



State of Israel

State Comptroller and Ombudsman

Audit Reports
on Municipalities 2020



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Foreword

This Report presents the results of the audit of local government for 2020, and it includes the findings of both systemic and detailed audits regarding a variety of subjects.

When I began my tenure, I formulated my vision for the Office of the State Comptroller and Ombudsman. That vision is as follows:

The Office of the State Comptroller and Ombudsman carries out constructive, objective and respectful audits. The audits are directed at future challenges and encourage greater accountability among audited bodies; the audits improve the audited bodies operations, promote the fulfillment of their objectives, and increase the benefit that the public receives from those entities.

The Office of the State Comptroller and Ombudsman works to achieve its objectives as prescribed established by law – professionally, efficiently, independently and with organizational transparency, while striving toward excellence and constant improvement, basing itself on the work of its high-quality and highly ethical personnel.

In accordance with that vision, this Report deals with the core issues of local government activity – with the various aspects relating to the security and safety of the residents of the various local authorities; the financial management of the authorities; the ensuring of the provision of service to the residents; the securing of their welfare; and the protection of the environment. The Report is based on the areas directed by the State Comptroller's Law and examines whether the authorities have acted in a manner that reflects



economy, efficiency, and transparency and have followed the rules of good governance. Alongside this, we emphasized the integration of social, financial and innovative audit – such as the auditing of activity on social networks, in accordance with the emphases established by the State Comptroller.

The following is a survey of some of the subjects that were examined:

In recent years, the public sector, including local authorities and their elected officials, have frequently used online social networks (mostly Facebook, YouTube, Instagram and Twitter) and have communicated with the public directly through these networks. This makes the transfer of messages and information to the public quicker and more efficient, but also involves a potential for danger and harm, such as the risk of infringement of the right to privacy, of freedom of expression or of equal treatment. Our office examined the **use of social networks by local authorities and their elected officials** from the following perspectives: the scope of use and the purposes thereof; the technical management; the content posted by the authorities and by the public; and the use of social networks by the heads of local authorities. In light of the audit findings, I have recommended that local authorities and their elected officials should make the best possible and most efficient use of social networks in order to utilize their full potential in a manner that will boost the public's trust. At the same time, the local authorities and their elected officials must remember that their activity on social networks is subject to the rules of public law, and that they must be extra cautious in order to prevent harm to the public as a whole, including the public that uses these networks. It is also necessary to make certain that the social networks are used in a way that is respectful of the public as well as the elected officials. The entire subject should be examined and regulated by the Ministry of the Interior and the Ministry of Justice. It is noted that in recent years, the Ombudsman's Office has examined various complaints regarding the use of social networks by

public officials and public entities. In light of this accumulated experience, the audit staff was accompanied by an employee of the Ombudsman's Office. The execution of this audit thus reflected the benefits of combining the functions of the State Comptroller and the Ombudsman in a single office.

Israel has a 45-kilometer long coastal cliff. This cliff is not stable and is gradually collapsing and retreating eastward – as a result of both natural forces and human activity. An audit regarding **the authorities' handling of coastal cliff erosion processes** has shown that over the past nine years, since the adoption of a government resolution dealing with this matter – and despite the establishment of a dedicated governmental corporation – substantial parts of the government resolution have not yet been implemented. Moreover, none of the bodies which are responsible for constructing the defenses for the coastal cliff have any general plans for such construction - not even a prioritization based on the available budgets and the physical condition of the cliff. The relevant parties do not have an updated and complete cost estimate regarding the establishment of the defenses. Most of the local authorities which were audited on this matter had not taken immediate necessary measures for ensuring public safety in the area of the cliff, nor had they established the required land defenses within their jurisdictions. The government's Mediterranean Coastal Cliffs Preservation Company has not yet implemented many of the initiatives included in its work plans, and has not established sea defenses in various areas – including in areas which require urgent care . The bodies involved – government ministries, the Mediterranean Coastal Cliffs Preservation Company, and the local authorities – must conduct a comprehensive investigation of the matter and of the obstacles that are impeding the implementation of the government resolution. They must also reach operative decisions so as to improve the efficiency of the handling of the coastal cliff and prevent additional delays.



