INTERNAL AUDIT DIVISION

REPORT 2019/083

Audit of effectiveness of the annual leadership dialogue organized by the Ethics Office

While the dialogues have raised awareness on the selected ethical topics, there was a need to review ownership of the activity and establish a performance measurement system to assess its effectiveness

16 September 2019
Assignment No. AH2018/515/01

Audit of effectiveness of the annual leadership dialogue organized by the Ethics Office

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of effectiveness of the annual leadership dialogue organized by the Ethics Office. The objective of the audit was to assess the effectiveness and efficiency of the annual leadership dialogue. The audit covered the period from 2012 to 2018 and included: (i) performance measurement system; (ii) design, implementation and monitoring of quality of delivery; and (iii) economy and efficiency.

Since launching the leadership dialogue in 2012/2013, several positive results have been achieved, including participation by 81 per cent of staff and increased reporting of fraud and corruption, harassment and sexual harassment incidents to OIOS following the leadership dialogues discussing these topics in 2016, 2017 and 2018. OIOS also determined that the format of the leadership dialogue was the most efficient training modality on ethics to reach more than 30,000 participants with minimal additional expenses. However, given the expansion and growing influence of the leadership dialogue on the organizational culture, the Ethics Office needed to review ownership and assess the effectiveness of the activity and improve records management.

OIOS made four recommendations. To address issues identified in the audit, the Ethics Office needed to:

- Explore the possibility of expanding the ownership of the annual leadership dialogue to include other relevant departments in the Secretariat, to enhance its effectiveness in fostering an ethical culture in the Organization;

- Establish, in coordination with relevant departments in the Secretariat, a performance measurement system for the leadership dialogue to assess their effectiveness;

- Enhance operational aspects of implementing the leadership dialogue including: (i) expanding and promoting the frequently asked questions section of the dedicated leadership dialogue webpage to address questions, concerns and needs of participants; (ii) periodically supplementing leadership dialogue sessions with reinforcements of the key messages; and (iii) monitoring the quality of delivery of dialogues by leaders; and

- Improve procedures to ensure availability, adequate retention, easy retrieval and disposition of leadership dialogue records.

The Ethics Office accepted the recommendations and has yet to initiate actions to implement them.

CONTENTS

Audit of effectiveness of the annual leadership dialogue organized by the Ethics Office

I.   BACKGROUND

1.   The Office of Internal Oversight Services (OIOS) conducted an audit of effectiveness of the annual leadership dialogue organized by the Ethics Office.

2.   The leadership dialogue is part of the wider Ethics Office outreach strategy to promote an ethical organizational culture in the United Nations, based on the shared values of integrity, accountability, transparency and respect, and to assist the Secretary-General in ensuring that all staff members perform their functions consistent with the highest standards of integrity as required by the Charter of the United Nations. It is launched by the Secretary-General annually and all international and national civilian personnel are expected to participate. The leadership dialogue is undertaken in a cascading process, in which all leaders or managers, starting with the Secretary-General and Under-Secretaries-General, engage with their direct reports in discussing each year's selected topic. The leadership dialogue was introduced in 2012 and six dialogues have taken place since then, focusing on different themes and discussion topics as shown in Table 1.

Table 1: Leadership dialogue themes and discussion topics

Year	Leadership dialogue theme	Discussion topics
2018	Speaking up: when does it become whistle-blowing?	• Abuse of authority • Whistleblower retaliation • Sexual harassment
2017	Standards of conduct: What is expected of me?	• Gifts • Sexual exploitation and abuse (SEA) • Harassment and abuse of authority • Political activities • Conflicts of interest
2016	Fraud awareness and prevention: How do I fit in?	• Fraud and corruption
2015	Fulfilling our Mission: Taking Individual Responsibility	• Interpersonal conflicts and making right decisions
2014	Treating Each Other with Respect and Tolerance	• Cultural differences, offending behavior, tolerance, respect
2012-2013	The United Nations Oath of Office: What does it mean to be an international civil servant?	• Loyalty, impartiality, independence, accountability

3.   The Ethics Office, which is independent from management and all other United Nations offices, is responsible for designing, disseminating and reporting on the annual leadership dialogue. It is headed by a Director at the D2 level and has eight additional professional and three general service staff. The proposed budget of the Ethics Office for biennium 2018-2019 was $7.7 million. The Protection against Retaliation/Outreach Unit, which is headed by a chief at the P5 level and has three professional and one general service staff, is responsible for managing the leadership dialogues.

4.   Comments provided by the Ethics Office are incorporated in italics.

II.   AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

5.   The objective of the audit was to assess the effectiveness and efficiency of the annual leadership dialogue organized by the Ethics Office.

6.   This audit was included in the 2018 risk-based work plan of OIOS due to the important contribution of the leadership dialogue in mitigating various ethical risks in the Secretariat.

7.   OIOS conducted this audit from February to June 2019. The audit covered the period from 2012 to 2018 and focused on three main audit questions:

- o   How adequately were the leadership dialogues managed?
- o   How effective have the leadership dialogues been in achieving their objectives?
- o   How economical and efficient have the leadership dialogues been?

8.   Based on an activity-level risk assessment, the audit covered higher and medium risk areas of the annual leadership dialogue, which included: (i) performance measurement system; (ii) design, implementation and monitoring of quality of delivery; and (iii) economy and efficiency.

