

ATRT2 Recommendation 12 Implementation

Financial Accountability and Transparency

30 September 2015

Implementation 12 Timeline



Oct 2015
Original
Complete Date

March 2016
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

	Respon- sible	Re-plan Date	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 – A draft of the process to specify the FY16 budget by SO/ AC group will be presented at ICANN 54 in Dublin for community consultation and input. The final FY16 budget by SO/AC group will be finalized in the course of FY16.	Staff	Target ICANN 56	May 2015
12.3 - Implementation relative to benchmarking requires continued evaluation as to whether the current Executive Dashboard process can be a reasonable vehicle for implementing the spirit of the recommendation.	Staff	Target ICANN 56	Target ICANN 53



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 and Budget Public Comment Response Report : www.icann.org/public-comments/op-budget-fy16-2015-03-18-en

Working Groups

On 25 November 2014 at 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 of providing operational and financial performance results on ICANN's deliverables on a regular and timely basis. This has been enabled through ICANN's Quarterly Stakeholder Calls, Quarterly Financial Reporting, Audited Financial Statements and the KPI Dashboard (please see links below). Implementation relative to benchmarking requires continued evaluation as to whether the current KPI Dashboard process can be a reasonable vehicle for implementing the spirit of the recommendation. ICANN has done a multiyear roadmap for the Dashboard project and it is ICANN's intent to share/publish the KPI Dashboard (containing Goal level KPIs) with the Stakeholders on a monthly basis. ICANN is continuing to evolve its Strategic Goal level KPIs with defined targets, trends and, where applicable, benchmarks. One example of this is our 3.1 Operations KPI on percentage of staff voluntary attrition trailing twelve-month trend, which has the Radford Survey Benchmark. More information on the operational and financial performance results of ICANN's deliverables can be found here:

<https://www.icann.org/resources/pages/quarterly-reports-2014-11-13-en>

<https://www.icann.org/resources/pages/governance/financials-en>

<https://www.icann.org/news/blog/icann-beta-kpi-dashboard>

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 process to specify the FY16 budget by SO/AC group is currently being defined. ICANN staff intends to review the process with the community groups for input and recommendations at ICANN 56. The budget by SO/AC group will be finalized in the course of FY16. The due date for the budget by SO/AC group for Recommendation 12.4 was changed from May 2015 to FY16 to allow more time for community consultation on the model and assumptions. More information on the Adopted Five-Year Operating Plan can be found here:

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 has finalized the FY17 Operating Plan and Budget process and timeline. ICANN staff met with the community on 22 Sep 2015 and 18 Oct 2015 to:

- review the planning process and calendar
- consult the community on revenue and expense assumptions for FY17 and
- work with the community to establish the structure of the ICANN/PTI Operating Plan and Budget

ICANN staff will continue to have multiple interactions with the community on the FY17 Operating Plan and Budget process throughout FY16 per the process and timeline.

The recordings of the meetings can be found here:

<https://community.icann.org/display/projfinadhocws/FY17+Operating+Plan+and+Budget+Process>