>Pg 63, paras 1171-1172</p> <p>Pgs 66-67, paras 1189-1191</p> <p>Pgs 174-175, paras 2099-2108</p> <p>Pgs 200-201, paras 3065-3066</p> <p>IANA Stewardship Transition Coordination Group Request for Proposals: https://www.icann.org/en/system/files/files/rfp-iana-stewardship-08sep14-en.pdf</p> |

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| | | | <p>its proposal was to minimize risk to operational continuity and retain the existing framework for making policies associated with the IANA number registries. The proposal asserts that “by building upon the existing Internet registry system (which is open to participation from all interested parties) and its structures, the proposal reduces the risk associated with creating new organizations whose accountability is unproven.”</p> <p>The protocol parameters community identified no risks, pointing to the fact that its plan proposed no structural changes. They further attest that “as no services are expected to change, no continuity issues are anticipated, and there are no new technical or operational methods proposed by the IETF to test.” Lastly, “the IETF leadership, ICANN, and the RIRs maintain an ongoing informal dialog to spot any unforeseen issues that might arise as a result of other changes.”</p> | |
| | CCWG-Accountability |  | <p>Yes, the CCWG-Accountability proposal used a series of 37 Stress Tests to define the risks related to achieving the proposal’s objectives. These Stress Tests were mandated by the group’s charter.</p> <p>The Stress Tests were used to identify potential weaknesses and risks, and identify accountability mechanisms to mitigate these issues. The proposal breaks down each of the Stress Tests into categories, including: Financial Crisis or Insolvency; Failure to Meet Operational Expectations; Legal/Legislative Action; Failure of Accountability; and Failure of Accountability to External Stakeholders. As a result of the tests, appropriate accountability mechanisms were identified to mitigate potential risk and weaknesses.</p> | CCWG-Accountability Proposal: Annex 15, pgs 1-48 |

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| <p>Do the proposals analyze the identified risks to estimate their significance? (e.g., did they consider the magnitude of impact, likelihood of occurrence, and the nature of the risk?)</p> | ICG |  | <p>Yes, risk significance was analyzed to the extent necessary.</p> <p>The numbers and protocol parameters communities did not conduct such an analysis because neither group proposed changes that introduced any identified risk.</p> <p>The naming community analyzed the elements of its proposal in terms of workability and whether or not they could have negative impacts on security, stability, and resiliency of the DNS. This included rating the level of negative impact (“significance”). The CCWG-Accountability Work Stream 1 proposal further developed and addressed Stress Tests specific to the naming function, including failure to meet operational expectations; legal/legislative action; and failure of accountability to external stakeholders.</p> | <p>ICG proposal:</p> <p>Pgs 66-67, paras 1189-1191</p> <p>Pgs 174-175, paras 2099-2108</p> <p>Pgs 200-201, paras 3065-3066</p> <p>P1. Annex R: Evaluation Method for Implications, pgs 137-141</p> |
| | CCWG-Accountability |  | <p>Yes, the CCWG-Accountability developed and responded to Stress Tests to analyze identified risks and estimate their significance.</p> <p>The purpose of the Stress Tests was to determine the stability of ICANN in the event of consequences and/or vulnerabilities, and to assess the adequacy of proposed accountability mechanisms to mitigate these risks.</p> | <p>CCWG-Accountability Proposal:</p> <p>Annex 15, pgs 1-48</p> |
| <p>Do the proposals articulate and/or consider responses and actions to risks so that a risk tolerance could be defined?</p> | ICG |  | <p>Yes, mitigations were considered in the cases where the communities identified risks.</p> <p>All three of the operational communities assert that there is little to no risk associated with the IANA functions operations. This is attributable to the fact that the communities propose no changes to the operations as they occur today.</p> <p>For the numbers and protocol parameters communities,</p> | <p>ICG Proposal:</p> <p>Pgs 66-67, paras 1189-1191</p> <p>Pgs 174-175, paras 2099-2108</p> <p>Pgs 200-201, paras 3065-3066</p> <p>P1. Annex R: Evaluation Method for Implications, pgs 137-141</p> |

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| | | | <p>the accountability structures also largely stay the same, but the names community proposes to create a new entity (PTI) and supportive structures for tasks such as operational oversight (CSC) and review mechanisms (IRT, SIRT, Root Zone Enhancement Review Committee). As noted previously, the names community analyzed these elements of their proposal in terms of workability and the CCWG-Accountability developed and addressed Stress Tests. The purpose of these Stress Tests was to assess the adequacy of proposed accountability mechanisms available to the ICANN community to mitigate the risks.</p> | <p>CCWG-Accountability Proposal: Annex 15-Stress Testing, pgs 1-2, paras 1-11</p> |
| | CCWG-Accountability |  | <p>Yes, each stress test used in the CCWG-Accountability proposal defines how the recommendation mitigates risk. Overall, the risk tolerance is strong and demonstrates that the post-transition ICANN will be more accountable than it is today.</p> | <p>CCWG-Accountability Proposal: Annex 15, pgs 1-48 Annex 15, pg 22, para 196</p> |
| Assess Fraud Risk | | | | |
| <p>Do the proposals consider the various types of fraud (fraudulent financial reporting, misappropriation of assets, corruption) that could take place post-transition via their proposed approaches?</p> <p>Do the proposals consider ways in which to mitigate such fraud?</p> | ICG |  | <p>Yes. The ICG proposal's cornerstone is transparency and accountability; and the various measures proposed to ensure high levels of transparency and accountability will help identify matters associated with fraud should it occur.</p> <p>The ICG proposal calls for a number of actions regarding the IANA budget to mitigate potential fraud associated with the financials and costs in performing the functions. The proposal recommends that the IANA functions operator's costs be itemized to the project level. The ICG further proposes that costs be itemized into more specific costs related to each specific function (names, numbers, protocol parameters) to the project level. The proposal also foresees an IANA-specific budget review (separate from the overall ICANN budget). These</p> | <p>ICG Proposal: Pg 51, para 1106 Pg 198, para 3062</p> <p>P1. Annex I: IANA Customer Service Complaint Resolution Process for Naming Related Functions, pgs 110-111</p> <p>Appendix G: Proposed Charter of the Customer Standing Committee (CSC), pgs 101-106</p> |

