



Operations Update

24 June 2015

Agenda

- ⦿ Management Systems
- ⦿ FY16 Operating Plan & Budget
- ⦿ FY15 Financials - Overview
- ⦿ Enterprise Risk Management
- ⦿ Dashboard
- ⦿ Organizational Excellence

Management Systems



A world map where the continents are defined by a complex network of white dots and thin white lines, resembling a social network or a data visualization. The background is a solid teal color.

FY16 Operating Plan & Budget

FY16 Budget: Public comments

1

Summary of public comments received

- 9 Organizations / 85 comments
- Topics: Policy support insufficient, lack of clarity on USG Transition, comments/questions on KPIs

2

Responses to Public comments

- Calls with SO/AC – Board (BFC) – Staff
- Draft responses reviewed by Board members
- Responses published on June 5th

3

Changes to the Draft Budget

- Policy support: INcreased by \$0.5m (incl. 2 FTE)
- Language Services: INcreased by \$0.6m
- Contingency: DEcreased by \$1.1m
- Clarification on impact of USG Transition
- Other language edits or additions

A world map where the continents are defined by a network of white dots connected by thin white lines. The background is a solid teal color. The text 'FY15 Financials -Overview' is centered over the map in a bold, white, sans-serif font.

FY15 Financials -Overview

Preliminary forecast resulting from:

- 10 months of actual results (July through April)
- 2 months of forecasted activity (May+June)

Unaudited	Forecast	Budget	Var	%
Revenue	\$103.0	\$104.0	(\$1.0)	-1%
Baseline Operating Expenses	(100.5)	(101.3)	0.8	-1%
Initiative (USG Transition)	(7.9)	(6.9)	(1.1)	16%
Other Income/ (Expense)	1.0	0.0	1.0	0%
Net asset change	(4.4)	(4.2)	(0.2)	6%
Net asset change – Cash impact	1.6	1.1	0.5	47%
Capital Expenditures	(7.5)	(8.0)	0.5	-6%
Funding from Reserve Fund (USG Stewardship Transition)	1.5	6.9	(5.4)	-78%
Net impact on Operating Cash	(\$4.4)	(\$0.1)	(\$4.4)	n/a

*: Net asset change (4.4), removing non-cash expenses (6.0), equal the Cash impact of the Net asset change

Actuals after 11 months

- Actual spend includes legal firms accruals (invoices pending)
- Legal firms spend close to \$3m since 1 March.
- Possible excess of spend vs budget

