ORGANISATION DE L'AVIATION
CIVILE INTERNATIONALE

INTERNATIONAL CIVIL
AVIATION ORGANIZATION

Internal Audit Report

on

Ethics Framework

IA/2022/4

Office of Internal Oversight

ACRONYMS

ADB	Bureau of Administration and Services
AI	Administrative Instructions
EAAC	Evaluation, Audit and Advisory Committee
EO	Ethics Office
FDP	Financial Disclosure Programme
HR-SPDM	Human Resources Specialist - Policy and Disciplinary Matters
ICAO	International Civil Aviation Organization
JIU	Joint Inspection Unit of the United Nations system
LEB	Legal Affairs and External Relations Bureau
OIO	Office of Internal Oversight
OIOS	United Nations Office of Internal Oversight Services
OSG	Office of the Secretary General
PI	Personnel Instructions
POD	Policy, Organizational and Staff Development Section
SMGE	Small Group on Ethics
UNSSC	United Nations System Staff College
UNEO	United Nations Ethics Office

CONTENTS

EXECUTIVE SUMMARY

1. As part of its annual work plan for 2022 (C-WP/15270), the Office of Internal Oversight (OIO) carried out a review of the Ethics Framework. The objectives of this audit were to assess the implementation of ICAO's revised Ethics Framework in terms of effectiveness of relevant staff rules and regulations as well as administrative and legal arrangements put in place to operationalize the revised Framework, and carry out a benchmarking survey for comparative analysis of the ICAO Ethics Framework with similar frameworks in UN common system and other International Organizations, with particular focus on identifying good practices that could be adopted by ICAO.

2. The ICAO Framework on Ethics (Annex I to the ICAO Service Code, hereafter the "Ethics Framework" or "Framework") was initially approved by the Council at the sixth meeting of its 193rd session (C-DEC 193/6) and had subsequently been amended on a number of occasions. At the seventh meeting of its 220th session, the Council adopted a consolidated text of the revised ICAO Service Code. The revised version of the ICAO Service Code became effective as of 9 July 2020, the date of its publication.

3. Later, the Council amended its Rules of Procedures to include in its 11th Edition, in 2022, the appendices G, H and I[1] related to the Rules and Procedures to address allegations of misconduct or retaliation against, respectively, the Secretary General of ICAO and the President of the Council.

4. OIO noted positive developments such as the outsourcing of the investigative function and the revision of the mandate of the Ethics Officer, the launch of ICAO Leadership Dialogue, the cleansing of all pending administrative and disciplinary cases and the effective and timely revision of staff rules, administrative instructions and personnel instructions to support the implementation of the revised Service Code. From the survey conducted by OIO, improvements were noted compared to the measures made on ethical environment in the ICAO 2020 Global Engagement Survey.

5. As the revision undertaken further changed/introduced some fundamental aspects in the Ethics Framework, the ICAO Council showed commitment and provided the Secretariat with support and guidance. The Council had a number of meetings and great level of involvement in revising the Framework. On the Secretariat side, continuing to setting the right tone at the top, leading by example and promoting ethics as stipulated in the Service Code is critical in ensuring that ICAO Ethics Framework is fit-for purpose and is implemented as intended to reap the benefits of the intended changes in the Ethics Framework.

6. In OIO's view, consideration could be given to drawing up a roadmap in consultation with the Ethics Office and designating a senior level staff to facilitate the effective implementation of the Ethics Framework. Lessons learned from the first two years of the Framework implementation could be used for building on positive achievements and addressing identified improvements needed.

7. Strengthened adherence and compliance by staff to ethics principles and values are prioritized as one of the Transformational Objectives for the triennium 2023-2025 and, the Secretary General allocated CAD 3.2 million for its implementation. This covers, *inter alia*, the cost of the outsourced investigative activities and consultancy to support the implementation of the Framework. However, the budget allocated for the Ethics Office does not provide adequate funding for activities that would support an effective implementation of the Framework, reducing the capacity of the Office to achieve its mandate.

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[1] Appendix I refers to the Code of Conduct for the President of the Council and the Secretary General

8. Finally ICAO has yet to fully develop a corporate Ethics training programme to ensure that the ICAO staff are adequately informed of the changes through systematic awareness raising activities on ethical standards, values and principles.

9. Based on the results of the audit, OIO has given an overall rating of 'Major Improvement Needed'. This report contains four recommendations. These include recommendations on Senior Management Leadership for leading by example and promoting ethics as stipulated in the Service Code, and assessing the need of resources for the Ethics Office to effectively fulfil its mandate. Developing and disseminating mandatory ethics training for all staff, and addressing potential damaging conflict of interests for key personnel of the Framework need also to be addressed in a prompt manner.

10. All recommendations in the report have been accepted by the Management. Management comments and proposed actions to implement the recommendations are detailed in the Management Action Plan at Annex 4.

11. OIO wishes to thank management and staff for their assistance and cooperation during the audit.

RESULTS OF THE AUDIT

Background

12. The ICAO Framework on Ethics (Annex I to the ICAO Service Code, hereafter the "Ethics Framework" or "Framework") was initially approved by the Council at the sixth meeting of its 193rd Session(C-DEC 193/6) and had subsequently been amended on a number of occasions. In particular at the seventh meeting of its 220th Session held on 26 June 2020, the Council adopted a consolidated text of the revised ICAO Service Code as decided by the Council itself on 22 May 2020 (C-DEC 220/1 and C-DEC 220/7 refer). The revised version of the ICAO Service Code became effective as of 9 July 2020, the date of its publication.

13. Further, the Council amended its Rules of Procedures to include in its 11th Edition, in 2022, the Appendices G, H and I related to the Rules and Procedures to address allegations of misconduct or retaliation against, respectively, the Secretary General of ICAO and the President of the Council.

14. The Ethics Framework is complemented by key regulatory documents. These documents include the International Civil Service Commission (ICSC) Standards of Conduct, the procedures related to the Ethics Framework (Personal Instructions 1.6) and the Personnel Instructions 1.3 and 1.3.1 related to prevention of Sexual Harassment and Sexual Exploitation and Abuse. Forming part of the Framework, ICAO has also in place an Anti-Fraud and Anti-Corruption policy and an ICAO vendor sanction policy.

15. Additional mechanisms and activities are supporting the implementation of the Ethics Framework such as the mechanism to report misconduct together with the Memorandum of Understanding (MoU) with an independent investigative entity, the specific mechanism to report retaliation cases to the Ethics Officer, but also the financial disclosure programme, the Leadership Dialogue initiative or the Ombudsperson.

Audit Objectives and Scope

16. The objectives of this audit were to:

    a) Assess the implementation of ICAO's revised Ethics Framework in terms of effectiveness of relevant staff rules and regulations as well as administrative and legal arrangements put in place to operationalize the revised Framework; and

    b) Carry out a benchmarking survey for comparative analysis of the ICAO Ethics Framework with similar frameworks in UN common system and other International Organizations, with particular focus on identifying good practices that could be adopted by ICAO.

17. The scope of the audit covered the policy, procedure and staff rules and regulations related to revised Ethics Framework and current arrangements and processes that support this implementation. The audit covered the period starting from 30 June 2019 to 31 July 2022, which includes the development, finalization, promulgation and roll out of the revised Ethics Framework in ICAO. The scope of the audit did not cover the ICAO internal justice system (ICAO Appeals Board and United Nations Appeal Tribunal).

Methodology

18. To achieve the above objectives, OIO carried out interviews with key ICAO staff, Council Members and UN Office of Internal Oversight Services (OIOS), reviewed relevant documentation such as regulatory framework, budget and Council C-WPs and other reports, undertook analysis of data

on Global Engagement Survey (GES) comparing results with the survey conducted by the audit team collecting ICAO personnel views on the implementation of the revised Ethics Framework. This survey covered the ICAO personnel population and received 307 responses representing a participation rate of 32.5 per cent (the targeted population was 944 individuals). The questionnaire aimed at providing insights on the ethics related initiatives' impact such as the recently conducted training sessions and Leadership Dialogue, the support and engagement of Senior Management or the outreach activities carried over since the revision of the Ethics Framework.

19. Ethics, as a concept, does not have a universally accepted definition, therefore, during the course of the audit, OIO used the approach promoted by the Institute of Business Ethics, namely that "ethics starts where the law and regulation end". The Joint Inspection Unit (JIU), in its 2021 Review of the ethics function in the United Nations system[2], used a similar approach thus providing UN system wide coherence to this audit.

20. The significance of the above approach is that it emphasizes that ethics is more than just compliance with rules, it is also about the situations when no detailed rules exist to govern one's actions.

Audit Findings and Recommendations

Positive Developments

Outsourcing of the investigative function

21. In line with the revised Ethics Framework[3] requiring to outsource the investigative function to a third party, an MoU with the UN OIOS was signed by both parties on 20 January 2022 (the 18 months delay since the promulgation of the revised Framework is attributable to administrative matters). During the interim period, the OIOS was contracted on a case by case basis.

22. UN OIOS assesses the MoU as being working overall well. Also, from ICAO perspective, the Council Members expressed satisfaction that the MoU is in place despite the lengthy finalisation process. The cooperation and level of information sharing between ICAO and the investigative entity was appreciated by them. ICAO Management, however, expressed some concern over lack of clarity in the OIOS intake process, specifically for cases returned to ICAO for appropriate further action (routine matters). In line with the provisions of the MoU, OIOS needs to provide ICAO with specific information including number of requests for advice, number of complaints and investigation cases and their final resolution. This may help ICAO in improving its handling of routine matters, its internal procedures and providing appropriate training for staff.

23. OIOS stated that a relatively high percentage of rejected complaints was due to lack of understanding from complainants to differentiate harassment from workplace disagreements or performance management. In OIO's view, provision of anonymized information by OIOS about the type of complaints, would be beneficial to competent ICAO staff to anticipate cases, identify training needs.

24. From the survey conducted by OIO, outsourcing of the investigation services was perceived as a positive change by the majority of ICAO staff, as shown in the Figure 1 below.

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[2] JIU/REP/2021/5

[3] The revised ICAO Framework on Ethics, in its article 46, states that "staff members shall report concerns relating to misconduct directly to the investigative entity using the dedicated hotline, email, facsimile or mail, following the procedures provided by the investigative entity on its public website and available by links on ICAO's internal and public websites".