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| | | | <p>budget-related proposals will help prevent and detect fraud.</p> <p>There are also a number of operational safeguards proposed to address fraud in the context of PTI and performance of the IANA functions. For example, the names community would be able to take action against PTI staff should fraudulent activity be identified during the course of CSC operational oversight or through an IFR. The customer problem resolution mechanism is also a vehicle by which to address suspected fraudulent activities in the provision of the IANA functions.</p> | |
| | <p>CCWG-Accountability</p> |  | <p>Yes, the CCWG-Accountability considered the potential for fraud.</p> <p>The CCWG-Accountability proposal empowers the ICANN Community to reject ICANN’s budget or strategic operating plans, including the IANA functions budget. The proposal couples this new power with new rights to inspection and investigation, which will help the community to detect fraud and abuse.</p> <p>In addition, the CCWG-Accountability proposal includes an audit process, triggered by three Decisional Participants in the Empowered Community, which will identify suspected fraud or gross mismanagement of ICANN resources. In this case, ICANN will retain a third-party, independent firm to undertake an audit to investigate. The audit report will be made public, and the ICANN Board will be required to consider the recommendations and findings of that report.</p> <p>These recommendations build on ICANN’s existing fraud protection mechanisms. ICANN’s finances undergo an annual independent audit, the results of which are</p> | <p>CCWG-Accountability Proposal: Pg 14, para 52</p> <p>Annex 1, pgs 6-7, paras 28-39</p> <p>Annex 4, pgs 4-7, paras 9-29</p> <p>Board Audit Committee: https://www.icann.org/resources/pages/charter-2012-02-25-en</p> <p>DIDP Program: https://www.icann.org/resources/pages/didp-2012-02-25-en</p> <p>ICANN Whistleblower Program: http://mm.icann.org/pipermail/trt2/attachments/20130705/dfd2fded/Anonymous-Hotline-Committee-Procedure-Redacted.pdf</p> |

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| | | | <p>posted online. ICANN’s Board Audit Committee reviews ICANN’s budgets, expenditures, and audit-related activities, as well as “oversees investigations resulting from reports of questionable accounting or financial matters or financially-related fraud concerns, including receiving management reports about calls made to the anonymous reporting hotline pursuant to the ICANN whistleblower policy, as those calls relate to the reporting of concerns.” In addition, through ICANN’s Documentary Information Disclosure Program, individuals can request financial documents, and appeal any decisions to not release documents through the reconsideration process or the Independent Review Process.</p> | <p>ICANN independent audit information: https://www.icann.org/news/announcement-2-2015-10-29-en</p> |
| Identify, Analyze, and Respond to Change | | | | |
| <p>Do the proposals establish groups or positions responsible for anticipating or identifying internal and external changes with possible significant effects on the entity and/or performance of the functions?</p> | <p>ICG</p> |  | <p>Yes, the proposal creates groups with responsibilities relevant to anticipating and identifying changes.</p> <p>The ICG proposal creates a standing committee responsible for considering “significant” architectural changes to the root zone management process (known as the RZERC). As proposed, any issues (changes) that may impact the architecture and/or operations of root zone management would be brought to the RZERC’s attention. The CSC, which would oversee the day to day operations of root zone management, and PTI are recognized as the parties responsible for bringing such matters to the RZERC. Ultimately, the ICANN Board will be responsible for granting approval to any recommendation coming out of the RZERC.</p> <p>In addition to the RZERC, the ICG proposal tasks the CSC to consult with registry operators and discuss with PTI ways to enhance provision of service to meet changing technological environments. Further, the ICG proposal</p> | <p>ICG Proposal: Pg 60, para 1155 Pg 61, para 1157 P1. Annex S: Draft Proposed Term Sheet, pgs 150-152 Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> |