9.   The audit methodology included: (a) interviews of key personnel in the Ethics Office, Executive Office of the Secretary-General (EOSG) and the Investigation Division of OIOS, (b) reviews of relevant documentation, (c) analytical reviews of data, (d) survey of participants of the leadership dialogue, (e) focus group discussions, and (f) interviews of key personnel in the Ethics Office of the Office of the United Nations High Commissioner for Refugees (UNHCR) for benchmarking purposes. The survey was administered in March 2019 to assess staff awareness and satisfaction with the leadership dialogues. It was sent to 600 randomly selected staff of the Secretariat, of whom 214 provided responses, for an overall response rate of 36 per cent. OIOS led three focus group discussions in April 2019 in New York; one with discussion leaders and two with participants of the leadership dialogue sessions.

10.   The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III.   AUDIT RESULTS

A.   Performance measurement system of the annual leadership dialogue

The Ethics Office needed to propose the expansion of ownership of the leadership dialogue and establish a performance measurement system

11.   Leadership dialogues play an important role in the Organization, on which management and staff collectively spend an average of 50,000 hours every year. Originally designed as an activity for leaders and managers to provide annual training on ethics to staff, as part of the Ethics Office's wider outreach strategy, the dialogues have grown to become one of the most important tools for fostering an ethical organizational culture in the Secretariat. It therefore needed a performance measurement system to enable an assessment of its effectiveness and impact. Such a system should comprise: (i) establishment of strategic long-term and annual objectives; (ii) monitoring and reporting on the achievement of objectives; and (iii) periodic evaluation of the impact of the activities. However, OIOS noted the following:

    a.   Objectives and baselines for the leadership dialogues were not established

12.   The Ethics Office did not develop and communicate specific strategic long-term and annual objectives for the leadership dialogues, or the wider outreach strategy within which it was conducted, to assess their effectiveness. The leadership dialogue is now recognized as generally contributing to the overarching objective of the Ethics Office to assist staff in performing their functions consistent with the highest standards of integrity as required by the Charter of the United Nations through fostering a culture of ethics, transparency and accountability. Therefore, its objectives, including how it would contribute to changes in behaviour regarding the discussed topics, how that contribution would be monitored and how the dialogue's effectiveness would be assessed, should be specified. However, there were no goals set for the leadership dialogues beyond the number of participants.

13.   The Ethics Office had also not established baseline data against which change could be measured. Nevertheless, there have been several Secretariat-wide surveys[1] that could serve as proxy baselines as they covered general questions on trust, integrity, ethical behaviour and organizational satisfaction. The 2017 United Nations Staff Engagement Survey results showed that 37 per cent of staff did not feel comfortable challenging the status quo, and 30 per cent had expressed concern about ethical conduct and accountability in the Secretariat. This survey also revealed that 9 per cent of staff did not know what to do and whom to approach to report unethical behaviour or wrongdoing and 27 per cent were not confident that United Nations staff members would be protected from retaliation for reporting misconduct or cooperating with an authorized audit or investigation. The Ethics and Reputational Risk Assessment for Peacekeeping Missions in 2012 and 2014 indicated that only 62 per cent of staff in peacekeeping missions agreed that they could report an instance of unethical behaviour or misconduct without fear of retaliation. Forty-eight per cent in 2012 and 51 per cent in 2014 agreed that it was safe to speak up and challenge the way things were done here. The Ethics Office could conduct its own surveys in future years or include questions in Secretariat-wide surveys as they did in 2017, to measure progress against these results.

14.   The Ethics Office commented that senior management was responsible for fostering an ethical culture including: ensuring that rules are complied with, incorporating values in performance assessment, establishing trust through transparency, ensuring accountability for actions, establishing appropriate organizational values that are conveyed by actions, and fostering a harmonious working environment where staff feel empowered to report misconduct and wrong-doing knowing that management will take appropriate action. While the Ethics Office can play a role in providing materials for training as subject matter experts, the establishment and measurement of long-term goals must be led by management. OIOS maintains that the Ethics Office is a key means by which senior management attains such ambitions and should therefore, in collaboration with other relevant parts of the Secretariat, spearhead efforts in that regard.

    b.   While the discussed themes were topical, basis of their selection was not documented

15.   The selection of themes for the annual dialogues was based on topical issues and in line with developments in the Secretariat. For example, the 2018 theme on speaking up and distinguishing between respectfully dissenting and whistleblowing was on the heels of the revision of the policy on protection against retaliation (ST/SGB/2017/2/Rev.1) and in response to the results of the 2017 United Nations Staff Engagement Survey on reporting wrongdoing. The 2017 theme on standards of conduct in relation to exchanging gifts, involvement in political activities, harassment and sexual exploitation and abuse followed the "Me Too movement" against sexual harassment and assault and the Secretary General's call for more

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[1] United Nations Staff Engagement Survey 2017; United Nations Global Staff Satisfaction Survey 2017 run by the staff unions of the United Nations Secretariat; Ethics and Reputational Risk Assessment for Peacekeeping Missions 2012 and 2014; and United Nations Organizational Integrity Survey 2004.

effective protection for whistleblowers and strengthened actions against sexual exploitation and abuse. And the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat issued in 2016 led to the 2016 leadership dialogue focusing on fraud awareness and prevention.

16. However, there was no formal needs assessment to determine which themes should be covered by the leadership dialogues, no ranking in terms of priorities, and no record of informal consultations with stakeholders. While the Ethics Office indicated that it held discussions with relevant offices, formally conducting and documenting needs assessment would allow the Ethics Office to systematically compile potential topics from various stakeholders including discussion leaders and participants, prioritize them and determine the best way to address their needs. It would also preserve institutional memory of past decisions in cases of staff turnover. The Ethics Office commented that it prioritized recommendations by the Board of Auditors and the Joint Inspection Unit and considered information from its own advisory and case work in determining topics for training.