Figure 1. ICAO Personnel perception of the outsourcing of investigative function

The current set up, in which investigations are conducted by an external party rather than an internal unit, is a positive change from the previous practice

- Strongly agree: 25%
- Agree: 48%
- Neither agree nor disagree: 25%
- Disagree: 1%
- Strongly disagree: 1%
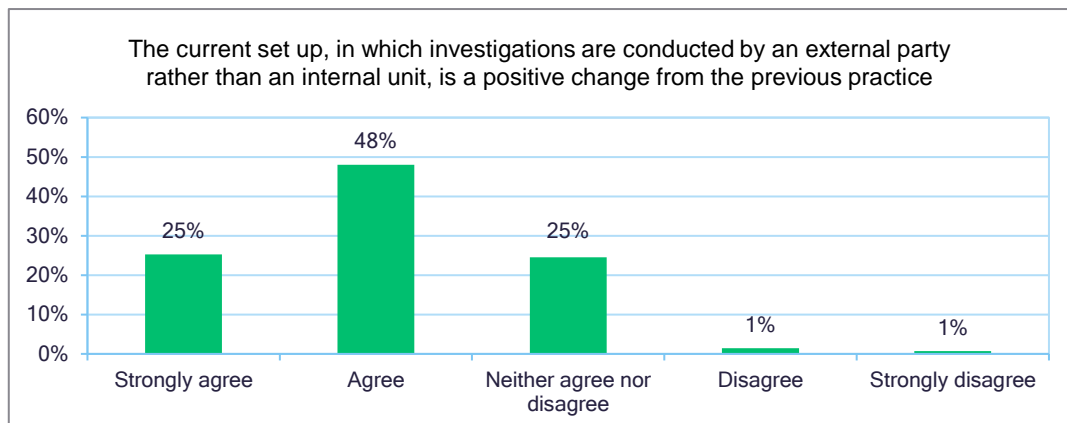
The launch of the first ICAO Leadership Dialogue

25. The Ethics Officer launched the first ever ICAO Leadership Dialogue[4] exercise in 2021, aiming at cascading down discussions on day-to-day work ethics and challenges to all level of ICAO staff. In 2021, the theme was: "Acknowledging Dignity through Civility". Despite relatively low attendance (less than 50 per cent of all ICAO personnel), this training programme was assessed of being high quality by ICAO Bureaus / Offices participated to this exercise.

26. At the date of the writing of this report, the 2022 Leadership Dialogue exercise was just launched with the theme "Conflicts of Interest: Why Do They Matter?".

Cleansing of all pending administrative and disciplinary cases handled by ICAO

27. In the last 24 months, the backlog of administrative and disciplinary cases was addressed by ICAO Management. In 2021, OIOS sent a total of ten reports to ICAO recommending various administrative and disciplinary cases. Appropriate management action was taken to address all the cases by the first quarter of 2022[5].

Revision of the Staff Rules and Personnel Instructions supporting the revised Ethics framework

28. ICAO Management took timely action to revise and issue the Staff Rules, Administrative Instructions and Personnel Instructions (PI) supporting the revised Ethics Framework such as the PI 1.3 Prevention of sexual harassment, PI 1.3.1 Prevention of sexual exploitation and abuse and the PI 1.6 Procedure in relation to the ICAO Framework on Ethics.

Improvements in staff perception vis-a-vis ethics

29. OIO compared the survey responses with the responses of the 2020 GES on questions on ethics and related elements. The results are positive and they indicate a gradual restoring of confidence in the Ethics Framework (results of the survey are provided in Annex 2). Indicatively, some improvements were noted on key ethical aspects such as: the level of confidence for protection against retaliation, the staff perception about feeling safe in reporting a case, and the staff perception about ethical behavior and accountability as depicted in the diagrams below.

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[4] Leadership Dialogue is an annual exercise in use in the United Nations Secretariat since 2013.
[5] Refer to the minutes of the ninth meeting of the 225th Session of the ICAO Council

Figure 2. Comparison of level of confidence for protection against retaliation

I am confident that ICAO will take appropriate actions to protect me should I suffer retaliation for reporting allegations of misconduct
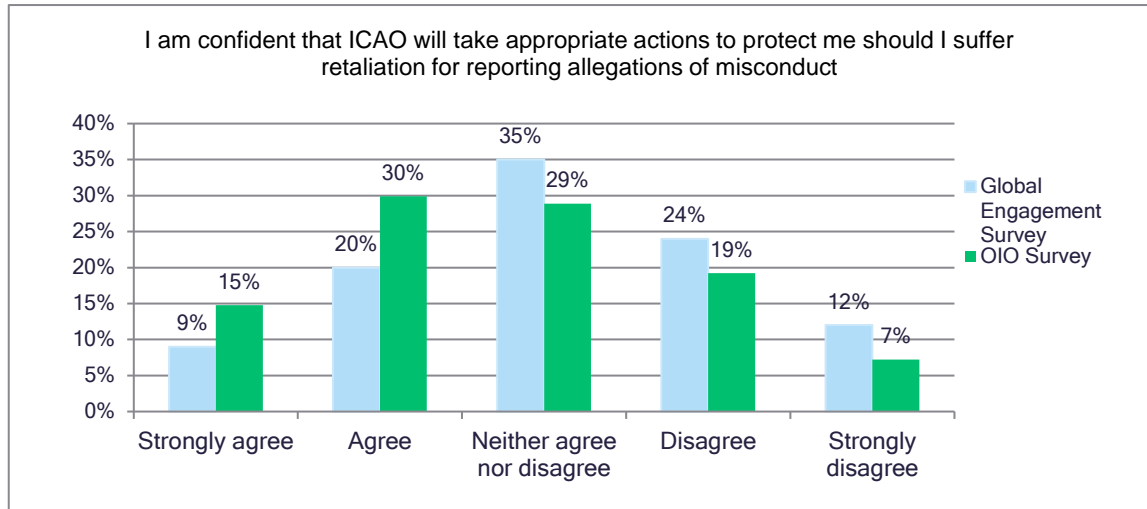
Figure 3. Comparison of staff perception about feeling safe in reporting a case

I would feel safe reporting a case of discrimination, bullying or harassment in ICAO
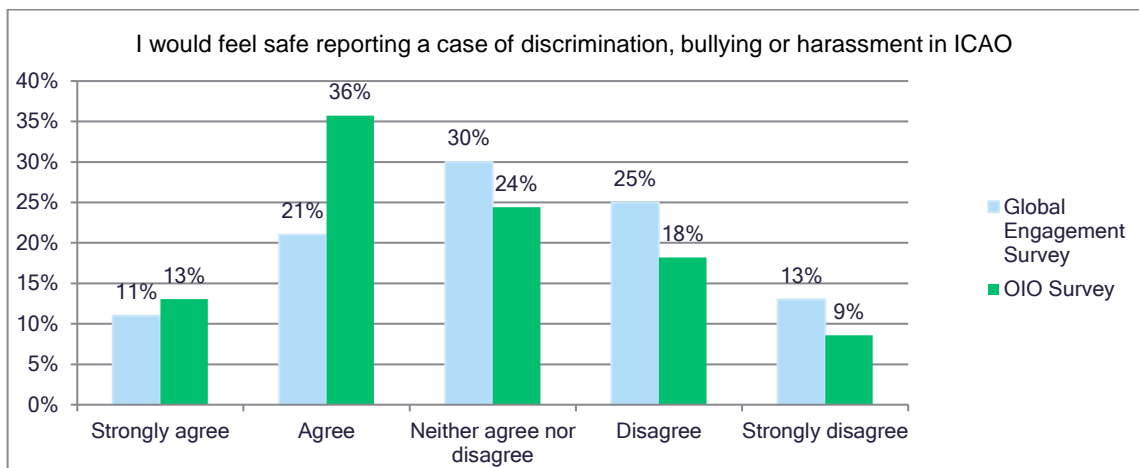
Figure 4. Comparison of staff perception about ethical behavior and accountability

In my view, people at all levels in ICAO are held accountable for ethical behavior
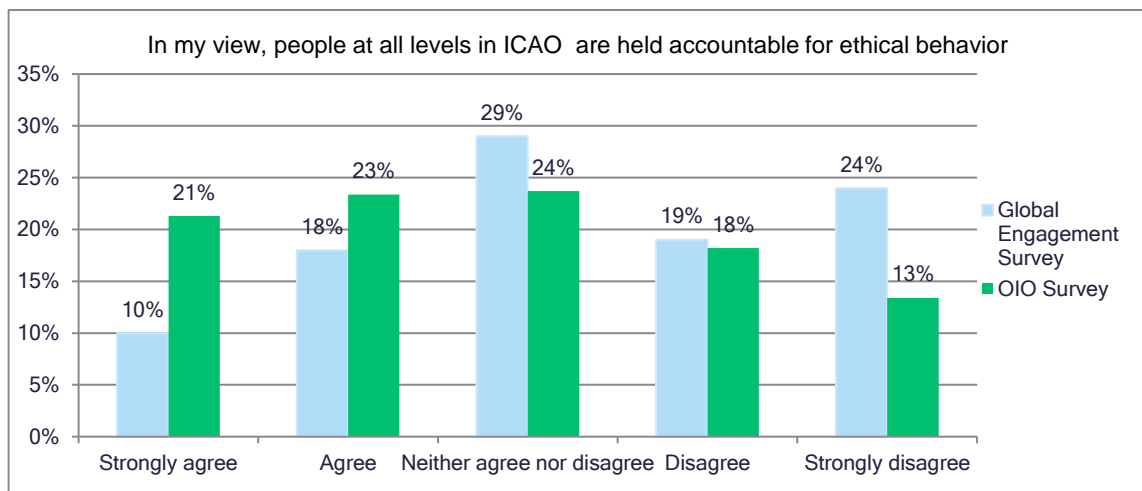
Governance of ICAO Ethics Framework

Role of the ICAO Council

30. The amendment to the Ethics Framework was the result of a lengthy debate over many sessions in the Council in 2019 and 2020. The importance attached by the Council to the matter manifested in many ways, including setting up an ad-hoc workgroup, the Small Group on Ethics (SMGE) or holding multiple Council discussions. This undoubtedly created a high level of expectation, awareness of and interest in the Ethics related policy development which resulted in the revision of the ICAO Framework on Ethics (Annex I to the Service Code) and the revision of the Council Rules of Procedures with Appendices G, H and I[6].

31. Interviews with Council Members confirmed that the Council was generally satisfied with the level of information it receives on the implementation of the Ethics Framework from the different annual reports addressed to the Council[7], even if no metrics and baseline were put in place by the Council to follow up with the implementation of the revised Framework. It was also confirmed that the Council expected regular future reviews of the Framework implementation, at the initiative of the Secretary General, including on the effectiveness and cost efficiency of the different MoUs with OIOS and UN Ethics Office, or the different mechanisms put in place.

