

# Finance & Administration



**WIKIMEDIA**  
FOUNDATION

# Wikimedia Foundation Q1 Resource Update



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# Goals

1. Understand our resource utilization in Q1
2. Identify key resource questions to consider during the Tuning Sessions

# Summary of Q1 Financial Results

- Generated a surplus of **\$5.1M** relative to our budget as of Q1
  - Revenue was \$3.4M or 25% over budget
  - Expense was (-\$1.7M) or (-8%) under budget
- Open positions at **33** end of Q1
- Underruns in Professional Services and Contractors (-\$637k) or (-24%)
- Functional breakdown was Program: 73%, Fundraising: 11%, General & Admin: 16%

# Q1 Financial Results

	(September)	(September)	(September)	(September)		
	MTD Act (\$)	MTD Var (%)	QTD Act (\$)	QTD Var (%)	YTD Act (\$)	YTD Var (%)
<b>Total Revenue</b>	<b>A</b> 9.2	35%	17.1	25%	17.1	25%
<b>Programmatic</b>	5.2	-3%	14.7	-7%	14.7	-7%
Personnel Exp	<b>B</b> 3.7	4%	10.2	1%	10.2	1%
Services & Travel	<b>C</b> 0.6	-28%	2.4	-29%	2.4	-29%
Grants	0.32	15%	0.62	23%	0.62	23%
Data Center Exp	<b>D</b> 0.1	-65%	0.9	-23%	0.9	-23%
Others*	0.4	36%	0.8	-12%	0.8	-12%
<b>Fundraising</b>	0.9	-1%	2.2	-2%	2.2	-2%
<b>General &amp; Admin.</b>	0.6	-52%	3.3	-11%	3.3	-11%
<b>Total Expense</b>	6.7	-11%	20.2	-8%	20.2	-8%
<b>Change in Net Assets</b>	2.5	-	-3.1	-	-3.1	-

## QTD Explanation

- A Revenue:** Fundraising and investment income both overperformed. Q1 activities concluded with the continuation of pre-testing of English email campaign & French campaign
- B Personnel:** Delays in hiring from the CE re-org and other projected hiring delays in Technology are principal drivers to staffing underrun. Q1 concluded with 8% under targeted headcount
- C Services & Travel:** Many teams and departments have continued their projects from last fiscal with the existing use of contractors. Departments are ramping up their engagements with the budgeted professional services providers.
- D Data Center Exp:** Updated depreciation policy on data center capitals