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| | | | <p>states that the IANA functions budget must support PTI’s ability to investigate, develop, and deploy Root Zone enhancements required to keep the Root Zone and its management evolving. Any possible proposed enhancements coming either from the CSC or PTI itself would then be put forward to the RZERC.</p> <p>Besides the RZERC, the proposed legal agreements that stipulate performance of the IANA functions also identify or infer requirements associated with the anticipation and identification of changes with possible significant impacts. Namely, all three of the operational communities (names, numbers, and protocol parameters) propose that, in the performance of the IANA functions, ICANN/PTI regularly report on operational events and projected changes that may impact future operations. Further, they all propose reviews and audits that could anticipate and at least identify changes, such as failure to perform.</p> <p>Further, the ICG proposal creates new positions that would have responsibility to anticipate and identify changes that have the potential to significantly impact PTI. Namely, the proposal requires that PTI provide a “Qualified Program Manager,” an “IANA Functions Program Manager,” and an “IANA Function Liaison for Root Zone Management.” Any of these positions could specifically require such a responsibility.</p> | |
| | CCWG-Accountability |  | <p>Yes, the CCWG-Accountability proposal enshrines in ICANN’s Bylaws periodic accountability and transparency reviews by the community.</p> <p>In addition to the Affirmation reviews, the CCWG-Accountability proposal recommends that outside consultants conduct organizational reviews of SOs and</p> | <p>CCWG-Accountability Proposal: Annex 9, pg 1, para 2</p> <p>Annex 10, pg 4, para 15</p> <p>ATRT Call for Volunteers:</p> |

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| | | | <p>ACs to evaluate the accountability of the SOs and ACs to their stakeholders. The GAC is not included in such organizational reviews, but is subject to the accountability reviews that will be mandated by ICANN’s Bylaws and are currently mandated by the Affirmation of Commitments.</p> <p>These reviews would identify and address any changes that significantly impact ICANN as well as the SOs and ACs.</p> | <p>https://www.icann.org/resources/pages/call-for-volunteers-2012-10-05-en</p> |
| <p>Do the proposals establish processes or policies to respond to significant changes?</p> | <p>ICG</p> |  | <p>Yes.</p> <p>The ICG proposal creates a standing committee responsible for considering “significant” architectural changes to the root zone management process (RZERC). Any issues (changes) that may impact the architecture and/or operations of root zone management would be brought to the RZERC’s attention. The RZERC (to be comprised of representatives from IFO, SSAC, RSSAC, ASO, IETF, GNSO, and ccNSO) is responsible for ensuring that those involved in making a decision on the matter(s) include all the relevant bodies and have access to the necessary expertise. For architectural changes that impose potential risk to the security, stability, or resiliency of the root zone management system, there will be a public comment process. The ICANN Board will ultimately be responsible for formally approving any recommended changes with full transparency, except in limited cases where security and/or contracts require confidentiality.</p> <p>Also, the ICG proposal states that the IANA functions budget must support PTI’s ability to investigate, develop, and deploy Root Zone enhancements required to keep the Root Zone and its management evolving.</p> | <p>ICG Proposal:</p> <p>Pg 60-61, para 1155</p> <p>Pgs 171-172, para 2089</p> <p>Pgs 198-199, para 3062</p> <p>P1. Annex L: Separation Process, pgs 119-121</p> <p>P1. Annex M: Framework for Transition to Successor IANA Functions Operator, pgs 122-124</p> <p>P1. Annex S: Draft Proposed Term Sheet, pg 145</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> |

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| | | | <p>In the unlikely case that the IFO so severely underperforms or does not perform, all three communities propose the ability to “separate” from the operator. Each community has proposed oversight, reviews, and audits to identify such deficiencies and proposed escalation mechanisms by which to address them. However, if “separation” is the only solution, the three communities identify processes and policies that would guide such a decision and the act of transitioning to a successor operator.</p> <p>For the names function, a continuity of operations requirement will be included in the PTI contract that obliges PTI to facilitate a stable transition if determined necessary. The names proposal also articulates a “Framework for Transition to a Successor IANA Functions Operator” intended to guide the development of a transition plan. The proposal also establishes a process by which to make a determination for separation.</p> <p>For the numbers function, the SLA with ICANN obligates the IFO to ensure an orderly transition while maintaining continuity and security of operations, in the unlikely event of separation.</p> <p>For the protocol parameters function, the Supplemental Agreement between the IETF and ICANN acknowledges that the operator must “carry out the obligations established under C.7.3 and I.61 of the current IANA functions contract between ICANN and the NTIA to achieve a smooth transition to subsequent operator(s), should the need arise. Furthermore, in the event of a transition it is the expectation of the IETF community</p> | |

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| | CCWG-Accountability |  | <p>that ICANN, the IETF, and subsequent operator(s) will work together to minimize disruption in the use [of] the protocol parameters registries or other resources currently located at iana.org.”</p> <p>ICANN’s policy development processes offer the principal means for making changes to ICANN’s policies, and are the key drivers for making sure that ICANN practices match the needs and expectations of ICANN’s stakeholders. These processes drive change within the organization. In the event that a stakeholder believes a policy proposal does not meet its needs, or does not match ICANN’s stated policies and practices, it can be appealed through a reconsideration process or an independent review process.</p> <p>A central purpose of all organizational and accountability reviews is to ensure that these key policy development functions continue to meet the needs of ICANN’s stakeholders. The Board’s responsibility to facilitate these reviews is enforceable by the Empowered Community.</p> | <p>CCWG-Accountability Proposal: Annex 1, pg 5, para 27</p> <p>Article 4, Section 2 of ICANN’s Bylaws on Reconsideration Process: https://www.icann.org/resources/pages/governance/bylaws-en#IV</p> <p>Article 4, Section 3 of ICANN’s Bylaws on IRP: https://www.icann.org/resources/pages/governance/bylaws-en#IV</p> <p>Multistakeholder Policy Development Processes: https://www.icann.org/sites/default/files/assets/multistakeholder-policy-development-29feb16-en.pdf</p> <p>Affirmations of Commitments Reviews: https://www.icann.org/resources/reviews/aoc</p> <p>Organizational Reviews: https://www.icann.org/resources/reviews/org</p> |

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Monitoring

The GAO recommended that NTIA use the “monitoring” component of the COSO framework to consider the various monitoring requirements proposed and determine the extent to which the ICG and CCWG-Accountability proposals incorporate sufficient monitoring requirements.