17. OIOS analysed feedback forms submitted by discussion leaders after the 2018 leadership dialogue sessions, and noted that around 40 per cent of the 250 recommended topics for future leadership dialogues were on the United Nations core values and competencies; specifically on: (i) how to use teamwork and communication to create a harmonious working environment, (ii) how to create an inclusive workspace taking into account diversity, cultural differences and unconscious bias, and (iii) on learning further about accountability, integrity, professionalism, and other United Nations values and ethical standards in general. Another 17 per cent of recommended topics were relevant to human resources management including performance management, work-life balance, recruitment, selection and promotion process and career development. Even though the topics of harmonious working environment, inclusive workspace and human resources management do not fall under the mandate of the Ethics Office, it shows that there were information gaps or perceived ethical issues in these topics that could be incorporated in case studies and scenarios as they form part of the overall ethical and cultural environment in the Organization. Given the strong demand to discuss all these various topics, the Ethics Office should propose enlarging the formal ownership of the dialogue to include other main stakeholders such as the Office of Human Resources (OHR) in the Department of Management Strategy, Policy and Compliance (DMSPC).

c.   Feedback forms and other relevant data were not sufficiently collected and analysed

18. There was also no evidence that the Ethics Office analysed feedback forms for continuous improvement to the dialogues. The forms were in pdf format, that did not facilitate easy review and summary of the major issues for lessons learned. Online surveys would allow for a more efficient collection of feedback from discussion leaders and participants, and analysis of data.

19. For the 2018 leadership dialogue, OIOS analysed feedback from over 550 discussion leaders representing 54 entities and leading dialogues with over 5,000 participants. Many participants questioned the reliability of the mechanism for reporting wrongdoing such as the confidentiality and length of the reporting process, lack of visible results from reporting misconduct, lack of accountability for wrongdoers and inadequate protection from retaliation. Discussion leaders and staff frequently asked for a follow-up on the Speaking Up subject, further clarification of the role of focal points and functioning of the Speak Up helpline, and inclusion of real-life examples on how cases of misconduct were reported and resolved. It was suggested to disseminate and thus reinforce this information via email, posters, newsletters, intranet, townhall meetings, induction training, etc. At the time of the audit, the Ethics Office had not yet considered the benefits of increasing such reinforcement actions or discussed them with other potentially interested offices such as EOSG to develop an action plan to address these suggestions.

20.   Feedback forms for 2013 to 2017 dialogues may also contain valuable information to improve the sessions and address the concerns of participants. However, there were no documents showing that they had been collated and analysed. By the end of the audit fieldwork in mid-May 2019, the Ethics Office was able to provide individual feedback forms for 2017 for only 10 entities and no feedback forms for leadership dialogues conducted in prior years. The Ethics Office commented that delays in retrieving documents were due to a discontinued information technology system.

  d.   Participation in the leadership dialogue sessions was reported

21.   The Ethics Office measured and reported to EOSG the rate of participation in the leadership dialogue annually. Since launching the dialogue, there has been a gradual increase in the rate of participation in its sessions, from 16,900 participants in 2012/2013 to 31,671 in 2018 as shown in Figure 1. The 2018 results reflected an 81 per cent participation rate[2]. However, the actual participation rate of United Nations staff was somewhat lower as some entities had included consultants, military and other non-staff personnel in their reports to the Ethics Office.

Figure 1: Participation of United Nations personnel in the leadership dialogue
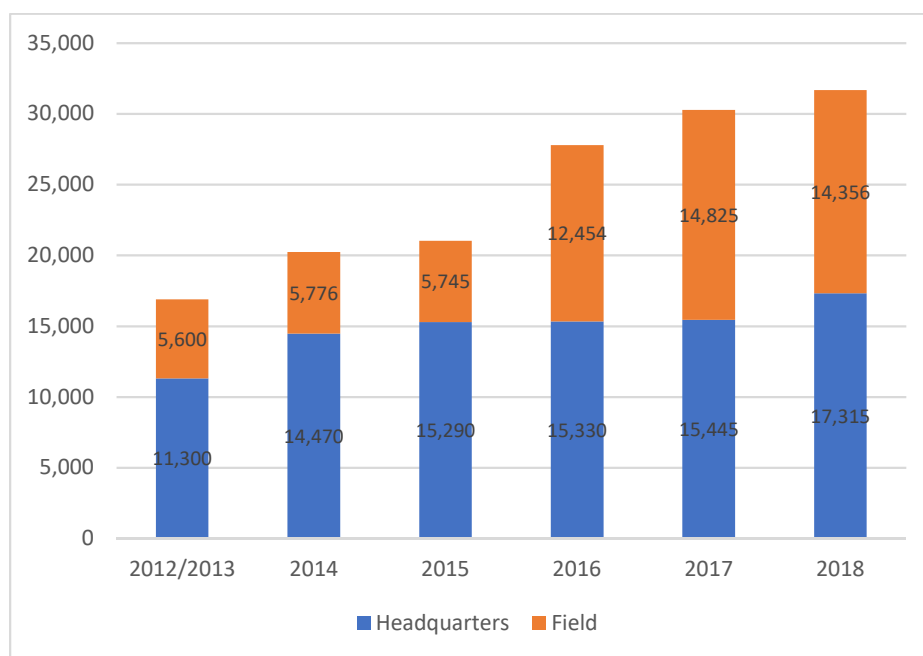
22.   In the last leadership dialogue, 91 out of 97 invited entities completed the dialogue with a participation rate between 9 and 165 per cent (includes non-staff members). Only three entities reported a participation rate lower than 50 per cent.

  e.   The audit showed some positive results of the impact of the leadership dialogue

      i.   OIOS survey results

23.   As shown in Figure 2, the majority of respondents to the OIOS survey agreed that the 2018 leadership dialogue had a positive impact on their awareness and behaviour, and that their awareness, confidence or ability in dealing with challenging work situations had improved as a result of the dialogue. However,

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[2] The participation rate is a function of the number of participants and the number of staff in a reporting entity

32 per cent of staff indicated that they still lacked confidence to report misconduct fearing retaliation, compared with the 27 per cent recorded in the 2017 United Nations Staff Engagement Survey.

