ATRT2 Recommendation 12 Implementation
Financial Accountability and Transparency
31 March 2016

Implementation 12 Timeline

June 2017
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.
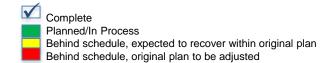
The recommendation states:
12.1 & 12.5 Board to improve participation of SO/AC in planning process, including sufficient time for interaction.
12.2 Board to take into account the correlation of revenues and expenses in the long term when planning.
12.3 Board to benchmark operations every 3 years, and 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 FY17 budget by SO/ AC group will be presented at ICANN 59 for community consultation and input.	Staff	FY17	May 2015
12.3 – ICANN will include benchmark references in the KPI Dashboard. This will implemented once the stability of the dashboard has been confirmed. The estimated time for implementation is FY18.	Staff	FY18	FY16

☑ 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 have been leveraged and implemented into the FY17 process.

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

12.3 It has been determined that ICANN's KPI Dashboard can be a reasonable vehicle for implementing the spirit of the recommendation. ICANN will begin including benchmark references in the KPI Dashboard once the stability of the dashboard has been confirmed. The estimated time for implementation 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 5-Year Op Plan based on progress toward the strategic goals defined in the Five-year Strategic Plan. A process to specify annual budgets by SO/AC is being defined.

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 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 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 (continued)

The successes achieved for FY16 have been leveraged and implemented into the FY17 process. This includes a number of working groups and community calls to that were held to enable interaction between the community and staff on the draft Five-Year Operating Plan update and draft FY17 Operating Plan and Budget. Both documents were posted for public comment on 05 March 2016. This is the earliest that ICANN has ever published these draft documents; this has allowed more time for interaction with the community and a longer public comments period (56 days). ICANN staff continued its interaction with the community via a face-to-face working group, meetings with SO/AC groups and a high interest topic session in Marrakech. In addition, ICANN has scheduled calls with community members that have or will submit public comments on the documents.

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). It has been determined that ICANN's KPI Dashboard can be a reasonable vehicle for implementing the spirit of the recommendation. ICANN will begin including benchmark references in the KPI Dashboard once the stability of the dashboard has been confirmed. The revised estimated time for implementation 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

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 five 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 ICANN budget by SO/ AC group is currently being defined. ICANN staff intends to review the process with the community groups for input and recommendations by ICANN 59.

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Project Status (continued)

The due date for the budget by SO/ AC group for Recommendation 12.4 was changed from FY16 to ICANN 59 to allow more time for development and 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

Implementation Notes

The Adopted FY16 Operating Plan and Budget was 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 was a solid platform to build on for future even stronger achievements. ICANN staff has reviewed the lessons learned from the FY16 process to ensure the improvements implemented are sustained as well as future improvements are considered. The successes achieved for FY16 have been leveraged and implemented into the FY17 process.

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 (recordings can be found at the link below) 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 has had multiple interactions with the community on the FY17 Operating Plan and Budget process throughout FY16 per the process and timeline. This interaction has been well received by the community and will continue to be a part of the planning and budgeting process in the future.

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

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