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| <i>Perform Monitoring Activities</i> | | | | |
| Are monitoring activities in place/proposed to assess whether the transition objectives are being met/achieved over time? | ICG |  | <p>Yes, the ICG proposal puts in place multiple groups and processes to assess whether the operational transition objectives are being met over time.</p> <p>For the naming function, the community proposes that the CSC perform operational oversight according to contractual requirements and service level expectations. The names community also proposes periodic and special reviews (IFR) of the entity performing the naming function (PTI).</p> <p>For the numbering function, the community proposes a Review Team to oversee performance according to requirements detailed in an SLA.</p> <p>For the protocol parameters function, the IETF is responsible for overseeing performance per the MoU with ICANN and the annually updated Supplemental Agreement.</p> | <p>ICG Proposal: Pg 50, para 1105</p> <p>Pg 172, paras 2091-2092</p> <p>Pg 196, para 3053</p> |
| | CCWG-Accountability |  | <p>Yes, the CCWG-Accountability proposal enshrines in ICANN’s Bylaws periodic accountability and transparency reviews. These reviews result in formal recommendations to the ICANN Board for consideration and implementation. ICANN is also responsible for producing an implementation status report following adoption of the CCWG-Accountability recommendations. ICANN’s existing organizational reviews will also help ensure that ICANN organizations continue to deploy policies that meet the needs of the community and ICANN’s stated goals.</p> | <p>CCWG-Accountability Proposal: Annex 7, pg 1, para 4</p> <p>Annex 9, pg 1, para 2</p> <p>Affirmations of Commitments Reviews: https://www.icann.org/resources/reviews/aoc</p> |

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| | | | <p>In addition to these reviews, ICANN has many existing mechanisms to monitor compliance with its Bylaws and policies. ICANN’s reconsideration process and independent reviews are tools the community can utilize to ensure that any policy decision made by the Board adheres to ICANN’s policies and Bylaws. The CCWG-Accountability proposal enhances the effectiveness of the independent review by establishing a standing panel of experts to hear complaints. ICANN’s Ombudsman also can help document any issues stakeholders encounter with the ICANN Board or leadership.</p> | <p>ICANN Organizational Reviews: https://www.icann.org/resources/reviews/org</p> <p>ICANN Accountability: https://www.icann.org/resources/accountability</p> |
| <p>Are the monitoring activities ongoing as well as separate evaluations performed periodically?</p> | <p>ICG</p> |  | <p>Yes, the ICG proposal calls for monitoring activities that are ongoing as well as separate evaluations performed periodically.</p> <p>For the names function, the community proposes ongoing monitoring to be conducted by the CSC. Periodic and special evaluations will also be performed. An IANA Functions Review (IFR) is to be performed, the first of which is recommended to take place no more than two years after the transition. After this initial review, the periodic IFR should occur at intervals of no more than five years. A “Special” IFR may be initiated outside of the normal periodic schedule.</p> <p>For the numbers function, the community-proposed Review Committee will largely conduct its monitoring on a periodic basis. The RIRs will provide ongoing monitoring to ensure the IFO is meeting requirements and service level expectations as specified in the SLA.</p> <p>For the protocol parameters function, the IETF will conduct an annual audit on performance as well as</p> | <p>ICG Proposal:</p> <p>Pg 54, paras 1119-1123</p> <p>Pg 172, paras 2091-2092</p> <p>Pg 197, para 3053</p> |

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| | CCWG-Accountability |  | <p>annually update its performance metrics and operational procedures. The IETF will also provide ongoing monitoring to ensure requirements and performance expectations are met as articulated in the Supplemental Agreement.</p> <p>ICANN’s open policymaking process allows the community to monitor and raise concerns about any policy proposal that appears to contravene ICANN’s Bylaws or policies.</p> <p>Stakeholders may also file reconsideration requests or appeal decisions using the independent review process. Decisions made via each of these processes are public and allow for effective monitoring.</p> <p>Existing reviews, including the accountability and transparency review that are now enshrined in ICANN’s Bylaws via the CCWG-Accountability proposal, complement these tools and help document that ICANN’s policies are followed and continually implemented. The recommendations of these reviews are public, and require the publishing of an implementation report which allows the community to monitor progress.</p> | <p>CCWG-Accountability Proposal: Annex 9, pg 1, para 2</p> <p>ART Review: https://www.icann.org/resources/reviews/aoc/atrt</p> <p>Article 4, Section 2 of ICANN’s Bylaws on Reconsideration Process: https://www.icann.org/resources/pages/governance/bylaws-en#IV</p> <p>Article 4, Section 3 of ICANN’s Bylaws on IRP: https://www.icann.org/resources/pages/governance/bylaws-en#IV</p> <p>Open Participation at ICANN: https://www.icann.org/resources/pages/groups-2012-02-06-en</p> |
| Is the level of staffing and specialized skills of the people performing the monitoring adequate? | ICG |  | <p>Yes, the level of staffing and specialized skills of the people proposed to perform the monitoring are adequate.</p> <p>For the naming function, the CSC will be comprised primarily of direct customers (two gTLD registry operators, two ccTLD registry operators, and one additional TLD representative not considered a ccTLD or</p> | <p>ICG Proposal: Pg 173, para 2093</p> <p>Pg 197, para 3053</p> <p>Appendix G: Proposed Charter of the Customer Standing</p> |

