

Fiscal Year 2013 Draft Operating Plan and Budget

**Business Constituency
Reply Comments**

Status: Final
15 June 2012

GNSO // BC

Overview:

This document is prepared by the **Business Constituency**

We welcome the release of Draft FY13 Operating Plan and Budget on the 1 May 2012 as planned and the subsequent webinar presented by Xavier Calvez.

The BC Vice Chair for Finance and Operations outlined the draft Budget to the BC members on a members call and submitted comments at the end of the initial comment period on the 25th May and circulated them to the BC members. When this period was un-expectedly extended we resubmitted the same comments as a BC document.

We welcome this opportunity to reply comment on the FY13 Operating Plan & Budget as we have deep interest in this subject.

We welcome the efforts that are emerging to improve the interaction by the CFO and his team with the leadership of the SOs/ACs and the entities within the GNSO – its constituencies and stakeholder groups regarding input to the operating plan and budget.

Members of the CSG leadership have discussed the proposal to submit joint comments prepared by the Budget and Operating Plan Work Group but due to time restraints are not able to prepare such a document.

Our comments will primarily respond to these comments and those of the ccNSO and the SSAC

ccNSO SOP WG Comments

<http://forum.icann.org/lists/op-budget-fy13/msg00012.html>

The BC comment the ccNSO SOP WG on the quality of the comment document.

Adverse impact of changed comment process. – we agree

The public comment period adjusted to meet ATRT Recommendation 15-17 caused a reduced comment period from 31 to 24 days. This was extended allowing some groups to resubmit fuller documents and then leaving only 7 days to concentrate on the response cycle. In the comments for the framework and the Draft Budget this split has not been helpful and looking at other ICANN comments for guidance on how to respond reveals a chaotic mixture of comments and responses in both periods.

Need to increase predictability of the planning process. – we agree

Lack of measurable goals - we agree

Diverging increase in revenue and expenses.

The BC has called for increased resources in a number of areas such as contractual compliance and SSR and WHOIS, and therefore expect the costs to increase. We would go as far as to say that

“costs are spiraling out of control” but we do agree the increases represent “**management challenge**” and there is little detail in the increase of profession services.

Large FY12 budget vs forecast deviation. We agree and would like to know the reasons for the structural under spend and which projects were scaled back.

Lack of focus - we agree to the unclear priorities within the 13 strategic priorities and 25 projects.

Expense Area Groups left out - we agree and commented as such the BC comments “We note the dropping of Expense Area groups (included in the Budget Initial Consultation presentation in Dakar (slide 10) and (FY12 Appendix C Table C-3)”

Confusing use of the term core operations – we agree and were equally confused not only with the terms as explained by the SOP WG but we were unable to numerically separate the items as “Core + Projects = Total” Please refer to three table in the BC comment submission.

Lack of clarity about projects and their relationships and prioritization - agree see above and BC submission.

Organizational effectiveness and improvements – agree on the need but have very little information on this subject on which to base and comment.

Security Stability and Resilience operations - We support clarity and are interested to read that the SSR department has published a FY2013 plan and note that SSR review team recommendations endorsed by the recent public comment should be reflected as priorities in the Fy’13

Contractual compliance – We attach the highest importance to contractual compliance welcome the increase in recourses but are unable to determine how much of the proposed staff and project cost occur within the contractual compliance department as we understand it.

Core meeting logistics – like the SOP WG the BC is unsure of the details (and lack of numbers) that are used to explain the increase in meeting costs.

Community support - we agree and attach importance to community support.

Global Engagement and increasing international participation – we agree

DNS operations - we agree

SSAC Comments

<http://forum.icann.org/lists/op-budget-fy13/msg00013.html>

We are also surprised to learn of the overall decrease in support for the SSAC. Whilst we have not studied the full detail contained in the SSAC comment the BC supports the SSAC and its ongoing work in producing some excellent and useful reports.

As an overall statement, the BC must note that at present the level of information is similar to previous budgets and still not sufficient for the kind of input and feedback that is needed by the stakeholders, and certainly not sufficient to fulfill the requirements of transparency and accountability, per the AoC agreement.

An example of this can be seen in the sheer number of questions posed in the BC FY13 Framework Comment and the FY13 Draft Budget comment.

We call upon the Board Finance committee to instruct the CFO to prepare the FY14 budget cycle with an additional level of numerical detail or minute rationale for not doing so. We are aware of the valid reasons for not providing detail and we are there for asking for one step in the direction of detail at this time. The CFO and staff must be fully supported in respect of this.

Yet, we do acknowledge that the present approach is a strong step in the right direction and applaud the work that the new CFO/staff are undertaking.

The BC reiterates our request for an informal budget group drawn from the leaders/designees of the SO/AC/SG/Constituencies to continue to interact with the CFO/team.

Document Review:

This document was authored by **Chris Chaplow** Vice Chair Finance and Operations, Business Constituency and sent to the BC members for review 24 hours in advance of submission ahead of the reply round deadline.