Figure 2: Self-assessment by staff members about the impact of the 2018 leadership dialogue on them as individuals (in percentage)
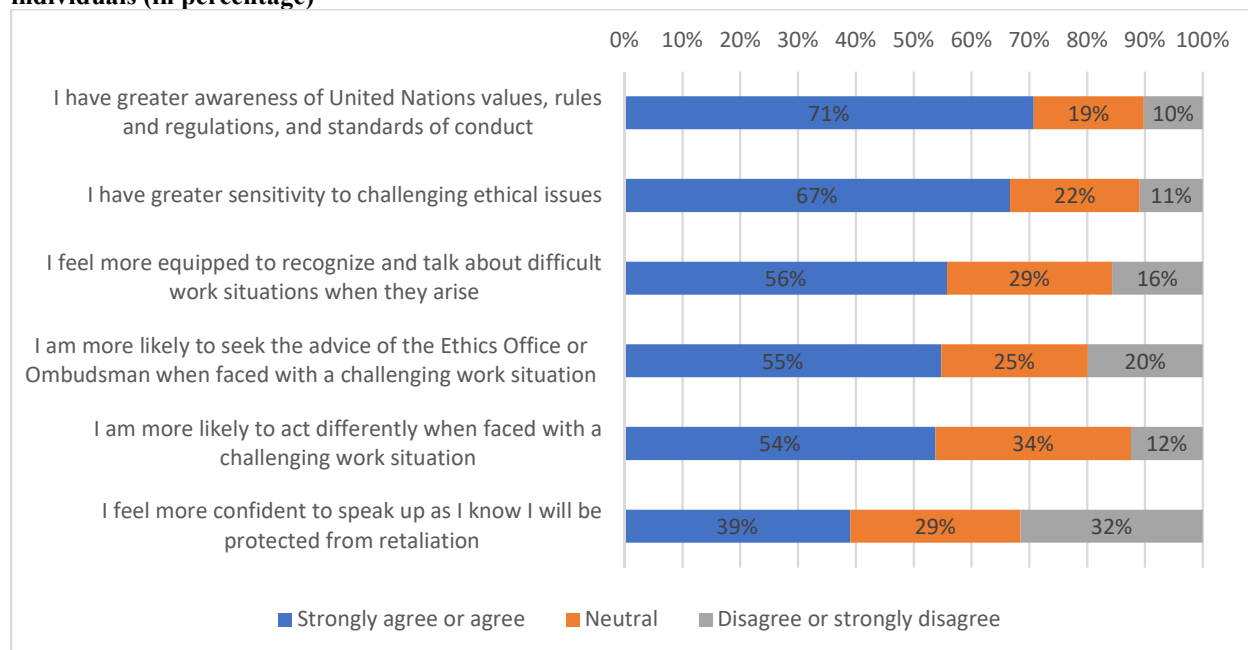
24. Furthermore, 31 per cent of survey respondents indicated that they had applied the lessons learned and responded differently when faced with a challenging situation since their participation in the dialogue. The surveyed discussion leaders attributed the following changes among their staff or colleagues to the leadership dialogue: greater awareness of the topics that was discussed (43 per cent), greater sensitivity to dealing with challenging situations (35 per cent) and greater respect in the work place (29 per cent). Around 40 per cent of discussion leaders did not notice any observable difference.