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| | | | <p>gTLD, such as IAB for .ARPA) and one liaison from the IANA Functions Operator (PTI). There can also be one optional liaison from each of the non-represented ICANN SOs and ACs. All members and liaisons will be appointed by their respective communities, but all candidates will be required to submit an Expression of Interest that includes the skills they would bring, why they are interested in participating, their knowledge of the IANA functions, their understanding of the CSC’s purpose, and their recognition of the time required and their ability to commit. The ccNSO and GNSO’s RySG are to also consult prior to finalizing their ccTLD and gTLD member selections to ensure diversity in skill sets.</p> <p>The names community proposes a similar approach to staffing the IFR teams. All stakeholder groups represented at ICANN will be allotted at least one seat on the team. The number and protocol parameters operational communities will also be offered the opportunity to name a liaison. IFR team members will be selected from submitted Expressions of Interest indicating individuals’ particular skill sets, knowledge of the IANA functions, understanding of the IFR team’s purpose, and their commitment to the role and time required. As the membership of these teams come directly from the customers of the naming functions as well as the relevant overall community, these are the most appropriate in terms of having the adequate skill and knowledge set.</p> <p>For the numbering function, the community-proposed Review Committee will be comprised of “suitably qualified” representatives from each RIR community. As the RIR community represents the customers of the numbering function and developed the SLA with the</p> | <p>Committee (CSC), pgs 102-103, paras 1327-1336; pgs 95-97, paras 1283-1293</p> |

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| | | | <p>operator, they possess the skills and knowledge necessary to adequately perform monitoring of this function.</p> <p>For the protocol parameters function, monitoring activities are the responsibility of the IETF. The IETF is the direct customer of the protocol parameters function as well as the party responsible for annually updating the operator’s performance metrics and operational procedures, and thus adequate to monitor.</p> | |
| | CCWG-Accountability |  | <p>Yes. The ICANN community is adequately positioned to monitor ICANN’s performance, as the organization is grounded in multistakeholder, bottom-up practices.</p> <p>All accountability and transparency reviews will be conducted by members of the ICANN community selected through a call for volunteers. Each review team is required to reflect “geographic diversity; gender balance; understanding of ICANN's role and the basic Internet ecosystem in which ICANN operates; and expertise in a discipline related to the review topic (relevant technical expertise, if required by the scope of the review).”</p> <p>In addition, qualified independent experts will be called upon to serve on independent review panels, which are required to have “jurisprudence, judicial experience, alternative dispute resolution and knowledge of ICANN's mission and work.” The CCWG-Accountability recommendations will strengthen these qualifications to include “knowledge, developed over time, regarding the DNS and ICANN's Mission, work, policies, practices, and procedures.”</p> <p>The Board Governance Committee is responsible for</p> | <p>ATRT Review: https://www.icann.org/resources/reviews/aoc/atrt</p> <p>ATRT Call for Volunteers: https://www.icann.org/resources/pages/call-for-volunteers-2012-10-05-en</p> <p>ICANN Organization: https://www.google.com/#q=ICANN+organization</p> <p>Article 4, Section 2 of ICANN’s Bylaws on Reconsideration Process: https://www.icann.org/resources/pages/governance/bylaws-en#IV</p> <p>Article 4, Section 3 of ICANN’s Bylaws on IRP: https://www.icann.org/resources/pages/governance/bylaws-en#IV</p> <p>ICANN Board Governance</p> |

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| | | | <p>reviewing reconsideration requests. The Board Governance Committee is comprised of “at least three, but not more than six voting Board Directors and not more than two Liaison Directors, as determined and appointed annually by the Board, each of whom shall comply with the Conflicts of Interest Policy.”</p> | <p>Committee: https://www.icann.org/resources/pages/charter-06-2012-02-25-en</p> <p>CCWG-Accountability Proposal: Annex 7, pg 1, para 4</p> |
| <p>Are procedures in place to monitor when controls are overridden and to determine whether the override was appropriate?</p> | <p>ICG</p> |  | <p>Yes, procedures are proposed that will monitor when controls (contractual obligations/service levels) are overridden.</p> <p>The three operational communities (names, numbers, protocol parameters) proposed legal arrangements with the IANA functions operator that articulate service level expectations, responsibilities, and requirements. Monitoring will focus in large part on how/whether the operator of the IANA functions adheres to these (including whether the IFO chose to “override” controls). If failure to comply is detected, all three of the operational communities have proposed procedures by which to resolve the situation.</p> <p>The names community proposes a series of escalation measures that include customer service complaint resolution (which will be applicable to all the IANA functions) and IANA problem resolution (for naming services only). This would include situations by which the IFO chose to “override” community established controls as specified in the agreements.</p> <p>For the numbering function, the proposed RIR SLA with ICANN specifies a “discussion period” by which resolution of disputes between the operator and the RIRs that may arise relating to the SLA will undertake a number of steps prior to asserting a “failure to perform.”</p> | <p>ICG Proposal: Pg 197, para 3054</p> <p>P1. Annex I: IANA Customer Service Complaint Resolution Process for Naming Related Functions, pgs 110-111</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> |