FY15 USG Stewardship Transition Costs

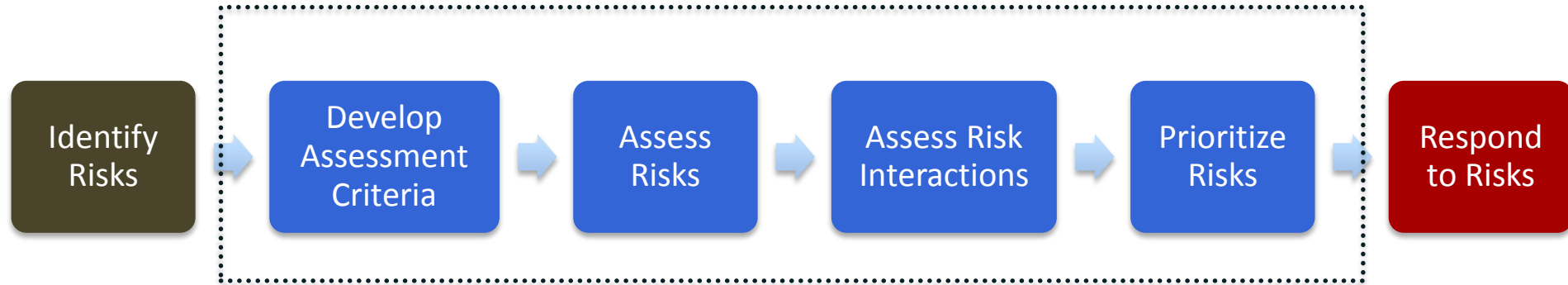
31-May-15

Track	Personnel*	T&M	Prof. Svcs.	Admin	YTD Actual	YTD Budget	Better/ (Worse)	FY15 Budget	Left to Spend
Transition of U.S. Government stewardship of IANA functions	\$0.4	\$0.7	\$2.7	\$0.1	\$3.9	\$2.9	-\$1.0	\$3.1	-\$0.8
Strengthen ICANN Governance & Accountability	0.4	0.3	2.1	0.0	2.9	2.1	-0.7	2.3	-0.6
Post-Transition: Document strengthened relationships with policy and advisory bodies	0.2	0.0	0.0	0.0	0.2	0.7	0.5	0.8	0.6
Maintain security and stability of implementation of root zone updates	0.0	0.0	0.0	0.0	0.1	0.6	0.5	0.7	0.7
Total	\$1.0	\$1.1	\$4.8	\$0.1	\$7.0	\$6.2	-\$0.7	\$6.9	-\$0.1

A world map where the continents are defined by a complex network of white nodes and connecting lines, set against a solid teal background. The nodes vary in size and are densely packed in some areas, creating a digital or network-like appearance of the globe.

Enterprise Risk Management (ERM)

ICANN Risk Assessment Process



Leveraging COSO ICIF (Committee of Sponsoring Organizations Internal Controls Integrated Framework-v2013)

- Identify the risk via inquiry
- Measure impact/likelihood
- Make a decision
- Respond