32. While since the promulgation of the revised Framework the Council Members perceived an improvement in the overall ethical climate, this was however not supported by the results of the OIO survey. Despite encouraging improvements shown in Figures 2, 3 and 4 above, the Figure 5 below shows that globally only 34 percent of the survey respondents agree or strongly agree that they noticed an overall improvement of the ethical environment. Fifty one percent of them neither agree nor disagree with an improvement which may indicate that more time is needed for assessing the impact of the implementation of the Revised Ethics Framework.

Figure 5. Survey question reflecting ICAO personnel perception ethical environment

I noticed an overall improvement of the ethical environment at ICAO

- Strongly agree: 6%
- Agree: 28%
- Neither agree nor disagree: 51%
- Disagree: 10%
- Strongly disagree: 5%
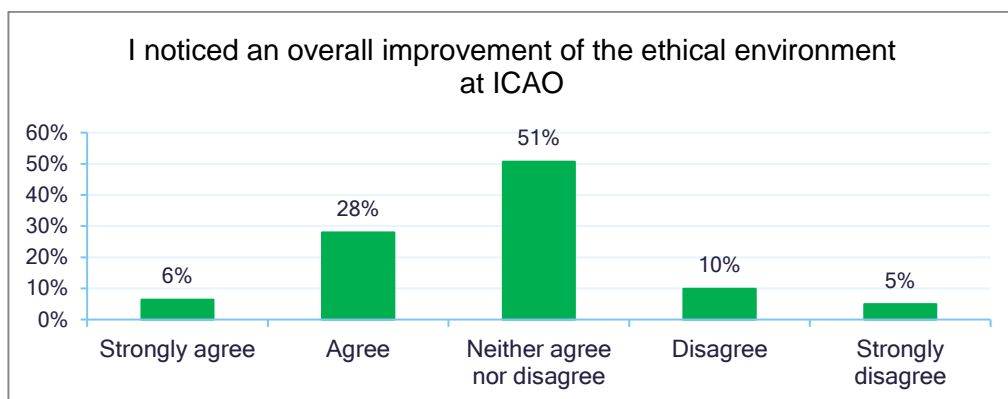
Setting the right tone at the top

33. The support of the Secretary General and its Senior Management Group is critical in building a strong ethical climate. As clearly expressed in the Framework, ethics is the matter of all ICAO personnel, and setting the right tone is the matter of Senior Leadership in its entirety.

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[6] Appendix G - Rules and Procedures to address allegations of misconduct or retaliation against the Secretary General of ICAO

Appendix H - Rules and Procedures to address allegations of misconduct or retaliation against the President of the Council

Appendix I - Code of Conduct for the President of the Council and the Secretary General.

[7] Refer to the respective reports of the Secretary General, of the Ethics Officer or the Investigative Entity (UN OIOS)

34. Through interactions with ICAO personnel, town-hall meetings, but also through commitment to provide resources for the implementation of the Framework, showing transparency and holding individuals accountable for wrongdoing/misconduct, the Secretary General plays a vital role to build trust and confidence into the Ethics Framework and ICAO as a whole.

35. As shown below in Figure 6, staff perception for senior leadership's promotion of a culture of ethical behaviour has improved (strongly agree and agree increased from 37 to 52 per cent), however it still remains low, just above average.

Figure 6. Perception of senior leadership's promotion of a culture of ethical behavior culture
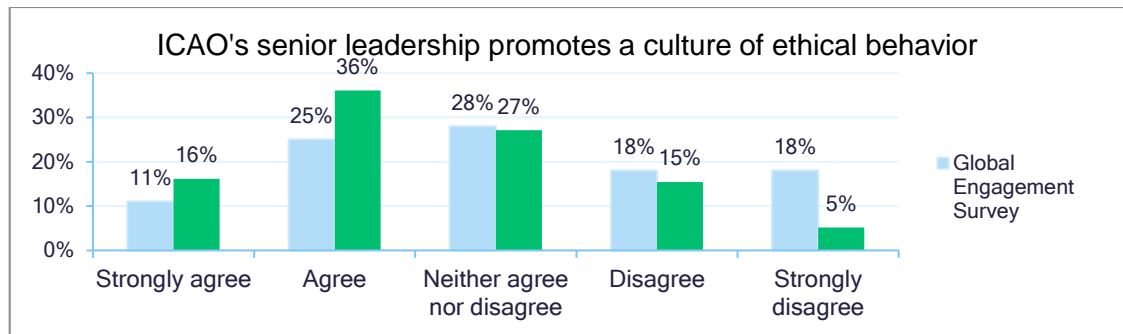
36. While it is difficult to assess the level and quality of communication among ICAO staff on ethical values and principles, the first Leadership Dialogue organised in ICAO in 2021, reached an attendance rate of less than 50 per cent of the ICAO staff members and several Offices, Services or Bureaus never submitted the attendance and feedback reports to the Ethics Office or reported very low attendance.

37. Since the promulgation of the revised Framework in June 2020, six town-hall meetings were held, including one on the GES results[8] and only one[9] presented, among other topics, the progresses made on the implementation of the ICAO Framework on Ethics. A review of 38 SMG and four Full SMG meeting agendas, covering the period from July 2020 to July 2022, indicated that only three topics were related to ethics in all SMG meetings, while ethics was never included in the FSMG agenda.

38. The summary results of OIO survey illustrate the mixed perception of ICAO personnel regarding trust in Management and implementation of ethics framework.

39. For instance, during the period July 2020 to July 2022, while the percentage of colleagues having experienced harassment, bullying and/or discrimination situations decreased from 22 per cent to 15 per cent (see Figure 7), the number of staff who did not report their situation increased by four percent from 65 to 69 percent (see Figure 8). The four main reasons why ICAO colleagues did not report the situations (see Figure 9) were that:

- They didn't think the issue would be dealt with or taken seriously;

- They were concerned about retaliation especially non-renewal of contract/termination of employment;

- They did not think that ICAO would support them; and

- They were concerned that their identity would not be kept confidential.

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[8] Town-hall meeting held on 04 August 2021

[9] Town-hall meeting held on 15 February 2022

Figure 7. Harassment, bullying and/or discrimination experienced in the last 12 months
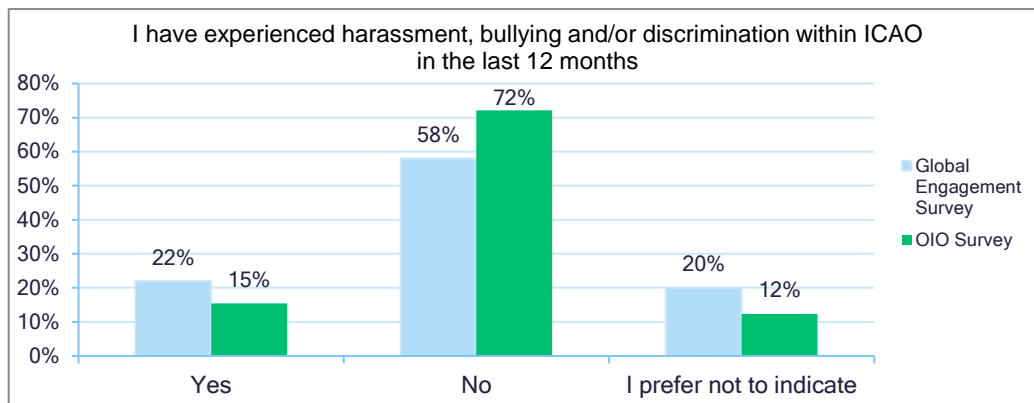
Figure 8. Percentage staff members who reported their situation
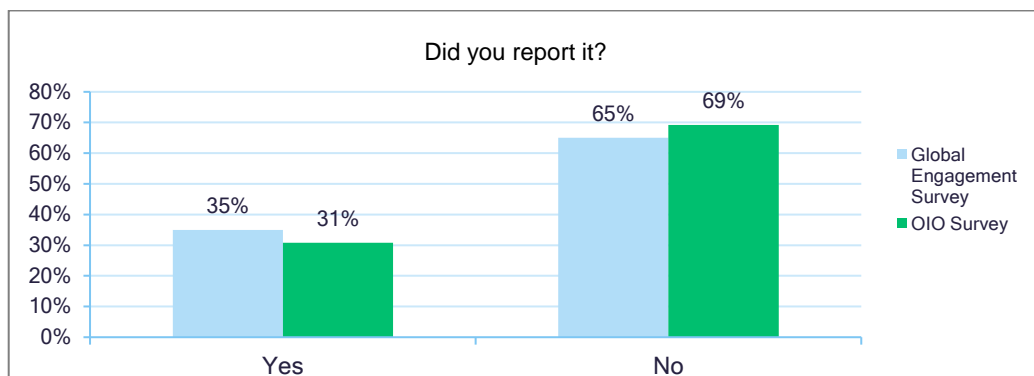
Figure 9. Reasons for not reporting a situation of harassment, bullying and/or discrimination
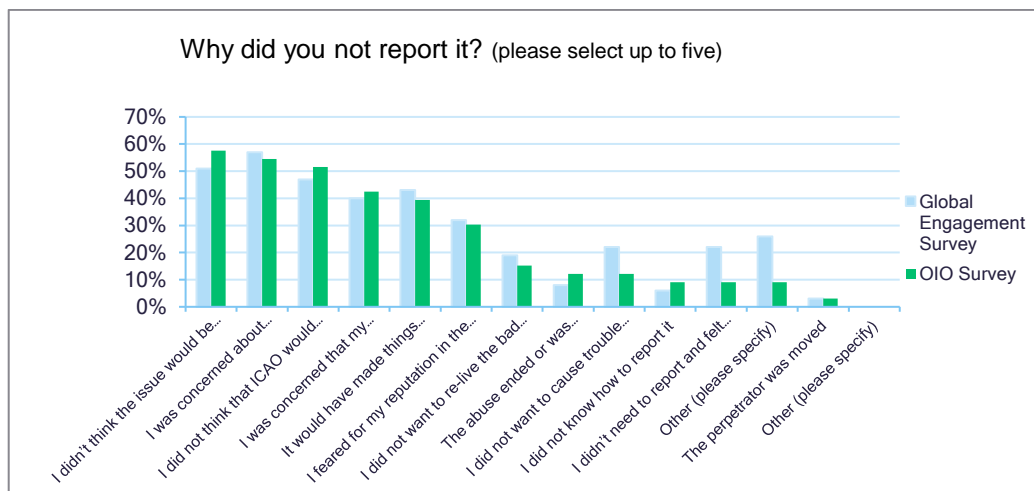
40. As stated above, the role of the Secretary General and the senior management team is crucial in setting the right tone and "walk the talk" to rebuild trust and confidence. As shown by the different figures above, and the perceived lack of commitment from the Leadership Dialogue results, ICAO Senior Leadership must continue demonstrating its support and commitment to address the numerous challenges posed by the current ethical climate of the Organization.