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| | CCWG- Accountability |  | <p>The protocol parameters proposal recognizes that, to date, there have been no unresolvable disputes or issues between the IETF and current IANA functions operator, but should a dispute arise there are a number of escalation steps in place to address the matter.</p> <p>Yes, ICANN SOs and ACs are constantly monitoring accountability in the ICANN system. In the context of policy proposals, the public comment process, as well as the publicly documented Board adoption or rejection of such policies allows for the public to monitor and comment on proposals and advice seen to be in contravention of, or as overriding, existing ICANN policies and Bylaws.</p> <p>In the event that a policy is seen as overriding established ICANN practices or values, individuals in the community can pursue reconsideration or independent review, which will both render a decision on whether the override was appropriate.</p> <p>If there is a perceived abnormality in ICANN processes that cannot be resolved through existing tools, the Empowered Community will be able to challenge the action. As previously described, the entire community will have the opportunity via a community forum to determine whether any action was appropriate and whether the community should use its enforcement power to correct the action.</p> | <p>Article 4, Section 2 of ICANN’s Bylaws on Reconsideration Process: https://www.icann.org/resources/pages/governance/bylaws-en#IV</p> <p>Article 4, Section 3 of ICANN’s Bylaws on IRP: https://www.icann.org/resources/pages/governance/bylaws-en#IV</p> <p>Open Participation at ICANN: https://www.icann.org/resources/pages/groups-2012-02-06-en</p> <p>CCWG-Accountability Proposal: Annex 4, pg 1, paras 1-4 Annex 2, pgs 4-9, paras 17-38</p> |
| Evaluate Issues and Remediate Deficiencies | | | | |
| Do the monitoring activities provide for reporting and evaluation of issues identified? | ICG |  | <p>Yes.</p> <p>All three of the operational communities propose reporting requirements to be included in their legal</p> | <p>ICG Proposal: Pg 197, para 3053</p> |

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| | | | <p>agreements with the operator (PTI contract, SLA, MoU/Supplemental Agreement(s)), which contribute to the monitoring activities.</p> <p>The names community proposes that the CSC, which is to be responsible for performance oversight, analyze reports provided by the operator and publish any findings.</p> <p>Similarly, the numbers community proposes that its Review Committee report out at least once a year on any findings they encounter while overseeing performance.</p> <p>The protocol parameters community proposes that the conclusions of the required annual audit be made available for anyone to review.</p> | <p>P1. Annex G: Proposed Charter of the Customer Standing Committee, pg 101, para 1315</p> <p>P1. Annex S: Draft Proposed Term Sheet, pgs 152-153</p> <p>Final Version IANA Numbering Services Review Committee Charter: https://www.nro.net/review-committee-charter-final</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> |
| | CCWG-Accountability |  | <p>Yes.</p> <p>Independent reviews and reconsideration processes exist for the express purpose of determining whether a community complaint is valid and requires reversal of a Board action. Both processes are able to effectively evaluate whether a decision or policy is in contravention of ICANN’s Bylaws or policies.</p> <p>Stakeholders can also communicate any concerns with policies in open comment periods before, or at panels and forums at ICANN meetings, before proposals are transmitted to the Board. In addition, Working Groups developing policy proposals within ICANN’s SOs and ACs, as well as that entire SO or AC, serve as an initial check for whether decisions will pass muster with the community or the Board. The open nature of these early deliberations allows for evaluation of proposals at</p> | <p>CCWG-Accountability Proposal:</p> <p>Annex 2, pgs 7-8 , paras 31-33</p> <p>Annex 2, pgs 1-15</p> <p>Article 4, Section 2 of ICANN’s Bylaws on Reconsideration Process: https://www.icann.org/resources/pages/governance/bylaws-en#IV</p> <p>Article 4, Section 3 of ICANN’s Bylaws on IRP: https://www.icann.org/resources/pages/governance/bylaws-en#IV</p> <p>Open Participation at ICANN:</p> |

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| | | | <p>a very early stage.</p> <p>The community can seek to exercise a Community Power if appropriate. If these processes fail, any decision to exercise the community’s enforcement power would require a Community Forum to evaluate the issue being petitioned. Engagement within each SO and AC on the matter is also required before moving a petition to exercise community enforcement. Reporting of an issue can be done by any individual to the leadership of that person’s SO or AC.</p> | <p>https://www.icann.org/resources/pages/groups-2012-02-06-en</p> |
| <p>Are findings and recommendations from external parties (such as customers and external auditors) considered? Is there a process in place to evaluate these findings?</p> | <p>ICG</p> |  | <p>All three of the operational communities propose reporting requirements to be included in their legal agreements with the operator (contract, SLA, MoU/Supplemental Agreement(s)), which are inputs into the monitoring activities.</p> <p>The CSC is specifically charged with reviewing the reports provided by the operator as well as third party audit reports/findings as to be required in the PTI contract. There will also be requirements for the operator to conduct customer service surveys.</p> <p>The numbering community’s proposed Review Committee will review the operator’s required audit reports/results. In addition, the operator is required to conduct customer service surveys, after which the RIRs and operator are to determine what if any actions should be taken as a result.</p> <p>The protocol parameters community proposes that the conclusions of the required annual audit be made available for anyone to review and the results of that audit will inform the annual update of the Supplemental Agreement between the IETF and ICANN.</p> | <p>ICG Proposal:</p> <p>Pg 197, para 3053</p> <p>P1. Annex G: Proposed Charter of the Customer Standing Committee, pg 101, para 1315</p> <p>P1. Annex S: Draft Proposed Term Sheet, pgs 152-153</p> <p>Final Version IANA Numbering Services Review Committee Charter: https://www.nro.net/review-committee-charter-final</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> |

