ATRT2 Recommendation 12 Implementation
Financial Accountability and Transparency
30 June 2015

Implementation 12 Timeline

June 2015
Operationalized

Subproject Description

Recommendation 12 identifies the need to establish a firmer basis for discussing with the community how to continue developing ICANN and prioritize its work to the benefit of participants within the multistakeholder model. Such a discussion will entail three key elements: 1) revenues; 2) expenses; and 3) the prioritization of ICANN's work.

The recommendation states:
12.1 & 12.5 Board to improve participation of SO/AC in planning process, including sufficient time for interaction.
12.2 Board to take into account the correlation of revenues and expenses in the long term when planning.
12.3 Board to benchmark operations every 3 years, and publish resulting analysis.
12.4 Annual budgets to be based on multi-annual strategic plan. SO/AC budgets to be specified.

Status of Deliverables

	Responsible	Due Date
12.1 & 12.5 - The FY16-20 Strategic Plan, Five-Year (FY16-20) Operating Plan and FY16 Operating Plan and Budget were posted for public comment. The commencement date for FY16 Operating Plan and Budget was moved up to allow for sufficient time for interaction between the community and staff. This interaction resulted in improved clarity on the public comments submitted by the community, which ultimately informed ICANN staff's amendments to the final document adopted by the Board.	Staff	✔
12.2 - The correlation of revenues and expenses in the long term was enabled through the development of a 5-year financial model included in the ICANN strategic plan.	Staff	✔
12.4 – The FY16 Annual Operating Plan and Budget was derived from the Five-Year Operating Plan following community input.	Staff	✔
12.4 – The FY16 budget will be specified by SO/ AC group and presented at ICANN 54 in Dublin.	Staff	**May 2015**
12.3 - Implementation relative to benchmarking requires an evaluation as to whether the current Executive Dashboard process can be a reasonable vehicle for implementing the spirit of the recommendation.	Staff	**Target ICANN53**

☑ Complete
■ Planned/In Process
■ Behind schedule, expected to recover within original plan
■ Behind schedule, original plan to be adjusted

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Project Status

12.1 & 12.5 - The Strategic Plan, Five-Year Operating Plan and FY16 Operating Plan and Budget processes allowed for input from the ICANN community during their development stages via working groups and public comment periods. The commencement date for FY16 Operating Plan and Budget was moved up to allow for sufficient time for interaction between the community and staff. This interaction resulted in improved clarity on the public comments submitted by the community, which ultimately informed ICANN staff's amendments to the final document that was adopted by the Board on 26 June 2015.

Public Comments and Community Calls
ICANN received a wide range of comments on the Draft FY16 Operating Plan and Budget from nine organizations. ICANN staff and BFC members participated in calls with the organizations that submitted comments. The purpose of the calls was to ensure understanding of the comments so that the most clear and relevant responses possible would be provided. The comments and feedback from the community calls were reviewed by ICANN staff and BFC members and used to amend and improve the final document.

Community Calls: https://community.icann.org/display/projfinadhocws/Public+comments+submitted+on+the+Draft+FY16+Operating+Plan+and+Budget
5-year Strategic Plan Public Comment Response Report: www.icann.org/resources/pages/strategic-engagement-2013-10-10-en
5-year Operating Plan Public Comment Response Report : www.icann.org/public-comments/proposed-opplan-budget-2016-2020-2014-11-11-en
FY16 Operating Plan & Budget Public Comment Response Report : www.icann.org/public-comments/op-budget-fy16-2015-03-18-en

Working Groups
On 25-November-2014 UTC 1500 - 1600A, ICANN hosted a call during which staff and community members discussed the ICANN Draft Five-Year Operating Plan and FY16 Operating plan and Budget Calendar. On 09-February-2015 at ICANN 52 in Singapore, ICANN staff hosted a small working group to review and define budget assumptions relative to revenue, priorities, initiatives, expenses envelopes for FY16 Operating Plan and Budget.
https://community.icann.org/display/projfinadhocws/FY16+Budget+Planning+Process

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Project Status cont.

12.2 The correlation of revenues and expenses in the long term is enabled through the development of a 5-year financial model included in the ICANN Strategic Plan (FY16-20).
www.icann.org/en/system/files/files/strategic-plan-2016-2020-10oct14-en.pdf

12.3 One of the cornerstones to ICANN's financial transparency and accountability is the process mechanism used in the Annual Operating Plan & Budget and financial reporting. The KPI Dashboard reinforces ICANN's effort to be open and transparent by providing performance information, tied to ICANN's deliverables, on a regular basis. ICANN is currently revising the dashboard based on feedback received from the community at ICANN 53. Once the dashboard has been finalized ICANN will begin the process of determining whether or not it can be used to benchmark operations.

12.4 The Adopted Five-Year (FY16-20) Operating Plan includes: a five-year planning calendar; strategic goals with corresponding key performance indicators, dependencies, five-year phasing, and list of portfolios; and a five-year financial model. The Adopted FY16 Annual Operating Plan and Budget was derived from the Adopted Five-Year Operating Plan following community input and includes data on all projects to be carried out by the organization during FY16, and displays all costs categories for each project. Each project is also mapped to one of the 5 objectives of the strategic plan, through the hierarchy of portfolios and goals, making the rationale for each project and activity clear and transparent. A budget by SO/ AC group is currently being specified with a tentative publish date of October 2015. The due date for the budget by SO/ AC group for Recommendation 12.4 was changed from May 2015 to October 2015 to allow more time for community consultation on the model and assumptions.

www.icann.org/en/system/files/files/adopted-opplan-2016-2020-26apr15-en.pdf
www.icann.org/en/system/files/files/adopted-opplan-budget-fy16-25jun15-en.pdf

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Implementation Notes

The Adopted FY16 Operating Plan and Budget is the collective achievement of the ICANN community and the multistakeholder model, that transformed the goodwill of collaboration into the reality of successful output. FY16's process is a solid platform to build on for future even stronger achievements. ICANN staff is reviewing the lessons learned from the FY16 process to ensure the improvements implemented are sustained as well as future improvements are considered.

ICANN will begin the FY17 planning in the next few days.The next 2 milestones are:
- completing the planning calendar for FY17 (September 2015) and
- working with the community to establish the structure of the ICANN/PTI Operating Plan and Budget at ICANN 54 in Dublin.