# of Headcounts
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SEP Act	SEP Var (%)	AUG Act	JUL Act
359	-8%	344	343

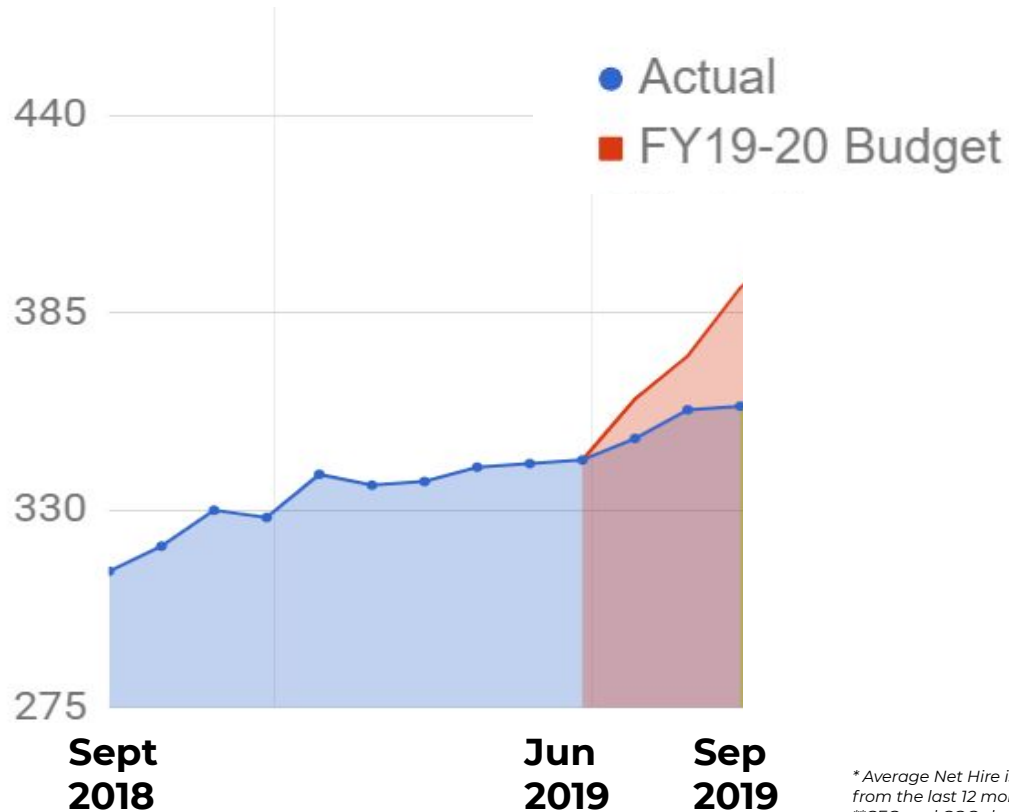
All amounts in \$Millions

\*Others included Legal fees, Endowment and miscellaneous expenses

# Key Questions & Considerations

- How should we update our hiring plan as a result of where the Foundation stands today?
  - How does an updating our hiring plan interplay with decisions on Key Deliverables and work plans?
  - How do our operational results and lessons learned from Q1 inform our prioritization of staffing?
- How does our ramp-up of new Key Deliverables and projects affect resource allocation decisions?
- Where are there opportunities for investing in our priorities?