Recommendation 1	Inclusion of Ethics in SMG/FSMG Meetings
Priority	High

The Office of the Secretary General should include Ethics as a regular agenda item of the Senior Management Group and Full Senior Management Group meetings and remind senior managers of their responsibilities and for leading by example and promoting ethics as stipulated in the Service Code.

Closing criteria:

a) Standard SMG and FSMG agenda topic on Ethics on a frequency to be determined as appropriate by the Secretary General. This will include a formal reminder to all SMG members on their responsibilities[10] and for leading by example and promoting ethics.

Effectiveness of the Ethics Framework Implementation

Lack of assigned responsibility to coordinate, facilitate the implementation of the Ethics Framework and drive the change management process

41. The ICAO Ethics Framework and related guidance govern the ethics related activities and responsibilities of the several actors, such as the Secretary General, the Ethics Officer, the Ombudsperson, the external investigative entity (OIOS) or HR Specialist on Policy and Disciplinary Matters. As these different actors aspire to contribute to the same goal of a better ethical workplace, their cooperation or information sharing is vital to achieving a unity of efforts and thus, the success of the Framework. This is without prejudice to specific mandate of the Ethics Office which is independent from all other services[11].

42. Despite the significant benefits ICAO could potentially yield from cooperation and information sharing, formal or informal information sharing among the different actors has been limited. There is no senior level "champion" or "sponsor" (with no functional role in the Framework to ensure proper segregation of duty) to effectively facilitate and coordinate the implementation of the Ethics Framework, all stakeholders having their partition to play but in an unorganized manner.

43. Further, the Evaluation and Audit Advisory Committee (EAAC) recommended[12] improving communication between the Ethics and Investigative functions to inform on training needs and policy review. While ICAO Management decided in September 2021, to hold regular/dedicated meetings at the initiative of the HR Specialist on Policy and Disciplinary Matters with the "Ethics Officer, Ombudsperson and/or Chief OIO" to-date, such a meeting is yet to take place.

44. In OIO's opinion, the lack of clear overall responsibility to coordinate and facilitate the implementation of the Ethics Framework assigned at the appropriate level, combined with limited cooperation between the main stakeholders of the Framework, significantly limits the effectiveness of the Ethics Framework and is a contributing factor of its difficult implementation and monitoring.

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[10] Article 92 of the Ethics Framework
[11] Article 86 of the Ethics Framework
[12] C-WP/15267, appendix B, recommendation 10

45. In addition, managing such significant changes introduced by the revised Ethics Framework requires ICAO management to adopt a robust change management approach to ensure proper implementation.

46. A change management plan can comprise among other elements a risk assessment, a communication/outreach and training plan, some monitoring and review mechanisms and roadmap to achieve the intended objectives.

47. There is no formal risk assessment to identify areas of potential resistance, nor a communication plan to raise general awareness and to address specific concerns of ICAO personnel regarding the changes.

48. The lack of a proper change management approach and a clearly defined roadmap adversely impacted, *inter alia*, the communication and outreach efforts for effectively implementing the Ethics Framework fragmented communication on the revised Ethics framework coupled with lack of mandatory ethics training, significantly reduced the visibility of the changes.

49. Two years after the promulgation of the revised Framework, up to 25 per cent of the survey respondents are not aware of the protection against retaliation mechanism in ICAO, 21 per cent are not aware of the possibility to submit anonymously a report of misconduct and 27 per cent does not know that investigations are conducted by an external party. Overall, compared to the 2020 GES, the percentage of ICAO personnel having a good understanding of the ICAO Ethics Framework and ICSC Standards of Conduct decreased from 84 per cent to 78 per cent.

50. Further observations deriving from the lack of change management plan or a roadmap are as follows:

   a. The informal conflict resolution mechanisms needed to be strengthened by ensuring complete independence of the Ombudsperson function which is currently exercised on time-share basis by a staff member[13] potentially impair his/her objectivity;

   b. Staff counseling for Headquarters staff is remotely provided by a Canadian health counseling services, however no presence is ensured in the premises, such as a trained counselor in the ICAO medical unit, to address immediate distress situations or provide technics to address work-related conflicting situations;

   c. The specific training for fact-finding enquiry panelists was never provided to the 12 members designated in February 2021 and OIOS confirmed that, as of July 2022, none of the panelist have even enrolled in the proposed dedicated training for fact-finding panel members;

   d. Following the revision of the Ethics Framework, anti-fraud and anti-corruption policy and protection against exploitation and abuse[14] appear to have been left without clear ownership. Establishing clear ownership of these policies and dissemination of this information will further enhance effective implementation of the Framework;

   e. The Ethics Framework applies "*mutatis mutandis,* to all non-staff personnel of ICAO including but not limited to gratis personnel, consultants, experts, interns and individuals working for ICAO under a contractual relationship". These different workforce groups relate with ICAO in different extents, enjoy different benefits from and protection by the Organization. Consequently, the expectations from these different groups should not be the same either. Therefore, while values and principles are expected to apply to all categories of personnel, a clear formal communication is needed particularly in potentially challenging situations for non-staff members such as "Outside activities, occupation or

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[13] This applies to the alternate Ombudsperson too.
[14] Personnel Instructions 1.3.1

employment", "Gifts, honours and remunerations from outside sources" or "Conduct of staff member's household"; and

    f. The benefits of the financial disclosure programme (FDP) administered by the Ethics Office are manifold such as awareness raising, education and evidence. The FDP collection phase is successful and reached a collection rate of 100 per cent, a review of the financial statement is successfully conducted on a sample of 10 per cent of the forms collected. A verification phase is also conducted but only accuracy checks are conducted because of a lack of resources and internal capacity of the Ethics Office to conduct substantive tests. Provision of adequate resources will increase the benefits of the FDP programme[15].

51. In OIO's view, the revised Ethics Framework has been implemented in major areas such as protection against retaliation or the outsourcing of the investigative functions, there are however components of the Framework that need further enhancements. In that regard, consideration could be given to drawing up a roadmap in consultation with the Ethics Office and designating a senior level staff for facilitating the effective implementation of the Ethics Framework.

Providing resources to support the change while not overlooking sustainability

52. Commensurate resources are needed to support the successful implementation of a significant regulatory change such as the revised Ethics Framework. Decisions made by the Council have budgetary consequences such as the implementation of the MoU with OIOS, the MoU with the UN Ethics Office, the need for all-staff revised training, communication and outreach activities accompanying the change, etc.

53. The approved draft budget for 2023-2025 shows a budgetary allocation of CAD 3.2 million to support different elements of the Framework making strengthened adherence and compliance by staff to ethics principles and values one of the Transformational Objectives (TO 2) with dedicated one-off funding[16], however, this does not involves the Ethics Office directly, and the current level and sustainability of the resources allocated to the Ethics Office is concerning.

54. The Ethics Office is a key pivotal stakeholder whose mandate is clearly defined in the Ethics Framework. It is therefore crucial to ensure that the office has the appropriate level of resources to be able to conduct its mandate in an effective manner. The Ethics Officer position is funded at 60 percent by the regular budget, the remaining 40 percent by non-sustainable resources provided by TCB[17]. Whilst the Ethics Office was provided with an exceptional funding from 2021 carry over budget used for filing and record management consultancy services, no regular financial support was provided for the substantive and technical expertise on training development, financial disclosure verification, or communication, areas where the Ethics Office lacks capacity.

55. Actually, no resource gap analysis was made to compare the level of existing resources with the level of resources required for the Ethics Office to fulfil its mandate effectively. Despite the increasing workload, the current staffing level of one person remains unchanged. This situation let to:

    o An adverse impact on regular ethics trainings not being available and overall prioritization on ethics training programme;

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[15] Similar situations were identified in the JIU review of mechanisms and policies addressing conflict of interest in the United Nations System (JIU/REP/2017/9) which recommended executive heads of UN organizations to evaluate the effectiveness and efficiency, including "value for money", of their financial disclosure programmes.

[16] Refer to C-WP/15360 and FI-WP/732

[17] See Annual Report of the Ethics Officer for 2021 C-WP/15330

  o The verification phase of the financial disclosure programme, as noted earlier, is not being fully implemented; and

  o Limited communication affecting the visibility of the Ethics Office messages.

56. Therefore, in order to ensure effective implementation of the mandate of the Ethics Office and address the perception of limited independence because of budget constraints, a resource gap analysis exercise should be conducted to identify gaps and address them in a sustainable manner.

Recommendation 2	Assessment of Resources of the Ethics Office
Priority	High

In line with the approved Council decisions[18], the Secretary General, in consultation with the Ethics Office, should ensure that the Ethics Office is provided adequate resources to be able to achieve its mandate/activities.

Closing criteria:

  a) Develop a resource gap analysis of the Ethics Office and identify potential sources of funding for reallocation to the Office.

Ethics training are unavailable and overall ethics training programme was insufficient

57. Implementation of mandatory ethics training programmes is part of one of the five elements of the Ethics Officer's mandate stated in ICAO Framework on Ethics, article 91 b. Whether for general or specific in areas of high relevance or risk, the JIU repeatedly emphasized the need for mandatory ethics training and periodic refreshers.

58. While in the past 24 months five training related to ethics took place with high attendance rate for two of them[19], showing a high interest in the topic, ICAO currently does not have any corporate ethics training (initial or refresher) available to all staff. OIO was informed that a contract between ICAO and UNSSC was signed in 2022 for developing 10 training sessions during a 3-year period and the first mandatory training on ethics targeting ICAO managers[20] is expected to be issued by the end of October 2022. Further progresses were made to address the absence of induction training for new staff members between April 2019 and September 2022 as a new online induction package, including an introduction of the ICAO Ethics Framework, was issued in September 2022.

59. Prioritization of the limited resources of the Ethics Office, lack of internal capacity to develop ethics training material or adapt training material from other UN System organisations and, shared responsibilities between the Ethics Office and Policy, Organizational and Staff Development Section (POD) which is the budget owner and subject matter expert in training technics, delayed the development of a structured ethics training plan and its administration.