A key area of a local authority's activity is the management of the planning and building process, through local planning and building commissions which operate alongside the local authorities. In light of the importance of this issue and the entry into effect of a reform regarding this matter (Amendment 116 to the Planning and Construction Law), I saw the significance of carrying out a systemic audit regarding the **supervision of construction by local planning and building committees**. The audit found systemic defects in the preparation of local commissions for inspecting construction, and defects in their enforcement activity. The phenomenon of construction offenses is widespread, and its consequences are likely to be the unwise use of land resources, damage to quality of life and the environment, and possibly even the endangerment of the public. Most of these offenses are obvious to all; thus, the manner in which the authorities deal with them impacts public trust in the enforcement authorities. This Report's recommendations deal with, among other things, the improvement of the interfaces between the inspection and planning bodies within the commissions.

Based on the data provided by the National Road Safety Authority, the number of members of the Arab Israeli population who are involved in fatal car accidents is far greater than the group's proportionate share of the total population. The chapter dealing with **measures to increase road safety within the jurisdictions of the Arab population's local authorities** indicated that it is necessary to act in several areas in order to promote the issue: Education and publicity, improvement of infrastructures, and enforcement. In order to reduce the number of road accidents and the number of those injured, Arab local authorities must give top priority to the issue of road safety. A greater involvement of the local authorities and the relevant governmental bodies is required in order to promote safety on the roads, and they should lead actions that will address the needs of at-risk populations and risk centers. We



note that the chapter dealing with this issue is being published in the Arabic language as well.

A water utility corporation has been established in the Samaria region, but only two local authorities are using its services. The other local authorities in Samaria provide water and sewage services to their residents by themselves. Our audit of **selected issues in the water infrastructure in Samaria**; indicated that in most settlements in Samaria, there have been frequent water supply stoppages for many key reasons, among them an improperly treated infrastructure over decades and a significant increase in water consumption – due to a population increase that has not been accompanied by a parallel increase in water sources. The audit indicated defects in the provision of service in this area to the residents of Samaria, which need to be resolved at both the national and local levels. The infrastructure needs to be cared for intensively, with the objective of improving the supply of needed water and reducing the loss of water.

Domestic violence is a difficult social problem, and it presents a serious and central challenge to all the governmental ministries which are involved with handling it, as well as to the municipal welfare services and law enforcement agencies. The findings of our audit regarding the **The municipality of Ramla - prevention of spousal violence and treating its victims** emphasize the need to complete the implementation of the recommendations of a national professional committee established for dealing with the issue; to formulate solutions to the local and national shortage in social workers whose job it is to handle acts of domestic violence; and to increase cooperation and coordination among Ramla's social services department, the Family Wellbeing Center that operates in the city and other professional elements (the Police and education and health authorities) – for the purpose of improving the treatment of the victims of family violence. The audit findings also point to the need to



systematically and regularly carry out publicity regarding the issue; and to work on the identification of those engaging in violence, in order to prevent incidents of domestic violence and discover those that occur within specific sectors of society. Pursuant to the directives set for this matter, an immediate treatment for the victims of domestic violence and those who engage in such violence is required. Training of professionals to serve the needs of unique social sectors is also needed. All this should be done in order to prevent, as much as possible, this type of violence, and to improve the treatment of its victims.

Considerable effort was expended by the personnel of the State Comptroller's Office in the preparation of this Report, which was done in a professional, thorough, fair and careful manner. The employees of the State Comptroller's Office carry out their public functions out of a sense of true dedication. I am grateful to those who prepared this Report.

I am also aware that much good has been done in many local authorities for the benefit of their residents, and the most notable of these efforts have been noted in the audit reports. Alongside this, the authorities are obligated to correct the shortcomings mentioned in this Report, with the goal of improving the quality of life and the environment of the residents of the country.



Matanyahu Englman

State Comptroller
and Ombudsman

Jerusalem, July 2020



State Comptroller | Audit Reports on Municipalities 2020

Chapter 1

Horizontal Audits



State of Israel
State Comptroller and Ombudsman
Audit Reports on Municipalities 2020

Use of Social Networks by Local Authorities and their Elected Officials

Abstract



Use of Social Networks by Local Authorities and their Elected Officials

Abstract

Background

In the past few years, the public sector, including local authorities and their elected officials, have used online social networks (mainly Facebook, YouTube, Instagram and Twitter) and conducted a direct dialogue with the public. The use of social networks streamlines and shortens the process of conveying messages and information regarding service provision in routine and emergencies to the public and makes the process of submitting complaints and inquiries by the public more efficient. However, it carries potential of risks and causing damage such as infringement of the right to privacy, free speech and equality.