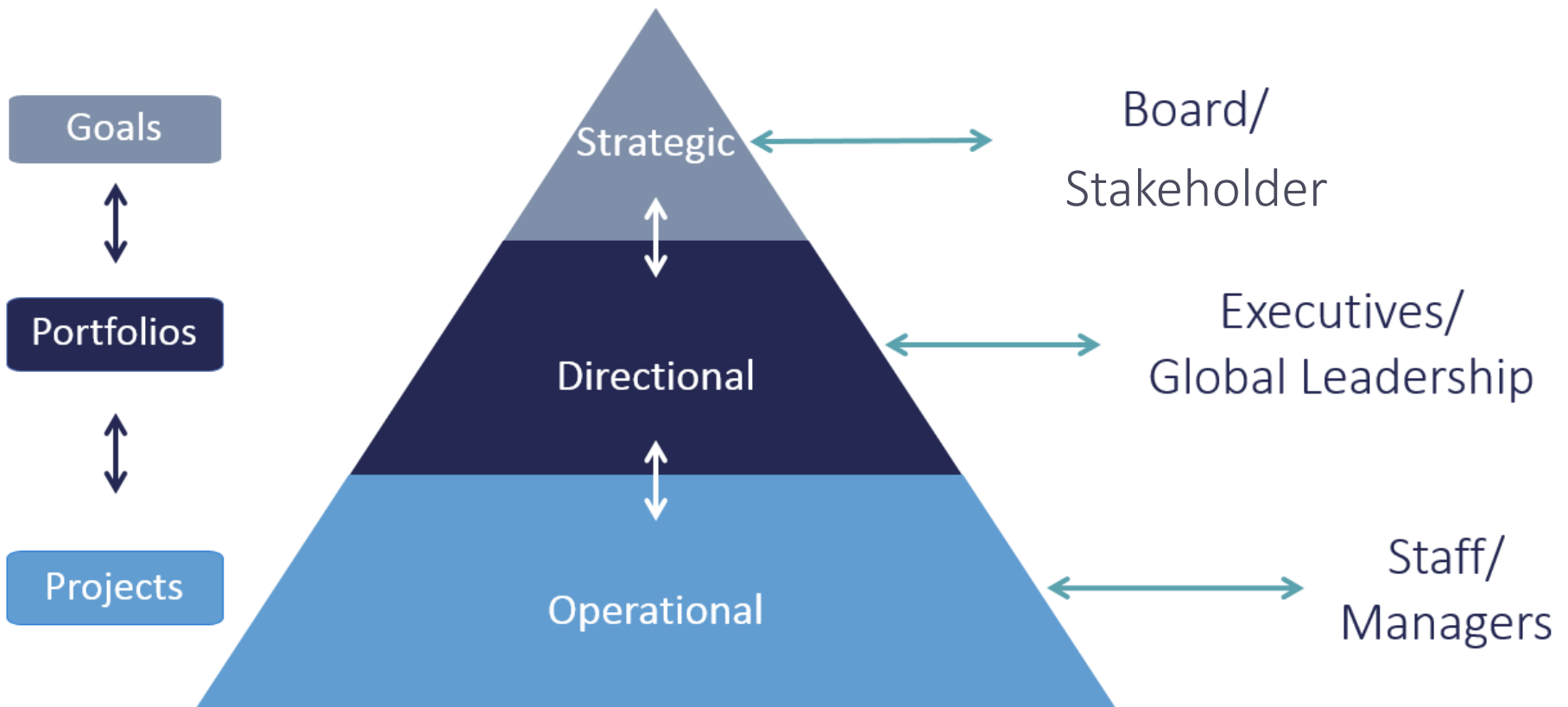
ERM Roadmap – Short-Term

	FY15		FY16		
	Prior to June	June	Q1	Q2	Q3
5-Yr Strat./Op. Plan Alignment	✓		★		
Framework & Methodology	✓	Evaluate	Progress Update	Review Results	
Board/Stakeholder Insights	✓	Review Approach			Seek
Reporting:					
- Annual - Risk Mgmt Report			Finalize	Communicate	
- Quarterly - Risk Assessment - KSFs & KPIs - Mitigation plan & status - Controls	✓		★	★	★

The image features a teal background with a white network of nodes and lines forming a world map. The nodes are of varying sizes and are connected by thin white lines, creating a complex web that outlines the continents. The word "Dashboard" is written in a bold, white, sans-serif font on the left side of the map.

Dashboard

Purpose & Audience



Dashboards to achieve multiple Purposes for multiple Audiences

Completed =

- ◉ Dashboard structure aligns with Operating Plan
- ◉ Project & Portfolio level Dashboard in use & continue to advance

In progress =

- ◉ At ICANN 53, previewing Goal-level Dashboard Beta version to engage Board & Stakeholders' input

Next steps =

- ◉ Target to release Objective & Goal level “ICANN KPI Dashboard” by August 2015 Quarterly Stakeholder call
- ◉ Dashboards will continue to advance



Dashboard

Objectives & Overall Status

1	Evolve and further globalize ICANN	76
2	Support a healthy, stable and resilient unique identifier ecosystem	...
3	Advance organizational, technological and operational excellence	87
4	Promote ICANN's role and multistakeholder approach	...
5	Develop and implement a global public interest framework bounded by ICANN's mission	81

How to read and understand the charts :

Problematic
Immediate Actions Required

0-49

Below Target
Corrective Actions as needed

50-84

On Target
No corrective actions required

85-100

The number reflects the weighted score of the dashboard charts per goal.



ICANN KPI Dashboard

As of March 2015 (FY2015)

Beta v1.0

Dashboard

Dashboard > Objective 3 & Goals

Objective Status

3	Advance organizational, technological and operational excellence	87
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Goals Overall Status

3.1	Ensure ICANN's long term financial accountability, stability and sustainability	94
	Actual to budget reserve fund balance & utilization, and financial performance metrics	●
	Internal control performance indicators	●
	% Project completion indices (with emphasis on major projects)	●
	Comparing actual to target – Staff voluntary attrition trailing 12 month trend	●
	Comparisons of actual to target enterprise risk management roadmap achievement	●
	ON-time delivery index of the ICANN Planning process	●