# Hiring Update

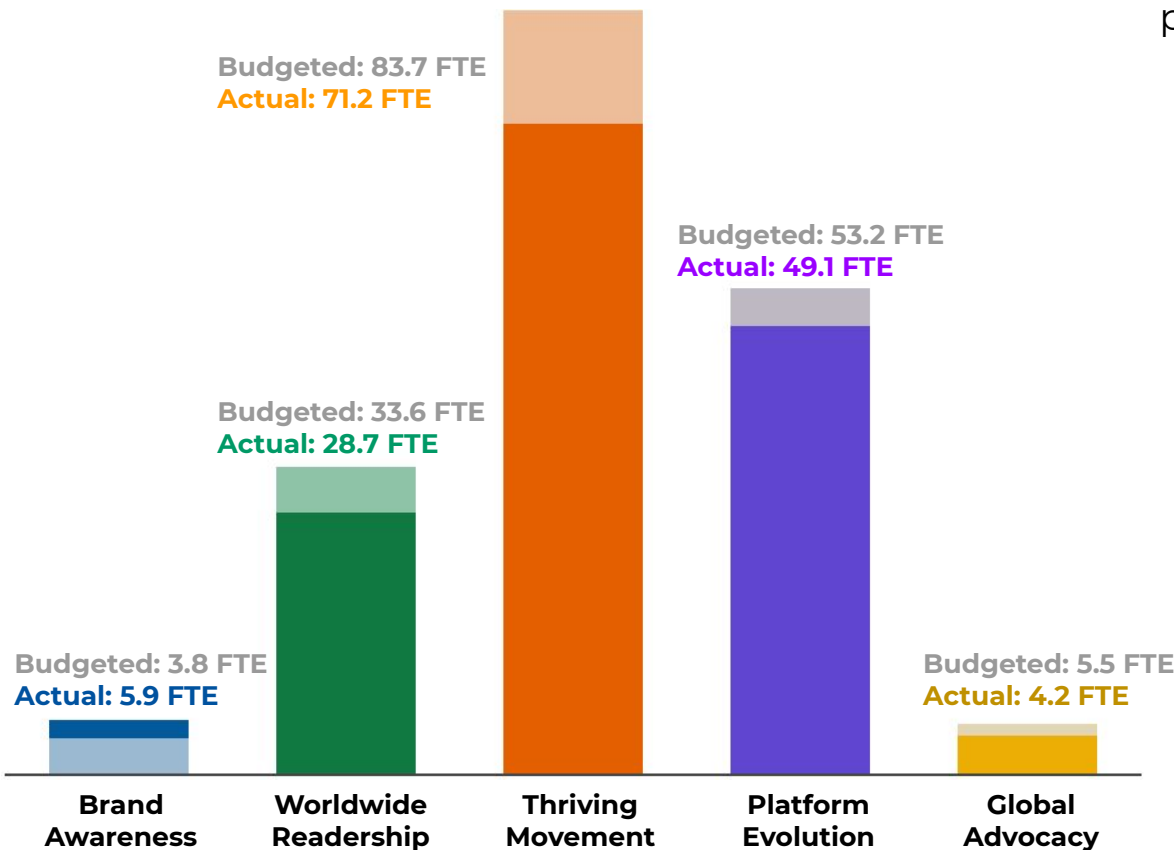


Dept**	FY19-20 Open positions (As of Sep)
Adv	4
Product	15
Comms	9
CE	26
F&A	5
Legal	3
T&C	4
Tech	31
<b>Total</b>	<b>97</b>

\* Average Net Hire is based on the actual (net hire) from the last 12 months (Oct 2018 - Sep 2019)

\*\*CEO and COO depts are fully staffed

# Q1 Priorities FTE Snapshot



This reduction was driven by two primary reasons:

- Hiring cadence has been slower than planned
- For staffed deliverables, operationalizing the work has taken longer than expected

FTE*	Actual	Budget
MTP	159.1	180
Other Programmatic	118.4	124.9
FR	32.4	33.6
G&A	47.1	53.1

\*FTE numbers reflect different totals than Headcount due to part time staff

# Finance & Administration Key Deliverables Q1



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# Financial Planning & Analysis



## Objective:

**Produce timely and insightful financial analysis coupled with a structured quarterly financial review and projection process that enables the Foundation to effectively manage our resources toward achieving the MTP.**

In FY19-20 we are focused on:

- Building a cycle of financial projection that enables the Foundation to be more agile with resourcing planning
- Building a framework and tools for resource planning toward our MTP Priorities and Key Deliverables
- Delivering more timely and insightful resource analysis through monthly and quarterly reporting at the Team, Dept, Foundation, and Board levels
- Continuing to provide ongoing partnership with departments to support operational planning, analysis, and decision making

## Key Results

## Y1-Goal

## Q1-Status

Annual actuals for the Foundation are within 0 to (-5%) of the budget. <b>FY18-19 Baseline:</b> -3%	0% to (-5%)	<b>-8%</b> (interim Q1 measure)
Each quarter's actuals for the Foundation are within +1 to (-5%) of that quarter's projection. <b>Baseline:</b> not available	+1 to (-5%)	<b>N/A</b> <b>(KR for Q2, Q3, and Q4)</b>
Financial reports and analysis are publication ready and provided to CFO by 14th business day of the month, by April 30th <b>FY18-19 Baseline:</b> 16 days	14 days	<b>N/A</b> <b>(KR for Q2)</b>



# Business Operations Improvement

## Objective:

**Implement advanced technology to improve efficiency of procurement and expense reimbursement processes for a better end user experience and to ensure the effectiveness of our control activities.**

Achieving a better user experience has been one of the guiding rails for our team alongside Scalability and Controls in our pursuit to improve our Business Operations Processes.

We've been collaborating with multiple teams and already achieved:

- New implemented Expense reimbursement tool
- Integrated automated approval workflows
- Eliminated Guesswork - full progress visibility


We're already seeing the fruits of our hard work with user participation during training sessions and we are preparing for the First Phase rolling out Early Nov 2019.