ii. Focus groups qualitative data

25. Focus group participants agreed that the leadership dialogues had raised awareness about discussed topics, helped with learning about the Organization, provided a reference point for acceptable or unacceptable behaviour and a feeling of empowerment. However, participants were sceptical about the dialogues' ability alone to change someone's thinking or behaviour and thus about the dialogues' impact in general. (It should be noted that there are many interlinking factors for behavioural changes.) This was particularly the case with respect to the last dialogue on the subject of Speaking Up. Participants who had heard about, seen or experienced a long investigation process or retaliation against a colleague for reporting misconduct in the past, would not be convinced by one leadership dialogue session that it was safe to speak up. Additionally, as mentioned earlier in this report, there was no follow-up or other reinforcement of the key messages discussed after the annual leadership dialogue sessions had been held. Only one focus group participant was able to provide an example on how the dialogue made him/her change behaviour. This example was related to their involvement in political activities.
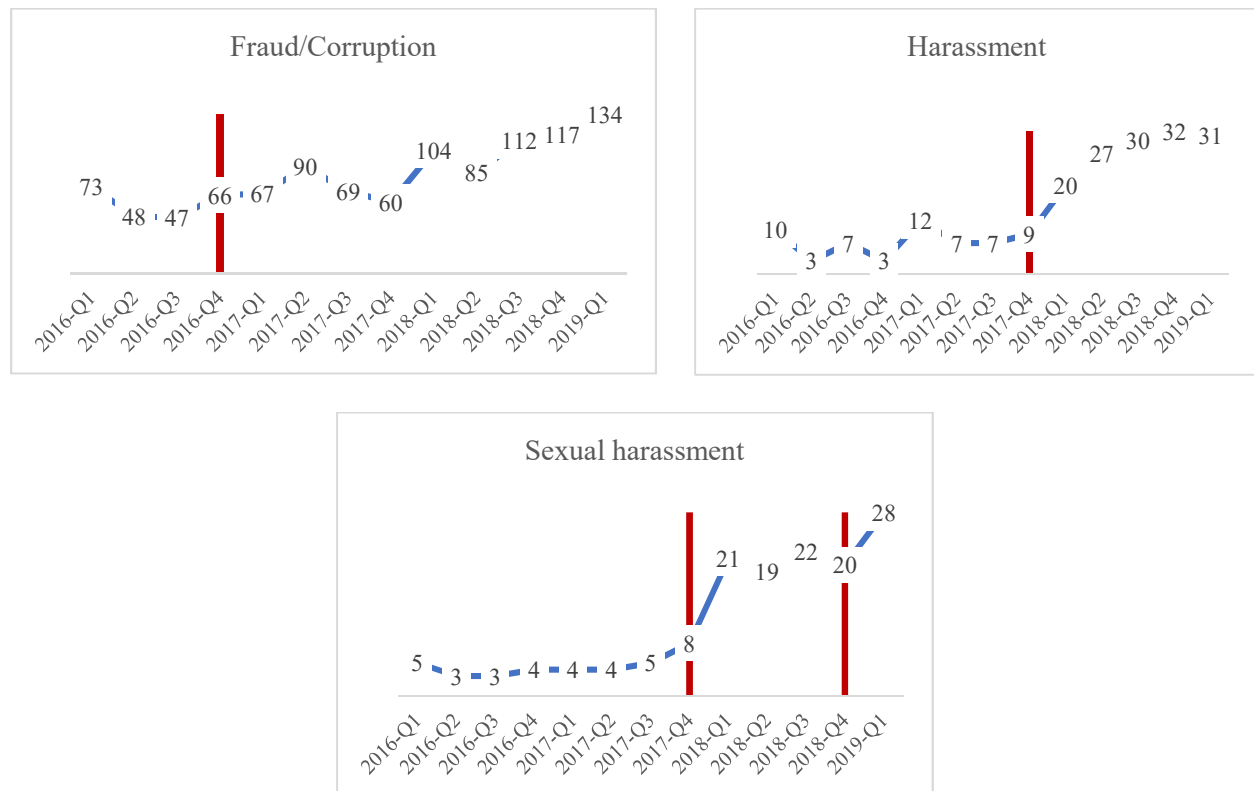
iii. Increased reporting of misconduct followed the leadership dialogue sessions

26. An almost twofold increase in reporting misconduct to OIOS from 493 reports in 2015 to 995 in 2018 is one of the indicators showing the positive impact of the leadership dialogues. OIOS observed a clear

increase in reporting of fraud and corruption, harassment and sexual harassment following the leadership dialogue sessions discussing these topics in 2016, 2017 and 2018. The increase in reporting did not necessarily mean that there was a rise in misconduct but rather that such misconduct was reported. Figure 3 shows the increase in reported cases of misconduct to OIOS categorized by fraud and corruption, harassment and sexual harassment.

Figure 3: Increase in reported cases of misconduct to OIOS since 2016
The red line shows when the leadership dialogue dealt with the topic.

27.   The increased reporting of misconduct to OIOS may also be attributable to factors such as: the new fraud and corruption framework, a new administrative instruction on unsatisfactory conduct, investigations and the disciplinary process (ST/AI/2017/1), the "Me too" movement on sexual harassment, and an easier reporting mechanism. This includes for example a recently established Speak Up helpline on sexual harassment[3] and a simplified way to report wrongdoing on the intranet[4]. "Taking action on sexual harassment" and "Reporting Wrongdoing" can be found and accessed on the home page of iSeek.

28.   Overall, in light of the increased significance of the leadership dialogue, the Ethics Office needed to propose the widening of its ownership and establish a more comprehensive system to set its objectives and assess its impact.

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[3] https://iseek-newyork.un.org/sexualharassment
[4] https://oios.un.org/report-wrongdoing

> **(1)** **The Ethics Office should explore the possibility of expanding the ownership of the annual leadership dialogue to include other relevant departments in the Secretariat, to enhance its effectiveness in fostering an ethical culture in the Organization.**
>
> *The Ethics Office accepted recommendation 1 and stated that expanding the ownership of the leadership dialogue would assist in "graduating" it from an activity to a standalone programme and potentially have greater impact on the ethical culture of the Organization. While maintaining its independence, the Ethics Office would meet with relevant departments to discuss not only sharing content development but administrative support for running the leadership dialogue as a full-fledged programme.* Recommendation 1 remains open pending receipt of results of discussions on expanding the ownership of the leadership dialogue.
>
> **(2)** **The Ethics Office should, in coordination with relevant departments in the Secretariat, establish a performance measurement system for the leadership dialogues to assess their effectiveness by:**
>
> **(i)** **Setting strategic long-term and annual objectives following a formal assessment of stakeholders' needs and expectations and aligning them with wider organizational objectives and priorities;**
> **(ii)** **Establishing baseline data and key performance indicators, collecting and analyzing relevant feedback data from discussion leaders and participants to assess progress made toward the achievement of the objectives and take corrective action as necessary; and**
> **(iii)** **Reporting on the achievement of the leadership dialogue objectives and assessing their impact and thereby provide valuable input to the setting of strategic and operational priorities for subsequent dialogues.**
>
> *The Ethics Office accepted recommendation 2, subject to willingness of other departments to co-own the leadership dialogue and co-implement the recommended activities.* Recommendation 2 remains open pending receipt of evidence of the established performance management system.