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[18] C-DEC 225/3

[19] Source POD. In 2020/21: Working ethically in ICAO (moderate 56% attendance), Leading ethically in ICAO (high 96% attendance), Sexual Harassment training (high 95% attendance), Prevention of Sexual Harassment and Abuse by UN Personnel – Working Harmoniously (moderate 52% attendance) and Introduction to Ethical Leadership (moderate/high 77% of attendance)

[20] "Leading at ICAO with ethics" training will be then followed by "Working at ICAO with Ethics" targeting all ICAO personnel on a dedicated UNSSC portal called "ICAO Ethics Learning Hub"

60. The absence of basic mandatory ethics training and related refresher for all staff results in a critical missing requisite in strengthening the ICAO ethical environment.

Recommendation 3	Provision of Ethics training
Priority	High

ADB should monitor and report on compliance by all ICAO staff members of online mandatory ethics trainings to be developed by the Ethics Office.

Closing criteria:

    a)   Delivery of at least one online mandatory ethics training for all ICAO staff.

Potential conflict of interests need to be addressed

61. The Human Resources Specialist (Policy and Disciplinary Matters)[21] position (SPDM) was created in 2021. The incumbent of this key position, reporting to D/ADB, is responsible, among other responsibilities, to coordinate the implementation of the disciplinary process and/or managerial action or administrative measures for ICAO staff, and be ICAO's official liaison officer with OIOS.

62. The review of the vacancy announcement issued end of June 2022 for the Human Resources Specialist (Policy)[22] position, shows that only one out of the six functions of the position relates to disciplinary matters and related coordination tasks, while other functions are related to Human Resources policy development, advice or coordination. In addition to the direct reporting line to the Deputy Director ADB Human Resources, this weakens the functional impartiality and objectivity of the position and increases the risk of potential conflict of interest.

63. Another conflicting situation was identified from the review of the rostered staff members for fact-finding enquiry panels. ███.

Recommendation 4	Prevention of Conflict of interest Situations
Priority	High

ADB, in close cooperation with the Ethics Office, should review the relevant ICAO policy and procedures to ensure that the potential conflict of interest cases cited in this report are effectively addressed while mitigating any associated risks that may arise in future in similar cases in a proactive manner.

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[21] Vacancy notice 2020/05/P 111409 (JO 148312)
[22] Vacancy notice 2022/11/P 111409 (JO 185037)

> Closing criteria:
>
> a) Review of relevant ICAO policy and procedures addressing and preventing conflict of interest cases identified in this report.
>
> b) Address the cases identified in the report.

Benchmarking and Maturity Assessment

Benchmarking with other UN system Organizations

64. Benchmarking of the ICAO Ethics Framework against similar frameworks in the UN common system provides potential for identifying good practices that could be adopted by ICAO. In that regard, OIO used the recently issued JIU Review of the Ethics Function in the United Nations system[23] which provided a good basis for comparison between these entities with criteria including Senior Leadership, Oversight Committees and Governing Bodies responsibilities in the support of the Ethics Framework and Ethics function.

65. According to the JIU benchmarking survey, ICAO was already applying good practices such as having a full time, independent, non-renewable[24] position of the Ethics Officer, with access and reporting to Council Members and access to the Senior Leadership or the EAAC or the prevention of and protection from retaliation. Major improvements came from the revision of the Ethics Framework, separating the Ethics function from the Investigation function and the detailed ICAO rules about the handling of complaints against the Executive Heads (Secretary General and President of the Council in the case of ICAO). The absence of these later rules are regularly highlighted by JIU as a weakness for the vast majority of UN System entities, which puts ICAO among Organizations with a best practice in this regard.

66. Additional good practices identified from the JIU review would support ICAO in the implementation of the Ethics Framework. These cover among others:

    i. The voluntary public disclosure of the financial statement of the executive heads;

    ii. Setting and monitor deadlines for new hires to undertake mandatory ethics trainings (basic) and imposing mandatory training on ethics to consultants before they start working for the organisation;

    iii. Considering modern communication tools, such as social media, as means for the Ethics Office to improve outreach.

67. Further, using JIU's review data, OIO made a comparative analysis between ICAO and other UN System organisations. In its review, the JIU listed 51 ethics standards on which the UN System organisations provided information. OIO ranked them from 0 to 51 points based on whether standards were met or not (one point per standard met). The figure 10 below provides an illustration of this ranking compared to the total revenues per organisation. With this method ICAO was ranked second best.

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[23] JIU/REP/2021/5

[24] Single term of seven years limit and post-employment restrictions apply

Figure 10. JIU Ethics standards ranking compared to level of annual revenues (in USD million)
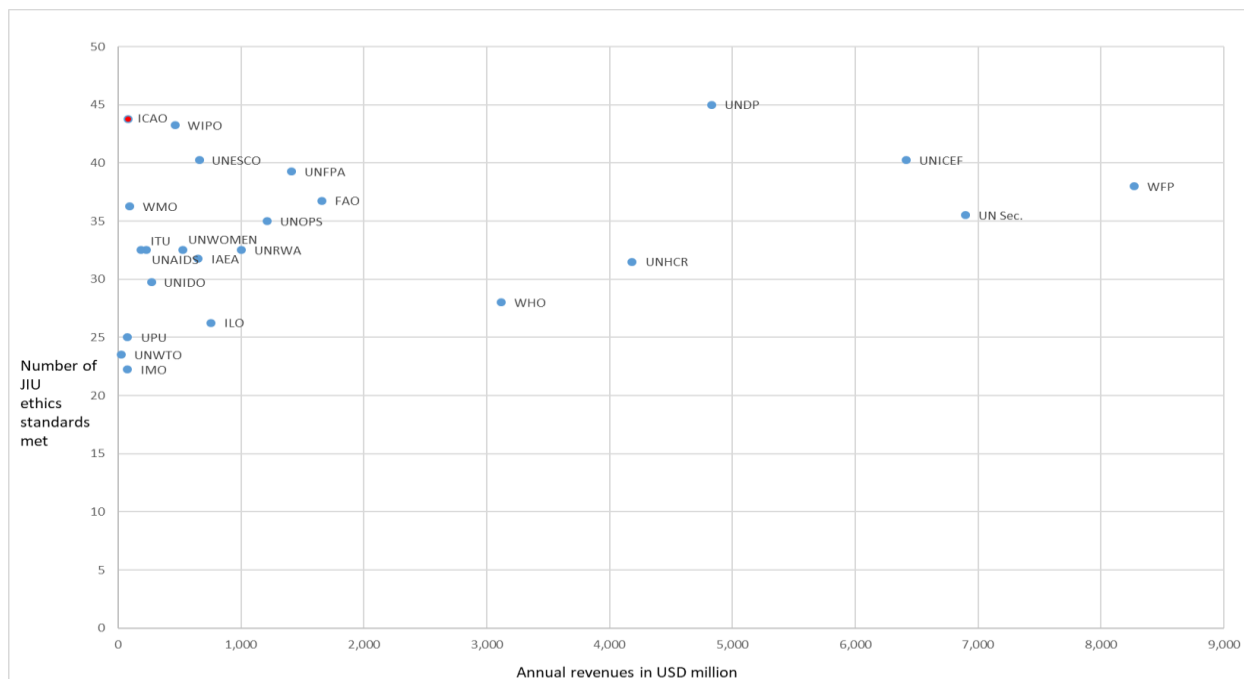
68. Based on quantitative data provided in JIU, OIO built also five indicators to benchmark ICAO's Ethics Framework for which ICAO ranked within the first tier out of the compared UN system organisations. This analysis is presented in Annex 3.

Ethics and integrity maturity assessment

69. OIO identified an assessment of the maturity level that could help ICAO assessing its Ethics and Integrity called the Global Ethics and Integrity Benchmark ████[25]. This tool is a guidance aiming at introducing clear and aspirational standards, serving as educating managers, engaging staff members or assessing organizational progress towards short-term and long-term goals. This guidance may also assist the Organization in assessing its ethical risks through 15 indicators[26] providing measurement on Organization's achievement ethics and integrity foundation, culture and risk.

70. ICAO management may use these indicators to assess the organization's strengths, opportunities for improvement and risks associated with ethics and assist in developing the roadmap to support the effective implementation of the Ethics Framework.

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[25] Global Ethics & Integrity Bookmarks 2020 ████████████████

[26] Foundation – 4 indicators: Vision, purpose and goals, Leadership, Ethics resources, Legal compliance, policies and rules
Culture – 5 indicators: Organizational culture, Rewards and discipline, Social responsibility and sustainability, Ethics communication Ethics training and education
Risk – 6 indicators: Ethics risk assessment, Interpersonal misconduct, Whistleblowing and investigations, Conflict of interest, Confidentiality and transparency, Bribery and corruption

ANNEX 1: DEFINITION OF AUDIT TERMS

Audit Ratings

In providing an overall assessment of the results of the audit, OIO uses the following standardized audit rating definitions:

Audit Assessment	Definition
Effective	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Some Improvement Needed	A few specific control weaknesses or areas for improvement were noted; generally, however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Major Improvement Needed	Several key control weaknesses were noted and/or several areas of strategic/high importance were identified where significant improvements can be made to increase efficiency and effectiveness.
Unsatisfactory	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

Internal control is defined as a process effected by senior management and staff, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance objectives. Whilst internal control provides reasonable (but not absolute) assurance of achieving organizational objectives, limitations may result from:

- suitability of objectives established as a precondition to internal control;
- reality that human judgment in decision making can be faulty and subject to bias;
- breakdowns can occur because of human failures such as simple errors;
- ability of management to override internal control;
- ability of management, other staff, and/or third parties to circumvent controls through collusion;
- external events beyond the organization's control.