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| | CCWG-Accountability |  | <p>Yes, ICANN’s policy development processes and comment periods are open to the public and allow for meaningful input from individuals not formally part of any ICANN organization. The recommendations of accountability and transparency reviews are put out for public comment before being adopted by the Board.</p> <p>In addition, ICANN’s finances are independently audited annually, and all organizational review teams are comprised of members of the community not affiliated with the specific organization under review.</p> <p>In the context of the Empowered Community, the engagement and escalation process that occurs before any decision to use the community enforcement power requires a discussion and evaluation of the issue by the entire community, not just the petitioning organization.</p> | <p>CCWG-Accountability Proposal: Annex 2, pg 7-8, para 31-33</p> <p>Accountability and Transparency Review: https://www.icann.org/resources/reviews/aoc/atrt</p> <p>Open Participation at ICANN: https://www.icann.org/resources/pages/groups-2012-02-06-en</p> <p>ICANN Organizational Reviews: https://www.icann.org/resources/reviews/org</p> |
| Are deficiencies to be communicated to those parties responsible for taking corrective action? | ICG |  | <p>Yes, all three communities include in their proposals language that articulates that deficiencies will be communicated back to the IANA functions operator, who is responsible for taking any corrective action.</p> | <p>ICG Proposal: P1. Annex G: Proposed Charter of the Customer Standing Committee, pg 101, para 1311</p> <p>Defining the Role and Function of the IETF Protocol Parameter Registry Operators: http://www.rfc-editor.org/rfc/rfc6220.txt</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> |
| | CCWG-Accountability |  | <p>Yes. All accountability and organizational reviews result in formal recommendations to the ICANN Board, which sets implementation plans to address each review’s</p> | <p>CCWG-Accountability Proposal: Annex 4, pg 1, paras 1-4</p> |

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| | | | <p>issues. In addition, reconsideration processes are addressed directly with the Board, while IRPs compel Board action.</p> <p>In the context of an accountability and transparency review, the review team delivers formal recommendations to the Board. The Board is responsible for responding with an implementation program, and updating the community on its implementation of the review plan.</p> <p>In some cases, deficiencies in ICANN decision-making can also be addressed directly by the ICANN community via its enforcement power as a last resort. The Board is made aware of any petition to use a community power at the outset by a Decisional Participant, and is formally included in dialogue in the Community Forum where Decisional Participants discuss the issue at the heart of a petition. At any point, the Board can end the process by addressing the petition’s issues.</p> | <p>ICANN Organizational Reviews: https://www.icann.org/resources/reviews/org</p> <p>Accountability and Transparency Review: https://www.icann.org/resources/reviews/aoc/atrt</p> <p>Article 4, Section 2 of ICANN’s Bylaws on Reconsideration Process: https://www.icann.org/resources/pages/governance/bylaws-en#IV</p> <p>Article 4, Section 3 of ICANN’s Bylaws on IRP: https://www.icann.org/resources/pages/governance/bylaws-en#IV</p> |
| <p>Is the IFO and/or ICANN Board expected to respond timely and appropriately to the findings and recommendations of auditors/reviews?</p> | <p>ICG</p> |  | <p>Yes, in the case of the ICG proposal and operations of the IANA functions, the IFO (PTI) is expected to respond appropriately and in a timely fashion when it comes to problem resolution or other matters identified by audit or review.</p> <p>For the naming function, the IFO is expected to resolve complaints as soon as possible and a structured escalation process is available if this does not happen. With respect to issues identified through standard performance monitoring, PTI will be bound to remedial action procedures in cases where it fails to execute in a timely fashion. Per the draft contract between ICANN and PTI, PTI is bound to make any necessary changes that may result from an IFR. The IFR looks at the</p> | <p>ICG Proposal:</p> <p>Pg 171, para 2089</p> <p>Pg 197, para 3053</p> <p>P1. Annex G: Proposed Charter of the Customer Standing Committee, pg 105, para 1362</p> <p>P1. Annex I: IANA Customer Service Complaint Resolution Process for Naming Related Functions, pg 110, para 1368</p> |