B.   Design, implementation and monitoring of delivery of the leadership dialogues

<u>Further operational improvements needed to be considered to meet the needs of the participants</u>

29.   The format of the leadership dialogues largely met the needs of the Organization but there was limited flexibility to adjust the sessions to the specific needs of the diverse participant base of the United Nations Secretariat and other United Nations system organizations that participated in the dialogue sessions. Furthermore, while the quality of the training materials was good, the quality of delivery depended on the expertise of discussion leaders.

   a.   Format of the leadership dialogues largely met needs of participants but could be further enhanced

30.   The leadership dialogue was conducted in a cascading format whereby supervisors engaged with their direct reports in discussing each year's selected topic. The Ethics Office adopted this format as it not only instructed about ethical issues, but also allowed leaders, as key influencers, to be positive role models for integrity and ethics at work and to promote an open-door culture.

31.   The leadership dialogue in most cases allowed for active discussion and was educative. OIOS analysis of feedback forms submitted after the 2017 and 2018 sessions showed that discussion leaders in 75 per cent

of their "what went well" comments praised the active participation and engagement of staff in discussions and the fact that staff were being open, respectful and shared their views. An additional 10 per cent talked about sessions being informative and raising awareness on the discussed topic. However, around 10 per cent of "what went not so well" comments pointed out that not all participants engaged in the discussions. This was corroborated by around 5 per cent of survey respondents who disagreed that there was active participation of themselves and their colleagues in the last leadership dialogue session. In some cases, larger groups, extensive training materials to be covered and limited time for discussion may have limited more active participation. Focus group discussions indicated that some staff hesitated to speak openly in front of their supervisors.

32. As mentioned earlier in this report, there was no specific follow-up or other reinforcement of the key messages discussed after the annual leadership dialogue sessions had been held. In contrast, UNHCR which conducted an annual code of conduct refresher that was similar to the leadership dialogue, piloted in 2017 a new approach to ethics training that included more continuous, everyday reinforcement of ethical values in daily decision-making. In addition to the annual mandatory refresher sessions, there was an ongoing programme of training, activities and support. According to UNHCR, this represented a move from a top-down approach to creating a culture where staff could solve ethical dilemmas themselves, while operating within the given framework. Elements of this new approach were still under development. The Ethics Office commented that it engaged in field missions and distributed iSeek articles and broadcasts on ethics related topics.

b.   Quality of delivery was not monitored

33. The feedback forms collected by the Ethics Office were mostly completed by discussion leaders although since 2018, the Ethics Office has included its contact details in the Participants' Guide, for participants to share ideas on how to improve the dialogue sessions and suggest the next year's topic. There were, however, no mechanisms to assess the quality of delivery of the leadership dialogue. While over 90 per cent of survey respondents were positive or neutral on how their discussion leader facilitated the session, around 9 per cent (potentially up to 2,800 staff) disagreed or strongly disagreed that the discussion leader did a good job. Focus group participants questioned the leadership dialogue's impact when it was led by a discussion leader who was under investigation for unethical behaviour. In data collected by OIOS, some staff suggested using internal or external third-party facilitators, who were not leaders or who were leaders from another organizational unit, while having their management also participating in the dialogue session. During the Management Committee meeting held on 15 May 2019, it was stressed that success of the leadership dialogue largely depended on adequate preparation by discussion leaders. Since the leadership dialogue was intentionally designed to be led by leaders with the aim to set the ethical tone at the top, the Ethics Office did not want to allow the dialogue to be led by other staff members. To address potential weaknesses in delivery, the Ethics Office in coordination with OHR could consider training managers on how to prepare and lead the dialogue sessions, outline circumstances when it might be more prudent for dialogues to be led by different leaders and collect feedback from participants to identify and address specific cases of potential weak delivery.

c.   Training materials were good but further improvements would be beneficial

34. The overall quality of the training materials (Leader's Guide, Participant's Guide, Presentation) was considered good but further improvements were suggested in the feedback forms submitted after the 2018 dialogue sessions. About 93 per cent of survey respondents who had read the Participant's Guide found it useful and almost 95 per cent of discussion leaders found the training material for leaders, fair, good or excellent. However, participants sometimes found it difficult to relate to some of the scenarios or found the scenarios lacking the relevant background information. Some asked for flexibility to be able to present their

own scenarios or discuss topical issues, although this might introduce inconsistencies in the messages being delivered.

35.   Further it was recommended to streamline training materials, exclude repetitive information, include audio-visual materials and distribute materials in French and Spanish languages. Even though the training materials were translated into these languages, they were only available when accessing the Ethics Office's website in French or Spanish and thus many did not know they existed. One-page summary of key learning points including reporting channels and available resources on Speaking Up was suggested several times. Staff also asked for editable feedback forms and making them available online. Further, feedback forms for participants were requested.

    d.   Timing of the leadership dialogue sessions needed to be revisited

36.   Timing issues were identified in all collected feedback data (survey, feedback forms, focus groups). Many commented that the allotted time of 90 minutes was insufficient to cover all discussion topics and recommended either to allocate more time to discussions or decrease the number of topics to be discussed. The minimum number of scenarios to be discussed was reduced from four in 2018 to two in 2019 leadership dialogue. A number of staff also commented that it would be better to organize the leadership dialogue sessions at a different time of the year to avoid the busy General Assembly main session and year-end periods. Around 27 per cent of discussion leaders responded in the survey that they did not have adequate time to prepare for the leadership dialogue. The Ethics Office recognized that the fourth quarter of the year was busy and therefore, since 2015, has gradually shifted the launch of the leadership dialogue to earlier in the year. The 2019 dialogue was launched on 26 July 2019 with the deadline to complete it by 30 November 2019.