Priority of Audit Recommendations

The audit recommendations in this report are categorized according to priority as a guide to management in addressing the issues raised. The following categories are used:
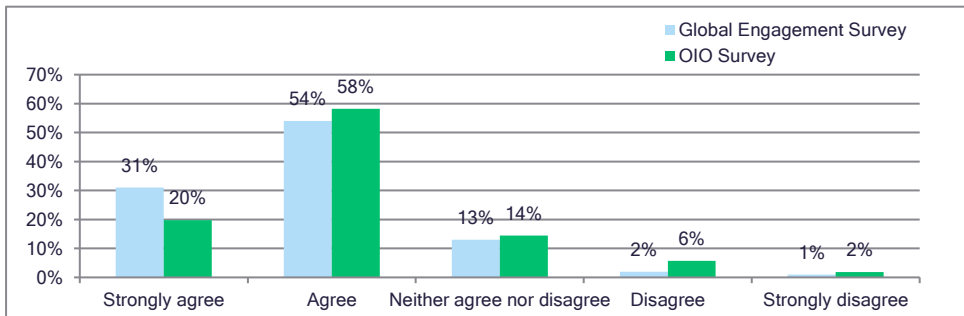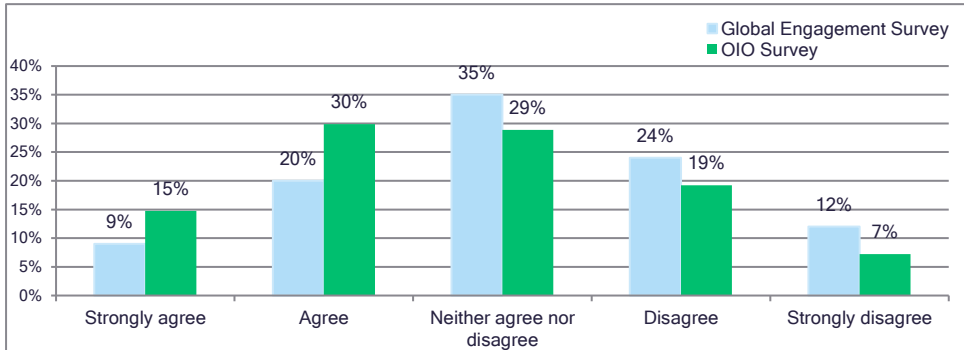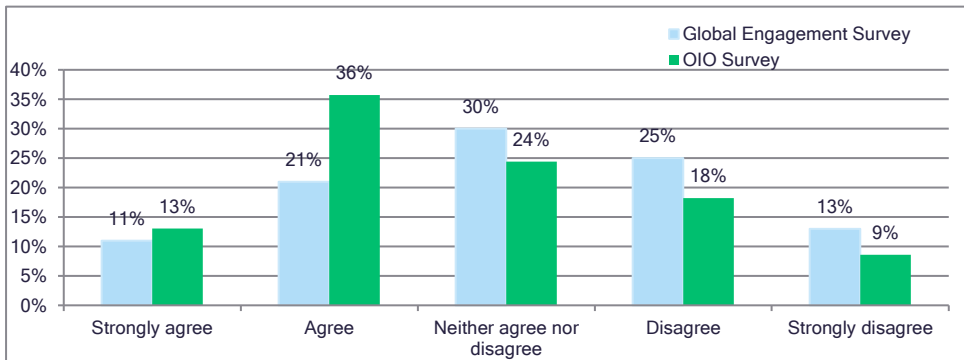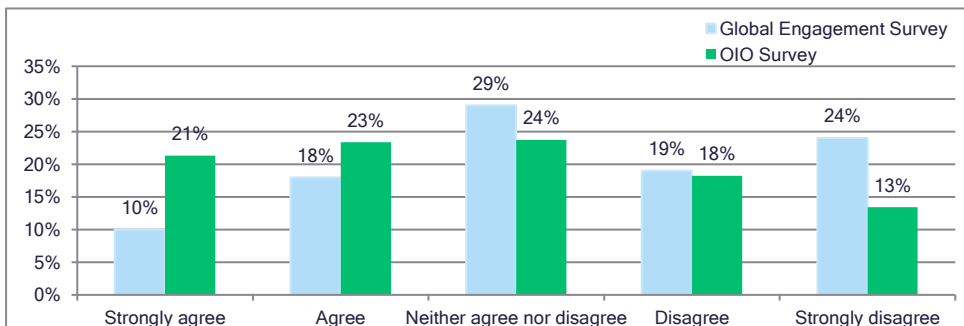
High: recommendations, which address significant and/or pervasive deficiencies or control weaknesses, or areas where significant improvements can be made.
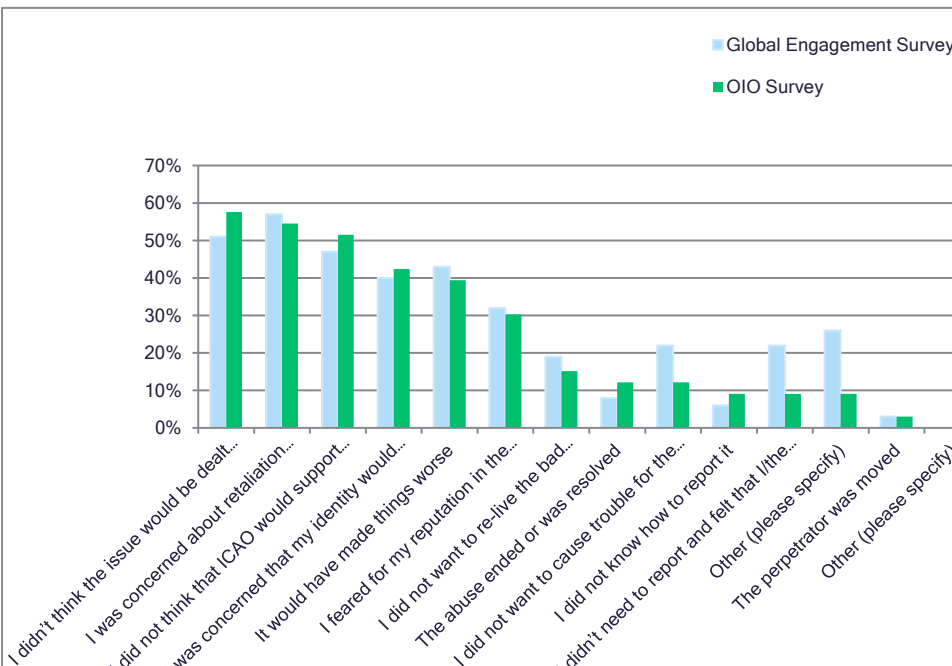
Medium: recommendations, which address important deficiencies or control weaknesses, or areas where some improvements can be made.

Low: suggestions, which represent best practice, or general opportunities for improvement.

ANNEX 2: RESULTS OF ICAO PERSONNEL SURVEY

The survey circulated among ICAO personnel was conducted in July 2022. The population surveyed covered 944 individuals at ICAO Headquarters and Regional Offices and 307 of them (32.5 per cent) replied to the questionnaire. A summary of the results is presented below:

Implementation of the Ethics Framework – Questions to ICAO personnel	
General questions on the Framework	
I have a good understanding of the ICAO Framework on Ethics and the ICSC Standards of Conduct	
I am confident that ICAO will take appropriate actions to protect me should I suffer retaliation for reporting allegations of misconduct	
I would feel safe reporting a case of discrimination, bullying or harassment in ICA	
In my view, people at all levels in ICAO are held accountable for ethical behavior	

ICAO's senior leadership promotes a culture of ethical behavior	
I have experienced harassment, bullying and/or discrimination within ICAO in the last 12 months	
You have indicated that you personally experienced harassment, bullying and/or discrimination within ICAO in the last 12 months. Did you report it?	
You have indicated that you did not report your experience of harassment, bullying and/or discrimination, why did you not report it? (please select up to five)	

Ethics training

I know how to access ethics training

Response	Percentage
Yes	78%
No	8%
I am not sure	14%
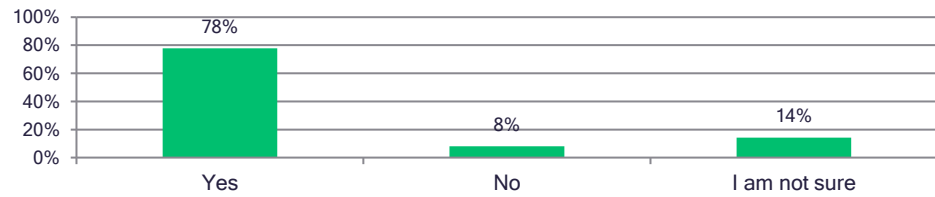
I have attended at least one ethics training in the last 12 months

Response	Percentage
Yes	76%
No	19%
I do not know	5%
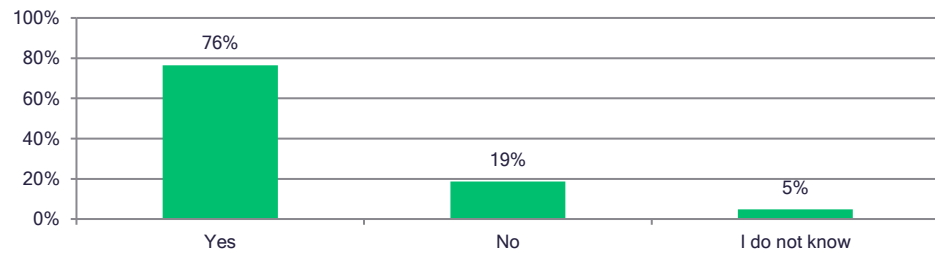
If not, why not? (more than 1 response possible)

Response	Percentage
I was not instructed to do so	45%
I had no time to do so	27%
I do not think it is mandatory	18%
There is no ethics training relevant for me	6%
I do not know where to find the ethics training	22%
Ethics is not a concern for me	6%
Other (please specify)	16%
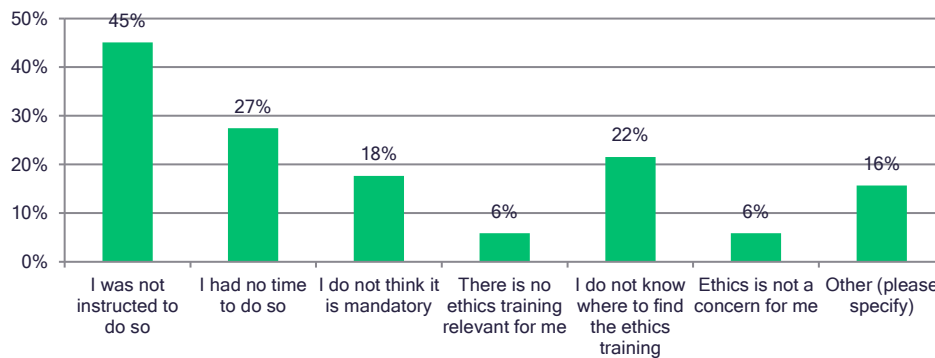
If yes, what was your opinion about the training you attended?

