

ICANN'S Response to the CCWG Accountability Re: Risks

Introduction:

The Cross Community Working Group on Enhancing ICANN Accountability (CCWG Accountability) made a request to the Board Risk Committee to provide it with certain information. The stated reason for the request is that one of the expectations of the CCWG Accountability (as defined in its Charter) is to provide stress tests:

In order to facilitate evaluation and adoption of its proposals, the CCWG-Accountability is expected to provide a detailed description on how its proposals would provide an adequate level of resistance to contingencies (“stress tests”), within the scope of each Work Stream.

The CCWG initiated work to identify the main contingencies against which to test their future proposals.

The CCWG Accountability identified that the Board's Risk Committee Charter (<https://www.icann.org/resources/pages/charter-8a-2012-02-25-en>) mentions that one of the activities of the committee relates to:

Oversight of the significant non-financial risk exposure for ICANN and steps taken to monitor and control such exposure;

The CCWG Accountability requested the “list of contingencies” in order to avoid duplicating work that has already been done as well as ensuring that the CCWG Accountability does not overlook a significant risk in its stress tests.

The CCWG stressed that their request does not extend to the risk mitigation plans or business continuity measures implemented by ICANN, but only the list of contingencies. The CCWG Accountability further indicated that they fully appreciate that such information be kept strictly confidential. Should there be certain contingencies that the Committee would classify as confidential, the CCWG would certainly understand this decision and the CCWG would appreciate it if the list provided mentioned that one or several items have been removed due to confidentiality.

ICANN has a proven commitment to accountability and transparency in all of its practices. Indeed, ICANN considers these principles to be fundamental safeguards in ensuring that its international, bottom-up, multistakeholder model remains effective. This summary is intended to provide a brief insight into ICANN's risk management activities and a slightly expanded version of it has been published on ICANN's website at <https://www.icann.org/en/system/files/files/summary-risk-management-process-23jan15-en.pdf>.

ICANN staff members, working with external experts, have conducted various enterprise-wide, new gTLD, and DNS risk assessments, among others.

Definition of Risk:

The Board Risk Committee clarified with the CCWG Accountability that the “contingencies” being referred to by the CCWG, are what are also referred to as “risks” and the term “risks” will be used in this response.

ICANN Enterprise-Wide Risks:

ICANN has identified that enterprise-wide risks listed below.

The list has evolved over time and will continue to do so, as circumstances change. The list is in no particular order.

- Failure to adequately maintain and adhere to existing accountability mechanisms.
- Failure to demonstrate sufficient accountability and transparency of organization
- Lower revenues than forecasted.
- Adverse legal or other dispute resolution ruling, including possible related penalties, fees and costs.
- Failure to sufficiently manage and enforce the hundreds of contracts with TLD operators.
- Unsuccessful delivery of a stakeholder proposal and other relevant deliverables for a successful NTIA stewardship transition of the IANA Functions.
- Significant financial loss, other than lower-than-anticipated revenues (e.g., fraud, investment loss, etc.).
- Potential issues for New gTLD Program related to accountability mechanisms due to possible adverse decision or failure of mechanism/process.
- Unfunded operational costs or unplanned expenses.
- Potential perception that not all conflicts of interests are identified during decision-making process.
- Possible perception that ICANN has poor global engagement, transparency, policy, coordination and communication.
- Significant increase in legal or other dispute resolution filings that could challenge staff capacity, distract leadership and disrupt operations.
- Policy development process is too slow or ineffective, participants decrease or stagnate, or failure to bring new stakeholders into the model.
- Potential legal actions from parties that believe that they have been injured resulting from New gTLD Program.
- Significant revenue reduction (e.g., reduced domain name volume, reduced ccTLD contributions, reduced registrar fees, etc.).
- Perception of failure to implement and help achieve a global multi-stakeholder distributed IG ecosystem according to the widely accepted Net Mundial Principles.

- Possibility that current supporting organization and advisory committee (SO/AC) structures cannot scale to include and support new global entrants and participants.
- Unsuccessful implementation of adopted recommendation resulting from various Affirmation of Commitment reviews.
- Insufficient progress towards major project implementation (e.g., gTLD, IDN fast track, DNSSEC, etc.).
- Inability to deliver commitments (mission, operational objectives, strategic initiatives) due to limited resources, budget, or prioritization.
- Key skills depart ICANN (consultants or staff) without clear succession plan for continuation of operating functions or exchange of knowledge and documentation.
- Lack of improving trust in the multi-stakeholder model.
- Contracted party non-payment or service provider non-performance (e.g., registrar, registry, and vendors).
- Failure to effectively facilitate international participation in DNS Technical Coordination in the event of significant Internet security, stability or resiliency incident.
- DNS vulnerability to attacks (root) causing disruption to Internet operability (DDoS Attacks, Cache Poisoning, etc.).
- Potential data breach of personal or confidential data from ICANN systems; confidential data made public.
- Failure of the community accountability process to adequately address ICANN accountability in light of its changing historical relationship with the USG.
- Ineffective contractual compliance approach, process, and audits (registries, registrars, others).
- Inconsistent communication and messaging to stakeholders, leading to confusion and lack of understanding.
- Poor fiscal policy-making or gross mismanagement.
- Potential for ineffective technical business continuity management given an event occurs (e.g., data back-up, disaster recover planning, data outage, etc.).
- Potential lack of operational efficiency, excellence and discipline due to lack of internal collaboration and clearly defined roles and responsibilities.
- One or more governments' policy changes that negatively affect different sectors of a stakeholder or regional work and current functionality of SO/AC model.

To find details of strategic risks that ICANN may face, please click the link below to the 'ICANN Strategic Plan for fiscal years 2016-2020'.

<https://www.icann.org/en/system/files/files/strategic-plan-2016-2020-10oct14-en.pdf>