37.   Although the Leader's Guide and the leadership dialogue launch email to heads of entities addressed some of the questions and requests raised by staff, additional information was needed. The Ethics Office had a dedicated webpage for the leadership dialogue including a frequently asked questions (FAQ) section, yet neither the Leader's Guide nor the Participant's guide made specific reference to the existence of this resource. The FAQs could be expanded to clarify issues such as recommended group size and suggestions for groups that were too large or too small, possible exceptions when a different leader might be assigned to conduct a session, recommendations to schedule more time for sessions with larger groups, what to do if an entity wants to discuss its own scenarios, how to obtain training materials in different language versions, how to submit feedback including participating staff and any other newly emerging questions.

(3)	**The Ethics Office should enhance operational aspects of implementing the leadership dialogue including: (i) expanding and promoting the frequently asked questions section of the dedicated leadership dialogue webpage to address questions, concerns and needs of participants; (ii) periodically supplementing leadership dialogue sessions with reinforcements of the key messages; and (iii) monitoring the quality of delivery of dialogues by leaders.**
	The Ethics Office accepted recommendation 3 and stated that it would enhance the information provided to participants, continue to provide periodic information to reinforce expected ethical conduct in the form of iSeek articles, broadcast messages, mission visits, town halls, induction briefings and other initiatives, and ensure stronger linkages of the outreach efforts to the leadership dialogue key messages. The Office would also work with DMSPC/OHR to require the heads of entities to monitor the quality of delivery by their managers. Recommendation 3 remains open pending receipt of evidence of enhancements made to conducting the leadership dialogues.

C. Economy and efficiency of the leadership dialogues

<u>The format of the leadership dialogue was the most efficient teaching modality</u>

38.   The 2018 leadership dialogue reached over 30,000 United Nations personnel with less than $40,000 additional expenses for its preparation and translation on the top of the incurred salary costs of leaders who facilitated sessions. OIOS estimated that the time discussion leaders spent on preparation and delivery of the dialogue cost around $1 million. While an eLearning course would be the most economical way to deliver the annual ethics training as shown in Table 2, OHR no longer creates such online courses due to their pedagogical and technical shortcomings. If the leadership dialogue was delivered by an external consultant, additional budgetary resources of at least $1.5 million would be required.

Table 2: Cost comparison of the current format of the leadership dialogue with other alternatives (in United States dollars)

Cost element	Current cost	Cost of the leadership dialogue delivered by a consultant	Cost of the mandatory ethics training delivered online
Cost of content development by the Ethics Office with the help of a consultant[5]	31,602	31,602	31,602
Time spent by discussion leaders on preparation and delivery of the leadership dialogue[6]	1,031,250		
Cost of a training delivery by an external consultant[7]		1,500,000	
Cost of a design and delivery of an eLearning course[8]			48,040 to 84,069
Total cost	**1,062,852**	**1,531,602**	**79,642 to 115,671**

39.   Although the leadership dialogue format was not the most economical training modality to deliver the annual ethics training, it was a more appropriate learning modality than an online eLearning course as it also enabled leaders to demonstrate "tone at the top". OIOS concluded that the leadership dialogue format was an efficient way to conduct an annual ethical training.

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[5] Source: Ethics Office. The cost includes actual costs of a consultant, translation and an estimated time spent by the Ethics Office staff on development of the leadership dialogue content.
[6] Assumptions: 2,750 discussion leaders (P5 and above) spend one hour on preparation and 1.5 hour on delivery of the leadership dialogue at the rate of $150 per hour.
[7] Assumptions: A consultant facilitates sessions for 30,000 staff at a rate of $50 per head which is an average cost per head for a comparable training. This estimate excludes administrative, travel and logistics cost.
[8] Source: DMSPC

D.   Records management

The Ethics Office needed to maintain adequate records on leadership dialogue

40.   The Ethics Office was not able to retrieve all requested information by the end of audit fieldwork and some information was provided with several weeks delay. This happened because of inadequate records management and staff turnover. For example, feedback forms from 2013 to 2016 were not provided and only few 2017 feedback forms were retrieved because of the time-consuming process to recover documents from a discontinued system. Even though the Ethics Office had explored the use of Unite Docs, a record management system available in the United Nations Secretariat, it decided against it due to concerns about its confidentiality.

> **(4)   The Ethics Office should improve procedures to ensure availability, adequate retention, easy retrieval and disposition of the leadership dialogue records.**
>
> *The Ethics Office accepted recommendation 4 and stated that it would improve procedures for more timely retrieval of records, starting with 2019 leadership dialogue.* Recommendation 4 remains open pending receipt of procedures for maintenance of the leadership dialogue records.

IV.   ACKNOWLEDGEMENT

41.   OIOS wishes to express its appreciation to the management and staff of the Ethics Office for the assistance and cooperation extended to the auditors during this assignment.

