ATRT2 Recommendation 12 Implementation
Financial Accountability and Transparency
Recommendation fully implemented as of 30 June 2016

Implementation 12 Timeline

June 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-ible	Re-plan Date	Due Date
12.1 & 12.5 – The processes to develop the Strategic Plan, Five-Year Operating Plan and Annual Operating Plan and Budget allow for input from the ICANN community during their development stages via multiple working groups, calls, webinars and public comment periods. In addition, the commencement date for these planning processes have been moved up versus prior years to allow for sufficient time for interaction between the community, ICANN Board and staff. These interactions result in improved input from the community, which ultimately inform ICANN staff's draft and final documents.	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	✓	✓
12.3 – ICANN currently identifies targets in its KPI Dashboard which informs the Annual Report that is reviewed and approved by the ICANN Board. Benchmark references will be included in the KPI Dashboard once a comparable non-profit organization is identified. The estimated time for the first benchmarking study to be completed is FY18.	Staff	✓	✓
12.4 – The Annual Operating Plan and Budgets are derived from the Five-Year Operating Plan following community input. Specific budgets for the SO/AC groups are included in the Annual Operating Plan and Budgets under Objective 1 - Evolve and further globalize ICANN. A draft of the process to specify the entire annual budget by SO/ AC group will be presented at ICANN 59 for community consultation and input.	Staff	✓	✓

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

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Recent Update:

12.1 & 12.5 The successes achieved for FY16 and FY17 have been leveraged and incorporated into the draft FY18 process.

12.2 The correlation of revenues and expenses in the long term is embedded in the ICANN Strategic Planning process.

12.3 ICANN currently identifies targets in its KPI Dashboard which informs the Annual Report that is reviewed and approved by the ICANN Board. Benchmark references will be included in the KPI Dashboard once a comparable non-profit organization is identified. The estimated time for the first benchmarking study to be completed is FY18.

12.4 ICANN's annual budgets are based on ICANN's Five-year Strategic Plan. The annual Operating Plan and Budget development process includes an update to the Five-year Operating Plan based on progress toward the strategic goals defined in the Five-year Strategic Plan.

Specific budgets for the SO/AC groups are included in the Annual Operating Plan and Budgets under Objective 1 - Evolve and further globalize ICANN. The budget covers the direct support of activities such as developing work plans and priorities; managing logistics, content, and reports of all meetings and workshops; and preparing and publishing work products. The financial impact of indirect and shared services support of SO/ AC activities is currently being defined and will be presented at ICANN 59 for community consultation and input.

Project Status

12.1 & 12.5 - The processes to develop the Strategic Plan, Five-Year Operating Plan and Annual Operating Plan and Budget allow for input from the ICANN community during their development stages via multiple working groups, calls, webinars and public comment periods. In addition, the commencement dates for these planning processes have been moved up versus prior years to allow for sufficient time for interaction between the community, ICANN Board and staff. These interactions result in improved input from the community, which ultimately inform ICANN staff's draft and final documents. These interactions have been well received by the community and will continue to be a part of the planning and budgeting processes in the future.

Working Groups, calls, webinars:
FY16
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
FY17

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Project Status (continued)

For the FY17 process, ICANN staff continued its interaction with the community via a webinar, face-to-face working groups and meetings with SO/AC groups in Dublin and Marrakech, and a high interest topic session in Marrakech.

- 22 Sep 2015 webinar: https://community.icann.org/display/projfinadhocws/22-Sep-2015+FY17+Operating+Plan+and+Budget+Kick-off+Webinar;
- 18 Oct 2015 Working Group (Dublin): https://community.icann.org/pages/viewpage.action?pageId=56139362,
- 21 Oct 2015 Operations Update (Dublin): https://meetings.icann.org/en/dublin54/schedule/wed-operations
- 06 Mar 2016 Working Group (Marrakech): https://icann.adobeconnect.com/p7i5warfom6/?launcher=false&fcsContent=true&pbMode=normal
- 10 Mar 2016 High interest topic (Marrakech): https://community.icann.org/pages/viewpage.action?pageId=58732903

Public Comments and Community Calls
ICANN received a wide range of comments on the Draft FY16 and FY17 Operating Plan and Budgets from multiple contributors. ICANN staff and Board Finance Committee (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 documents.
FY16
- 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
- Community Calls: https://community.icann.org/display/projfinadhocws/Public+comments+submitted+on+the+Draft+FY16+Operating+Plan+and+Budget

FY17
- 5-year Operating Plan Update and FY17 Operating Plan & Budget Public Comment Response Report: https://www.icann.org/en/system/files/files/report-comments-op-budget-fy17-five-year-06jun16-en.pdf
- Community Calls: https://community.icann.org/display/projfinadhocws/Calls+with+Community+on+Public+Comments+Submitted+on+the+Draft+FY17+Operating+Plan+and+Budget

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Project Status (continued)

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 (see links below). ICANN currently identifies targets in its KPI Dashboard which informs the Annual Report that is reviewed and approved by the ICANN Board. Benchmark references will be included in the KPI Dashboard once a comparable non-profit organization is identified. The estimated time for the first benchmarking study to be completed is FY18.

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
https://www.icann.org/resources/pages/governance/annual-report-en

12.4 The Adopted Five-year (FY16-20) Operating Plan Update 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 Annual Operating Plan and Budgets are derived from the Adopted Five-year Operating Plan Update following community input. The document includes data on all projects to be carried out by the organization during the fiscal year and displays all costs categories for each project. Each project is also mapped to one of the five objectives of the strategic plan, through the hierarchy of portfolios and goals, making the rationale for each project and activity clear and transparent. Specific budgets for the SO/AC groups are included in the Annual Operating Plan and Budgets under Objective 1 - Evolve and further globalize ICANN. The budget covers the direct support of activities such as developing work plans and priorities; managing logistics, content, and reports of all meetings and workshops; and preparing and publishing work products. The financial impact of indirect and shared services support of SO/ AC activities is currently being defined and will be presented at ICANN 59 for community consultation and input.

https://www.icann.org/en/system/files/files/adopted-opplan-2016-2020-27jun16-en.pdf
https://www.icann.org/en/system/files/files/adopted-opplan-budget-portfolio-project-fy17-25jun16-en.pdf

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Implementation Notes

The annual Operating Plan and Budgets are the collective achievement of the ICANN community and the multistakeholder model, that transformed the goodwill of collaboration into the reality of successful output. The development process is a solid platform to build on for future stronger achievements. ICANN staff will continue to review the lessons learned from each year's process to ensure improvements are implemented and sustained.

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