## Key Results

Y1-Goal

Q1-Status

Complete Expense Reimbursement module implementation by Nov 4, 2019 and Business Arrangements and Procurement modules implementation by Dec 2, 2019 <b>Baseline:</b> Not available	-	
100% of users for the Expense Reimbursement module and 75% of users for the Procurement and Business Arrangements have been trained by December 31, 2019 <b>Baseline:</b> Not Available	100%	<b>52%</b>
100% of of expenses reimbursement and new business arrangement requests are actively processed using the tool by December 31, 2019. <b>Baseline:</b> Not available	100%	<b>0%</b>

Department: F&A:

# Audit



## Objective:

**Achieve audit of financial statements by independent auditor resulting in an opinion, that in all material respects, financial position, results of operations, and its cash flows in conformity with generally accepted accounting principles and that discloses no material weaknesses or significant deficiencies and meets all regulatory and compliance requirements.**

Some of the critical aspects of achieving the intended result included:

- Enabled Auditors to review and express an opinion on our financial activities.
- Established and implemented activities to comply with regulatory and accounting requirements and prevent frauds and errors.
- Maintained quality and consistency application of processes and controls by staff across the Foundation.

As a result, we proved true and fairness of our financial activities to provide assurance to the Board, Donors, and other external parties.



## Key Results

## Y1-Goal

## Q1-Status

Issuance of Independent Auditors' Report with no material weaknesses or significant deficiencies by 9/30/19 <b>FY17-18 Baseline: 0%</b>	0%	<b>Completed</b>
100% of financial transactions comply with implemented processes and controls throughout the fiscal year <b>Baseline: Not available</b>	100%	<b>On Schedule</b>

# Enterprise Risk Management



## Objective:

**Mitigate and monitor foundation-wide financial, strategic and operational risk by implementing an Enterprise Risk Management (ERM) program, focused on implementing a mitigation plan for the identified strategic risks by June 30, 2020**

Some of the critical aspects of achieving the intended result included:

- A Risk Management Structure and a monitoring process agreed to by the Board's Audit Committee
- The Risk Register, which is the repository for the ERM risks, has been drafted. Including 33 risks categorized under the risk management framework
- The ERM monthly roadmap produced with a mapping of key activities including monthly Steering Committee status/review sessions

## Key Results

Q2-Goal

Q1-Status

Audit Committee and ED/CEO Approval <b>Baseline:</b> Not available	-	
Make a decision on an ERM Platform (GRC software) by 11/30/19. <b>Baseline:</b> Not available	100%	On Track
Socialize the ERM with 40% of potential risk owners (directors, VPs and C-levels) <b>Baseline:</b> Not available	40%	0%



# Enterprise Risk Management



Our goal is to establish a meaningful and systematic monitoring and reporting program, which is anchored on risk owner accountability.

The program will be supported by a risk platform that allows for ease of information flow, clear risk ownership and information quality.

The program is based on an analysis of risk - negative outcomes as evaluated by impact and likelihood, prioritization and treatment based on severity.

The program will require clear treatment options by the risk owner (WMF Staff responsible for a specific risk)- *acceptance, avoidance, mitigation or transfer.*



# Business Continuity



## Objective:

**To ensure onsite services are compliant with Business Recovery Management, Disaster Recovery, and Data Destruction Policies**

Develop and maintain Business Continuity and Disaster Recovery plans to ensure minimal downtime in event of an outage. In event of outage, determine who does what, when, how, and why. True up with Legal department to keep in line with Data Destruction Policies.

## Key Results

## Y1-Goal

## Q1-Status

By end of Q2, complete 100% documentation of BRM/DR findings with individual teams <b>Baseline:</b> Not available	75%	<b>On schedule: compiling data and documentation</b>
By end of Q3, present document/wiki that details step by step process of Business Continuity for onsite services <b>Baseline:</b> Not available	0%	<b>On schedule</b>
By end of Q4, complete practical test to ensure onsite services are fully prepared for a power outage <b>Baseline:</b> Not available	0%	<b>On schedule</b>
By end of Q4, unify all BRM/DR information and documentation for all services by the Wikimedia Foundation (requires collaboration with SRE) and post on Office Wiki <b>Baseline:</b> Not available	0%	<b>On schedule</b>

Department: F&A



# Business Continuity



Our goal is to ensure that when an outage affects the SF office, that the OIT department has plans in place to ensure foundation-critical services are back online as soon as possible.

These actions will take into account which departments need which services online as fast as possible, and ensure that downtime is minimal.

This work is being completed in tandem with the Facilities team to ensure we can support our users through any emergency.

