FY16 Operating Plan & Budget

- FY15 Financials - Overview
- Dashboard
- Organizational Excellence
FY16 Operating Plan & Budget
Summary of public comments received
• 9 Organizations / 85 comments
• Topics: Policy support insufficient, lack of clarity on USG Transition, comments/questions on KPIs

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

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
FY15 Financials - Overview
Preliminary forecast resulting from:

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

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

*: 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

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

Dashboards to achieve multiple Purposes for multiple Audiences
Status & Plan

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
## Objectives & Overall Status

<table>
<thead>
<tr>
<th>Objective</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Evolve and further globalize ICANN</td>
<td>76</td>
</tr>
<tr>
<td>2. Support a healthy, stable and resilient unique identifier ecosystem</td>
<td>...</td>
</tr>
<tr>
<td>3. Advance organizational, technological and operational excellence</td>
<td>87</td>
</tr>
<tr>
<td>4. Promote ICANN's role and multistakeholder approach</td>
<td>...</td>
</tr>
<tr>
<td>5. Develop and implement a global public interest framework bounded by ICANN's mission</td>
<td>81</td>
</tr>
</tbody>
</table>

### How to read and understand the charts:

- **Problematic**: Immediate Actions Required
- **Below Target**: Corrective Actions as needed
- **On Target**: No corrective actions required

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-49</td>
<td>Problematic</td>
</tr>
<tr>
<td>50-84</td>
<td>Below Target</td>
</tr>
<tr>
<td>85-100</td>
<td>On Target</td>
</tr>
</tbody>
</table>

The number reflects the weighted score of the dashboard charts per goal.
ICANN KPI Dashboard
As of March 2015 (FY2015)

Dashboard

**Objective Status**

<table>
<thead>
<tr>
<th>#</th>
<th>Objective</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Advance organizational, technological and operational excellence</td>
<td>87</td>
</tr>
</tbody>
</table>

**Goals Overall Status**

<table>
<thead>
<tr>
<th>#.</th>
<th>Objective</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Ensure ICANN's long term financial accountability, stability and sustainability</td>
<td>94</td>
</tr>
</tbody>
</table>

- 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
Objective Status

3. Advance organizational, technological and operational excellence

Goals Overall Status

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

KPI Status

Actual to target reserve fund balance & utilization, and financial performance metrics

Revenue/Expenses overall consistent with target.
Reserve Fund progresses towards target.
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
After each evaluation, the groups will work on identified improvements to be ready for the next evaluation.

**Continuous improvement:**
After each evaluation, the groups will work on identified improvements to be ready for the next evaluation.
Question & Answer
Management Systems

- Strategic Plan
- Reporting / Dashboard
- Operating Plans
- Organizational Excellence
- Enterprise Risk Mgmt.
- Budget / Cost Mgmt.
- People Performance Mgmt.
- Project Portfolio Mgmt.

**Phases Key**
- Strategy
- Implementation
- Results