Legend: ■ Strongly agree ■ Agree ■ Neither agree nor disagree ■ Disagree ■ Strongly disagree

Categories:
- The training was relevant to Ethics topic
- I was satisfied with the format of the training
- I find the training useful for my work
- The training contribution to the Ethical climate is positive
- The training met my expectations
- I will recommend the attended training to my colleagues
- The training addressed potential ethical dilemmas I may face

Conflict of interest and other ethical dilemmas
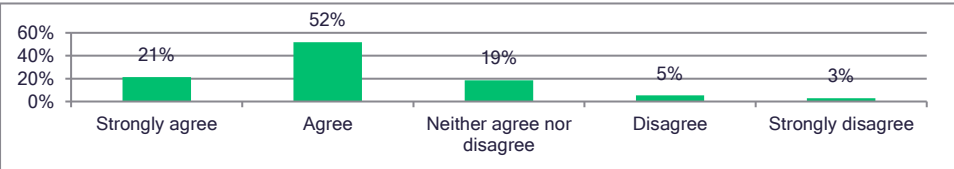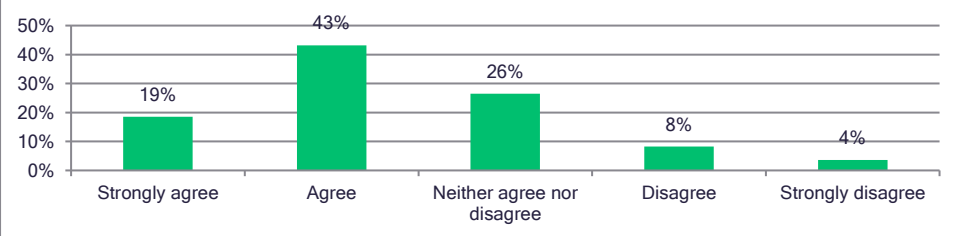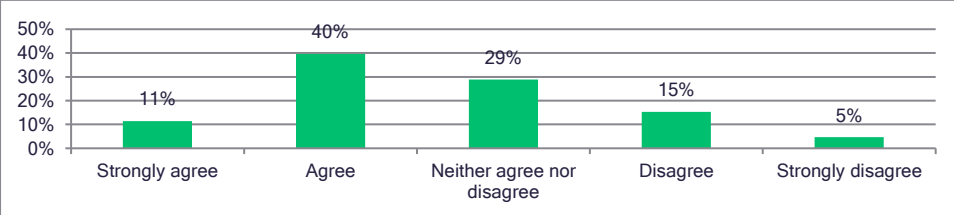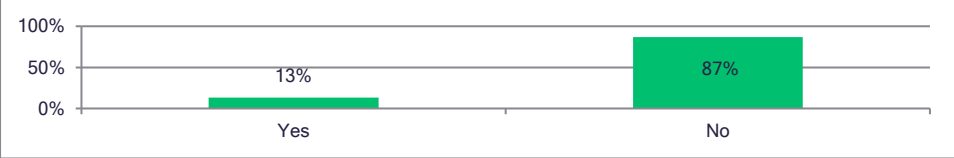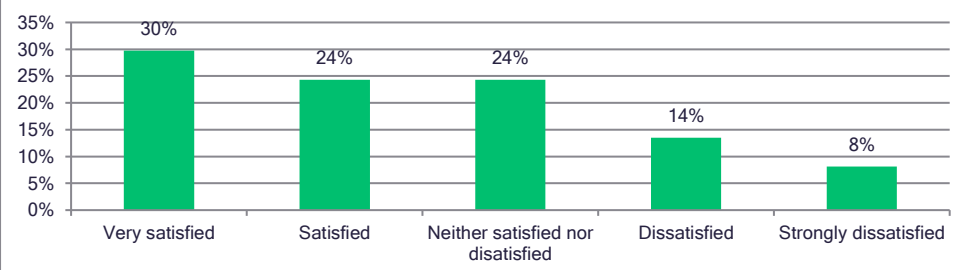
I know where to look for assistance to resolve conflict of interest situations or ethical dilemmas in my current role
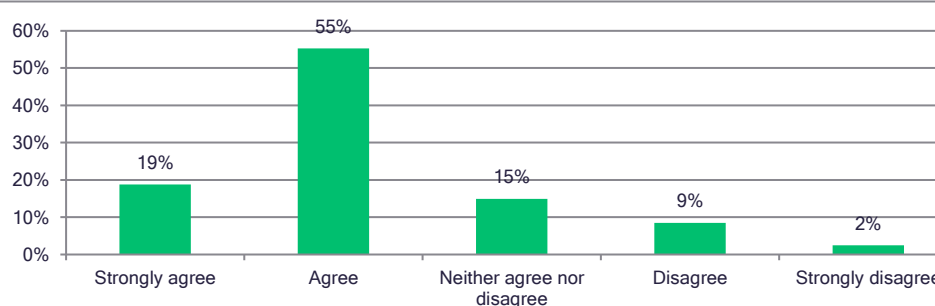
Response	Percentage
Strongly agree	19%
Agree	55%
Neither agree nor disagree	15%
Disagree	9%
Strongly disagree	2%

I am aware of unresolved potential conflict of interest situation(s) within ICAO	

Chart: "I am aware of unresolved potential conflict of interest situation(s) within ICAO"
- Yes: 33%
- No: 55%
- I prefer not to indicate: 12%

Since the implementation of the revised Ethics Framework my team members demonstrated higher ethical behaviour	

Chart: "Since the implementation of the revised Ethics Framework my team members demonstrated higher ethical behaviour"
- Strongly agree: 8%
- Agree: 22%
- Neither agree nor disagree: 56%
- Disagree: 11%
- Strongly disagree: 3%

I noticed an overall improvement of the ethical environment at ICAO	

Chart: "I noticed an overall improvement of the ethical environment at ICAO"
- Strongly agree: 6%
- Agree: 28%
- Neither agree nor disagree: 51%
- Disagree: 10%
- Strongly disagree: 5%

Ethics Office

I know that I have access to the Ethics Office	

Chart: "I know that I have access to the Ethics Office"
- Yes: 92%
- No: 8%
- I do not know: 0%

I am satisfied with the quality of guidance, information or advice provided on ethics by the Ethics Office	

Chart: "I am satisfied with the quality of guidance, information or advice provided on ethics by the Ethics Office" (Global Engagement Survey / OIO Survey)
- Strongly agree: 12% / 13%
- Agree: 30% / 47%
- Neither agree nor disagree: 37% / 32%
- Disagree: 13% / 5%
- Strongly disagree: 8% / 3%

I am aware of the protection against retaliation system in ICAO	

Chart: "I am aware of the protection against retaliation system in ICAO"
- Yes: 75%
- No: 25%

In ICAO, there is a genuine intention to protect personnel from retaliation	**Strongly agree** 12%, **Agree** 35%, **Neither agree nor disagree** 37%, **Disagree** 11%, **Strongly disagree** 5%
I believe I would be granted protection in case of a retaliation against me	Global Engagement Survey vs OIO Survey — **Strongly agree** 9% / 11%, **Agree** 20% / 33%, **Neither agree nor disagree** 35% / 37%, **Disagree** 24% / 13%, **Strongly disagree** 12% / 6%
You disagreed or strongly disagreed you would be granted protection in case of a retaliation is made against you. Could you please tell us why? (more than 1 response possible)	**The policy is not fit for purpose** 5%, **The policy is fit for purpose, but it would not be used as intended** 31%, **I do not know how the process can ensure my protection** 24%, **I have no trust in the protection process** 76%, **Other (please specify)** 18%
I trust that I would be kept informed during the entire process in case I am the subject of a protection against retaliation	**Yes** 41%, **No** 14%, **I do not know** 46%
I know there is a financial disclosure programme managed by the Ethics Office	**Yes** 51%, **No** 28%, **I am not sure** 21%
I know if the financial disclosure programme applies to me or not	**Yes and it applies to me** 44%, **Yes and it does not apply to me** 35%, **No I do not know if it applies to me** 21%, **I am not sure** 0%

The financial disclosure programme provides benefit to the organization	

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	19%	42%	27%	8%	3%

Investigation process

In ICAO there is a genuine intention to have all complaints investigated, irrespective of the seniority, nationality, etc. of those involved	

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	11%	35%	35%	13%	6%

I am aware of the fact that there is a possibility to report suspected misconduct/wrongdoing anonymously	

	Yes	No
	79%	21%

I am aware of the fact that investigations into complaints of misconduct are conducted by an external party (OIOS) and not internally	

	Yes	No
	73%	27%

The current set up, in which investigations are conducted by an external party rather than an internal unit, is a positive change from the previous practice	

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	25%	48%	25%	1%	1%

Ombudsperson

I am aware that an Ombudsperson is available to ICAO personnel	

	Yes	No
	92%	7.86%

I have a good understanding of the services of an Ombudsperson	**I have a good understanding of the services of an Ombudsperson** Strongly agree: 21% Agree: 52% Neither agree nor disagree: 19% Disagree: 5% Strongly disagree: 3%
I believe having an Ombudsperson in ICAO is an effective way of dealing with work-related conflicts	**I believe having an Ombudsperson in ICAO is an effective way of dealing with work-related conflicts** Strongly agree: 19% Agree: 43% Neither agree nor disagree: 26% Disagree: 8% Strongly disagree: 4%
The roles and responsibilities of the Ombudsperson are clearly explained to ICAO staff members	**The roles and responsibilities of the Ombudsperson are clearly explained to ICAO staff members** Strongly agree: 11% Agree: 40% Neither agree nor disagree: 29% Disagree: 15% Strongly disagree: 5%
I used the services of the Ombudsperson in the last 12 months	**I used the services of the Ombudsperson in the last 12 months** Yes: 13% No: 87%
You used the services of the Ombudsperson. How satisfied were you of the outcome of the process?	**You used the services of the Ombudsperson. How satisfied were you of the outcome of the process?** Very satisfied: 30% Satisfied: 24% Neither satisfied nor disatisfied: 24% Dissatisfied: 14% Strongly dissatisfied: 8%

ANNEX 3: ANALYSIS OF THE JIU BENCHMARKING

In order to benchmark ICAO against the various UN entities, OIO analyzed some of the measures collected by the JIU in its review of the Ethics Function in the UN System. These charts below were based on the numerical data available at the time of JIU review. In each chart, OIO added an additional mark for ICAO corresponding to the recomputed values based on 2021 data.