(*Signed*) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of effectiveness of the annual leadership dialogue organized by the Ethics Office

Rec. no.	Recommendation	Critical[9]/ Important[10]	C/ O[11]	Actions needed to close recommendation	Implementation date[12]
1	The Ethics Office should explore the possibility of expanding the ownership of the annual leadership dialogue to include other relevant departments in the Secretariat, to enhance its effectiveness in fostering an ethical culture in the Organization.	Important	O	Receipt of results of discussions on expanding the ownership of the leadership dialogue.	31 December 2019
2	The Ethics Office should, in coordination with relevant departments in the Secretariat, establish a performance measurement system for the leadership dialogues to assess their effectiveness by: (i) Setting strategic long-term and annual objectives following a formal assessment of stakeholders' needs and expectations and aligning them with wider organizational objectives and priorities; (ii) Establishing baseline data and key performance indicators, collecting and analyzing relevant feedback data from discussion leaders and participants to assess progress made toward the achievement of the objectives and take corrective action as necessary; and (iii) Reporting on the achievement of the leadership dialogue objectives and assessing their impact and thereby provide valuable input to the setting of strategic and operational priorities for subsequent dialogues.	Important	O	Receipt of evidence of the established performance measurement system.	31 December 2020

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[9] Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

[10] Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

[11] C = closed, O = open

[12] Date provided by the Ethics Office in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of effectiveness of the annual leadership dialogue organized by the Ethics Office

Rec. no.	Recommendation	Critical[9]/ Important[10]	C/ O[11]	Actions needed to close recommendation	Implementation date[12]
3	The Ethics Office should enhance operational aspects of implementing the leadership dialogue including: (i) expanding and promoting the frequently asked questions section of the dedicated leadership dialogue webpage to address questions, concerns and needs of participants; (ii) periodically supplementing leadership dialogue sessions with reinforcements of the key messages; and (iii) monitoring the quality of delivery of dialogues by leaders.	Important	O	Receipt of evidence of enhancements made to conducting the leadership dialogues.	31 December 2020
4	The Ethics Office should improve procedures to ensure availability, adequate retention, easy retrieval and disposition of the leadership dialogue records.	Important	O	Receipt of procedures for maintenance of the leadership dialogue records.	31 December 2020

APPENDIX I

Management Response

Management Response

Audit of effectiveness of the Leadership Dialogue programme

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The Ethics Office should explore the possibility of expanding the ownership of the Leadership Dialogue programme to include other relevant departments in the Secretariat, to enhance its effectiveness in fostering an ethical culture in the Organization.	Important	Yes	Director UNEO	31 December 2019	Expanding the ownership of the Leadership Dialogue would assist in "graduating" it from an activity to a standalone programme and potentially have greater impact on the ethical culture of the Organization. While ensuring the Ethics Office maintains its independence, it will meet with relevant departments to discuss not only sharing content development but administrative support for running the Leadership Dialogue as a full-fledged programme.
2	The Ethics Office should, in coordination with relevant departments in the Secretariat, establish a performance measurement system for the Leadership Dialogue programme to assess its effectiveness by: (i) Setting strategic long-term and annual objectives following an assessment of stakeholders' needs and expectations and aligning them with wider organizational objectives and priorities;	Important	Yes, conditioned upon the co-ownership and co-implementation with other relevant departments	Senior Ethics Officer	31 December 2020	In principle, the Ethics Office supports the recommendation. However, as UNEO does not have the staffing capacity to absorb the workload of the recommended enhanced activities, implementation of this recommendation will be subject to the willingness of other departments to co-own with the Ethics Office the Leadership Dialogue and co-implement the recommended activities.

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[1] Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

[2] Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

Audit of effectiveness of the Leadership Dialogue programme

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	(ii) Establishing baseline data and key performance indicators, collecting and analyzing relevant feedback data from discussion leaders and participants to assess progress made toward the achievement of the objectives and take corrective action as necessary; and (iii) Reporting on achievement of the Leadership Dialogue objectives and assessing its impact and thereby providing valuable input to the setting of subsequent strategic and operational priorities for the programme.					
3	The Ethics Office should review and enhance operational aspects of implementing the Leadership Dialogue including: (i) expanding and publicizing the frequently asked questions section of the dedicated Leadership Dialogue webpage to address questions, concerns and needs of participants; (ii) periodically supplementing Leadership Dialogue sessions with reinforcements of the key messages; and (iii) monitoring the quality of delivery of Dialogues by leaders.	Important	Yes	Senior Ethics Officer	31 December 2020	The Ethics Office will enhance the information provided in the Leaders Guide and Participant Guide which the OIOS has deemed 95% satisfactory or better, including the supplementary materials provided on the Ethics Office website. The Ethics Office will continue providing periodic information which reinforces expected ethical conduct in the form of iSeek articles, broadcast messages, mission visits, town halls, induction briefings and other initiatives. In this connection, the Ethics Office will ensure stronger linkages of these outreach efforts to the topics of the Leadership Dialogue in the future. The Ethics Office will work with DMSPC/OHR to require the Heads of Entities to monitor the

Management Response

Audit of effectiveness of the Leadership Dialogue programme

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						quality of delivery of the Dialogue by their managers.
4	The Ethics Office should improve procedures to ensure availability, adequate retention, easy retrieval and disposition of non-confidential records including those of the Leadership Dialogue.	Important	Yes	Senior Ethics Officer (and Administrative Officer)	31 December 2020	The Ethics Office will improve procedures for more timely retrieval of records, starting with 2019 Leadership Dialogue. The Ethics Office already has established information management Standard Operating Procedures in line with organizational standards. The observation noted by OIOS was a delay in retrieval of non-essential historical data due to a decommissioned document repository system. However, all documents were properly retrieved.