Dashboard

Dashboard > Objective 3 & Goals > Goal 3.1

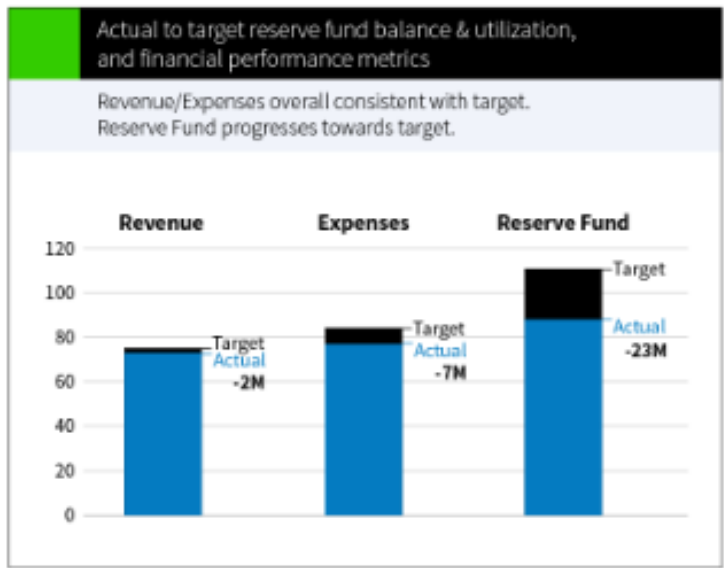
Objective Status

3 Advance organizational, technological and operational excellence **87**

Goals Overall Status

3.1 Ensure ICANN's long term financial accountability, stability and sustainability **94**

KPI Status



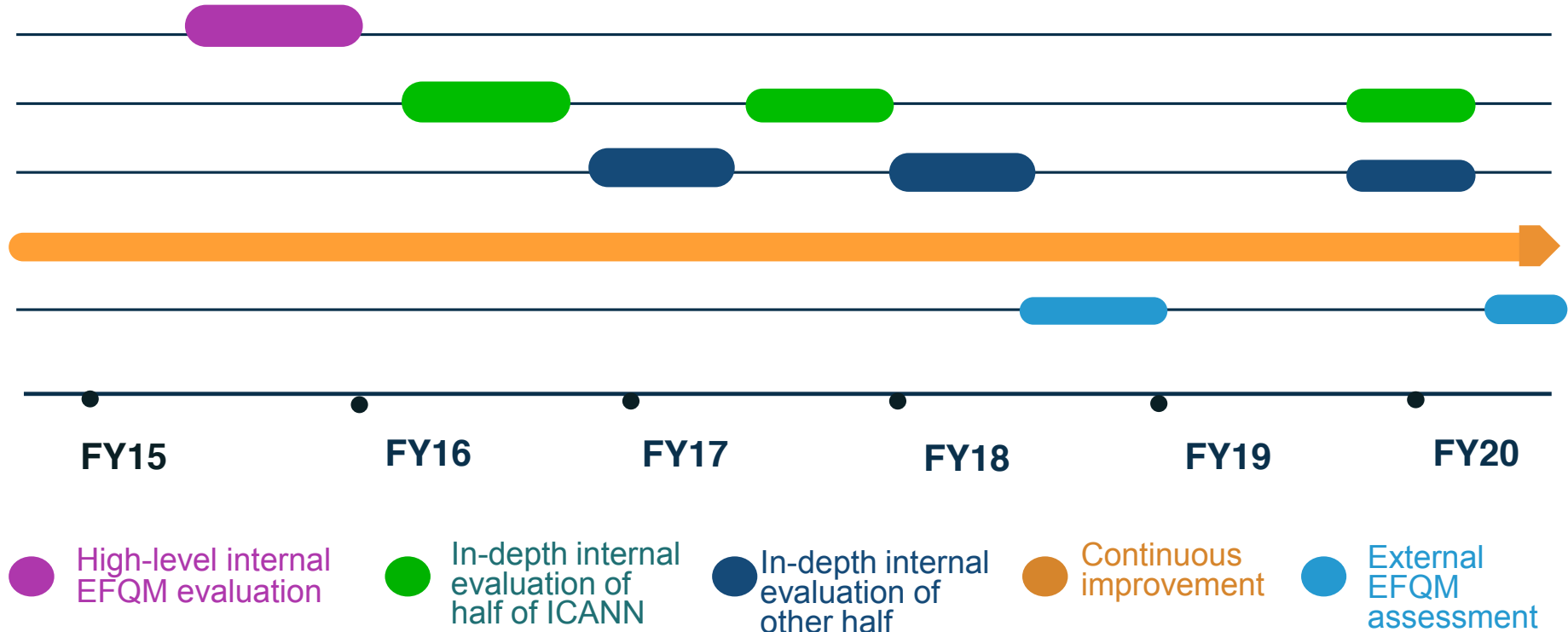
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Organizational Excellence

Summary

- ⦿ ICANN is applying EFQM Excellence Model in driving organization excellence across ICANN
 - ⦿ Leveraging the experience gained from the IANA Department's EFQM program (started in 2009)
- ⦿ Progress in FY15:
 - ⦿ Completed a draft high-level assessment of the organization using EFQM Methodology
 - ⦿ Identified initial set of improvements
 - ⦿ Developed roadmap to reach an external assessment by FY18

5-year roadmap



Continuous improvement:

After each evaluation, the groups will work on identified improvements to be ready for the next evaluation



Question & Answer