Chart 1. Comparison of the Ethics Office staffing level against the total number of personnel per organization (percentage)
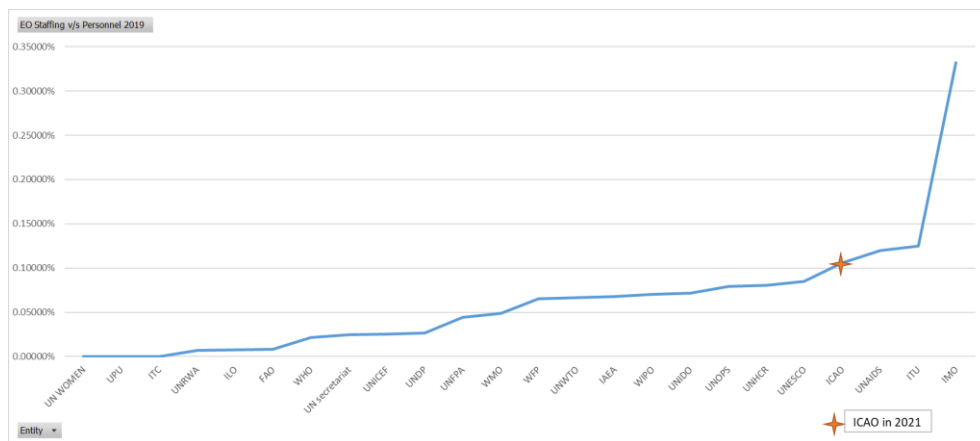
Chart 2. Comparison of the Ethics Office staffing level against the total revenues per organization (percentage)

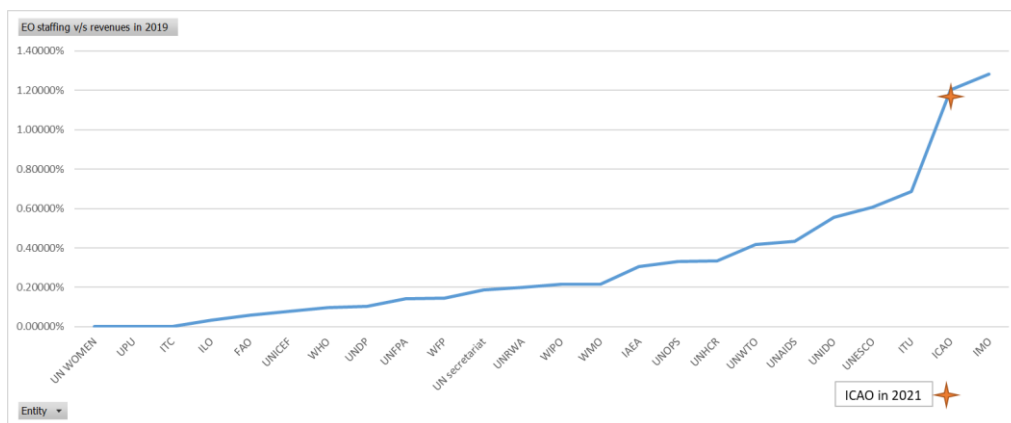Chart 3. Comparison of the Ethics Office operational budget against the total revenues per organization (percentage)
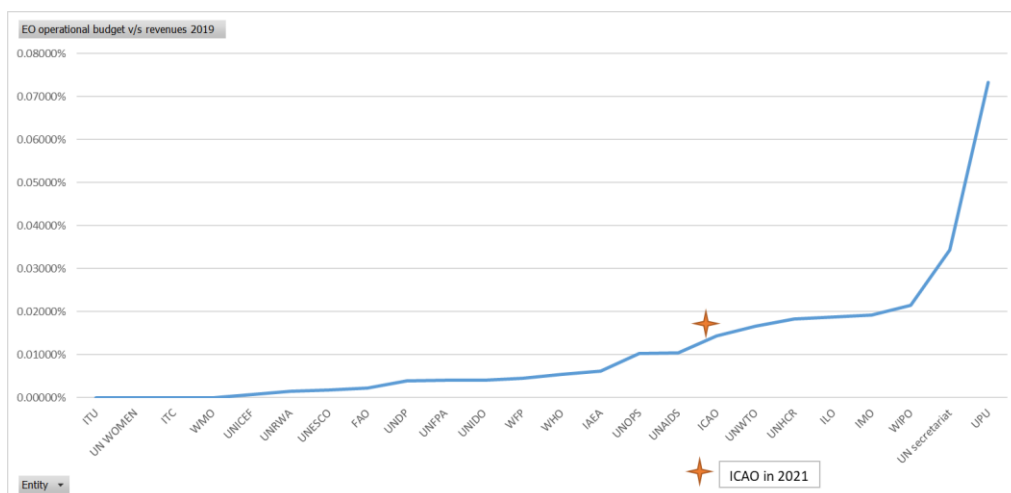
Chart 4. Comparison of the number of financial disclosure statements administered by Ethics Office against total number of personnel per organization (percentage)
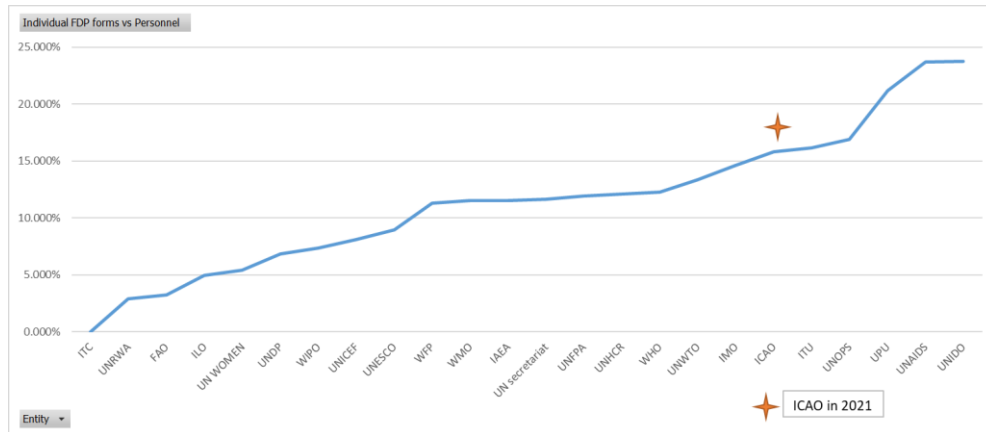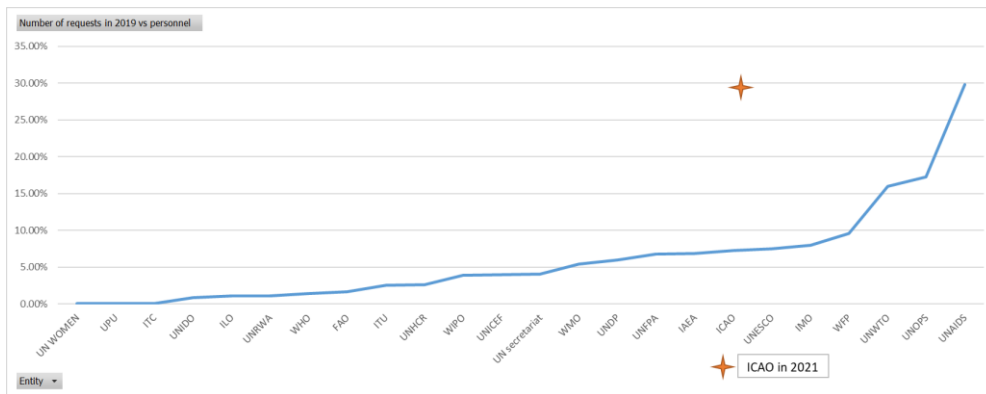

Chart 5. Comparison of the number of requests addressed by Ethics Office against total number of personnel per organization (percentage)

ANNEX 4: MANAGEMENT ACTION PLAN

Ref	Recommendation	Priority Rating	Accepted (Y/N)	Management Comments	Agreed Actions	Office/ Section Responsible	Target Date
1.	The Office of the Secretary General should include Ethics as a regular agenda item of the Senior Management Group and Full Senior Management Group meetings and remind senior managers of their responsibilities and for leading by example and promoting ethics as stipulated in the Service Code.	High	Y	In addition to formal agenda items, the Secretary General regularly discusses ethics matters with the SMG during meetings. Conversations are being held on a regular basis by the Secretary General with senior managers, including on matters related to the values and principles of ICAO, for example in individual PACE discussions.	A standing item on ethics is being included on a monthly basis in the SMG meetings, as well as in the FSMG on a regular basis as appropriate.	OSG	31 December 2022
2.	In line with the approved Council decisions, the Secretary General, in consultation with the Ethics Office, should ensure that the Ethics Office is provided adequate resources to be able to achieve its mandate/activities.	High	Y	The Budget for the 2023-2025 triennium was approved by the Assembly with the respective budgetary endowments. Management will consider the allocation of extrabudgetary funding to support the Ethics Office,	Conduct a gap assessment in coordination with the Ethics Officer. Continue to allocate extrabudgetary resources to the Ethics Office as required, and with a view to propose	OSG Ethics Office	30 June 2023

Ref	Recommendation	Priority Rating	Accepted (Y/N)	Management Comments	Agreed Actions	Office/ Section Responsible	Target Date
				and to continue to seek voluntary contributions (financial and in-kind), including under the transformational objective, to implement these important activities.	adequate resources for inclusion in the regular budget for the next triennium.		
3.	ADB should monitor and report on compliance by all ICAO staff members of online mandatory ethics trainings to be developed by the Ethics Office.	High	Yes	ADB and Ethics Office are partnering with UNSSC to develop 10 ethics related courses in a three years period. Part of the development will include a portal that will keep track of the completion of the online mandatory trainings related to ethics.	Launch the ICAO Ethics Learning Hub. Rollout of the mandatory ethics training from Q2 2023. Provide regular report on compliance.	ADB/HR	31 December 2023
4.	ADB, in close cooperation with the Ethics Office, should review the relevant ICAO policy and procedures to ensure that the potential conflict of interest cases cited in this report are effectively addressed while mitigating any associated risks that may arise in future in similar cases in a proactive manner.	High	Yes	In view of the additional workload in HR, including the implementation of the People Strategy, it is planned to entrust this position with additional responsibilities in the interest of efficiency. However, ADB will continue to monitor and adjust these	Review and revise if necessary, in close cooperation with the Ethics Office, the procedure related the selection of the fact-finding panel to strengthen the procedure and to ensure there is no conflict of interest on the panel.	ADB/HR	30 June 2023

Ref	Recommendation	Priority Rating	Accepted (Y/N)	Management Comments	Agreed Actions	Office/ Section Responsible	Target Date
				functions, and will request for a full-time SPDM role if the number of cases and related activities so justify in next triennium.	As part of a new internal conflict resolution framework, the HR Policy Specialist will be required to escalate the handling of allegations against his/her supervisor(s) to a higher officer in the reporting line, as appropriate.	ADB	30 June 2023