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| | | | <p>reporting and audits required of PTI under the contract.</p> <p>For the numbering function, the IFO is required to conduct audits as well as to facilitate and cooperate with periodic reviews as defined in an SLA. The numbers community states in its draft SLA that “time is of the essence” with regard to all dates, periods of time, and times specified in their agreement.</p> <p>For the protocol parameters function, the proposal stipulates an annual audit. Per the existing Supplemental Agreement (and future updates) between the IETF and ICANN, ICANN (as the IFO) is expected to provide an explanation regarding findings of the audit report and remediation plan within 150 days. Future updates to the Agreement, which includes performance requirements, will take into account audit findings.</p> | <p>P1. Annex S: Draft Proposed Term Sheet, pg 143</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> <p>Supplements to RFC 2860 (IETF-ICANN MoU): http://iaoc.ietf.org/contracts.html</p> |
| | CCWG-Accountability |  | <p>Yes, the ICANN Board is required to respond to a declaration from an IRP Panel at the Board’s next meeting, when possible. In the case of reconsideration requests, the Board Governance Committee will be required, following the adoption of the CCWG-Accountability recommendations, to respond within 75 days when possible, and no later than 135 days.</p> <p>In the case of the accountability and transparency reviews, the Board is required to take action within six months of receipt of the recommendations. The Board must consider the results of an organizational review no later than the second scheduled Board meeting after such results have been posted for 30 days.</p> <p>In the case of the Community Powers, at the end of the escalation process the ICANN Board will be deemed to have refused or failed to comply with a request by the</p> | <p>CCWG-Accountability Proposal:</p> <p>Annex 1, pg 7, paras 38-39</p> <p>Annex 2, pg 9, para 41</p> <p>Annex 8, pg 1, para 3</p> <p>Article 4, Section 3 of ICANN’s Bylaws on IRP: https://www.icann.org/resources/pages/governance/bylaws-en#IV</p> <p>Affirmation of Commitments: https://www.icann.org/resources/pages/affirmation-of-commitments-2009-09-30-en</p> |

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| | | | <p>Empowered Community to use one of its Community Powers if it has not complied with the request within 30 days of being advised of the request. There is no specific timeline for responding to an initial finding of an independent audit for financial mismanagement; however the ICANN community can enforce such findings through the rejection of budgets and strategic operating plans through the Empowered Community. In that case, the 30 days to comply with a community decision would apply.</p> | <p>ICANN Organizational Reviews: https://www.icann.org/resources/reviews/org</p> |
| <p>Are processes proposed to track unremediated control deficiencies and a protocol to escalate them to higher levels if necessary?</p> | <p>ICG</p> |  | <p>Yes. All three of the operational communities propose mechanisms by which to track unremediated deficiencies and have protocols in place to escalate if necessary.</p> <p>For the names proposal, the CSC is responsible for overseeing IFO performance. A number of reporting requirements are proposed for the IFO, and the CSC will analyze and publish any findings associated with them. The CSC is authorized to escalate any performance issues if necessary. A continuing problem in performance is also subject to an IFR and could trigger a special IFR. Specific to complaint resolution, a process is proposed by which a complainant sends a communication to the IFO. If the problem is not resolved, a set escalation path is available. This process was proposed by the naming community as available to anyone and for all three of the primary functions (names, numbers, protocol parameters). Further escalation as part of this process is reserved only for the naming services.</p> <p>Specific to the numbering function, that proposal calls for a Review Committee that will conduct its activities in an open and transparent manner and will publish</p> | <p>ICG Proposal: Pg 173, para 2092 Pg 197, paras 3053-3054</p> <p>P1. Annex G: Proposed Charter of the Customer Standing Committee, pg 101, paras 1314-1317</p> <p>P1. Annex G: IANA Customer Service Complaint Resolution Process for Naming Related Functions, pgs 110-111</p> <p>Draft SLA for IANA Numbering Services: https://www.nro.net/sla</p> <p>Supplements to RFC 2860 (IETF-ICANN MoU): http://iaoc.ietf.org/contracts.html</p> |

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| | | | <p>reports of its findings. This report offers a mechanism for issue tracking purposes. The SLA establishes a number of reporting requirements, including a monthly report on the IFO’s adherence to performance standards. Further, the SLA requires the IFO to document any instance where it is unable or unwilling to fulfill a numbering service request. This process initiates a number of actions and time frames by which the IFO and RIRs communicate on the matter until the issue is resolved. Should any issues or disputes not be sufficiently addressed, a dispute resolution mechanism is provided for in the SLA.</p> <p>For the protocol parameters function, the Supplemental Agreement between the IETF and ICANN requires a number of reporting mechanisms. Namely, the IFO is required to report monthly on any single points of failure as well as to provide publicly accessible monthly statistics showing work completed, work “queued,” and the length of time taken to complete work. The Supplemental Agreement articulates that “escalation processes have been established to handle the cases where timely responses are not forthcoming.”</p> | |
| | CCWG-Accountability |  | <p>Yes, all reviews, IRPs, and reconsideration requests result in formal public documents at their conclusion. ICANN Board action or inaction on any of these items is public, and in many cases the subject of mandated implementation reports. Any intentional Board action or inaction perceived to be in violation of its Bylaw-mandated role in these exercises can be appealed by the Empowered Community. There is no formal documentation process for issues raised that do not achieve sufficient community support to reach the enforcement phase of the community escalation process. However, given the very public nature of such</p> | <p>CCWG-Accountability Proposal: Annex 2, pgs 9 -11, paras 44-45</p> |

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| | | | <p>a process, there will be transcripts and other documents generated from AC, SO, and community-wide deliberations on an issue that can form a record. ICANN could build a formal repository for Empowered Community actions.</p> | |