Key figures

8 billion

Number of users of social networks worldwide in 2018

2.4 billion

Number of active users of Facebook worldwide in 2019, 5.6 million of which are active users in Israel

84%

Percentage of Facebook users in Israel among users of social networks in 2018

94%

Percentage of local authorities that have at least one social network account

83%

Percentage of heads of local authorities that have at least one social network account

134

Number of complaints received from the public in the years 2017 – 2019 by the Office of the State Comptroller and Ombudsman related to use of social networks by public authorities and elected public officials

3 million shekels

Total expenses of local authorities for promoting paid content on social networks in 2018 (according to the local authorities that answered our office's questionnaire)



Audit Actions



In the months of May through December 2019, the Office of the State Comptroller examined the use of social networks by local authorities and their elected officials in the following areas: scope of use and its objectives, technical management, content posted by the local authorities and public users, and the use by heads of local authorities of social networks. The audit was conducted in the municipalities of Beit Shemesh, Haifa, Tiberius, Jerusalem, Arraba, Kiryat Gat, Ramat Gan and Tel Aviv-Yafo; in the local authorities of Pardes Hanna-Karkur and Katrin and in the Jezre'el Valley regional authority. Supplementary examinations were conducted in the Ministry of Interior, in the Jezre'el Valley training precinct and the Ministry of Justice. In addition, in June 2019, 257 questionnaires were sent to all the local authorities in the country. By the conclusion of the audit (December 2019), 189 local authorities had responded. The audit was carried out in conjunction with the State Ombudsman Commission, which has significant experience in resolving complaints on the use of social networks by public officials and public bodies.

Key findings



- **Preparing regulations and work plans** – Even though they extensively use social networks, the local authorities did not prepare an organized and planned process for them.
- **Signing Contractual agreements** – Many local authorities use outsourcing to set up or operate a social network account. Some local authorities (Jezre'el Valley, Pardes Hanna-Karkur and Kiryat Gat) did not formalize their work with outside companies in agreements to protect their rights and ensure confidentiality and data security. Some of the signed contracts were missing essential details, including a prohibition on use of the information as well as designating the responsible for overseeing the outsourced contractor's work.
- **The nature of the postings** – Most of the material posted by the local authorities on social networks contains announcements and public messages and public relations. The rate of posted material that allows involvement or interaction with the public beyond being able to add a response is low.



- 👎 **Censoring responses** – During the audit, it was found that four of the local authorities that were examined, Tel Aviv-Yafo, Katzrin, Jezre'el Valley and Tiberius, – automatically censor responses and postings in advance by use of keywords. Likewise, the Kiryat Gat, Al-Batuf and Jerusalem authorities uploaded postings without ensuring that anything in the publication infringed, as defined by law, on the laws of equality, the right to privacy and copyrights.
- 👎 **Use of the local authorities' resources** – It was found that heads of local authorities employ authority employees to operate their personal social network accounts, which also contain political marketing, despite the prohibition against the use of authority resources for these purposes.
- 👎 **Involvement of the Ministry of Interior** – The Ministry of Interior has not addressed the issues of the use of social networks made by local authorities and their elected officials, and has not established rules and regulations, including setting a standard format regarding this matter.



Use of social networks during emergencies – The local authorities that were examined made optimal use of social networks during emergencies to provide accessible and reliable information as the event takes place, and enable their residents to prepare themselves properly.

Digital literacy training – The Ministry of Interior offers courses and training to employees of local authorities in the area of digital literacy.

Key recommendations

- 💡 It is recommended that the local authorities that do not use social networks consider adopting this tool in light of its centrality, accessibility and effectiveness, in regarding provision of services for its residents.
- 💡 It would be appropriate for the Ministry of Interior, in cooperation with the Federation of Local Authorities, to examine formulation of directives and regulations to assist the local authorities and create a standard framework for content management by the users of the authorities' accounts.
- 💡 It would be appropriate for the Ministry of Justice to monitor social network use by public bodies Including what should and what should not be allowed. It should consider the fact that these networks are owned by private international companies, and where necessary, establish regulations that will guarantee the relevance of existing laws to the digital age.



The local authorities should act in accordance with the law, when posting material on social networks / They should understand that the networks' interactivity creates a space with public features. When necessary they should consult with the local authority's legal advisor to ensure that their activities do not violate on public rights such as that the right of equality, privacy and public expression.



The local authorities should sparingly use advance keyword filtering and prefer other tools that the platform allows, because of the real potential for harming the right of expression by filtering content in advance.



The local authorities should ensure that while conducting target (the act of matching advertising content to a specific audience) and determining parameters for publication of paid advertising on a social network so as to make the publication more efficient, no actions are performed that may discriminate relevant against audiences.

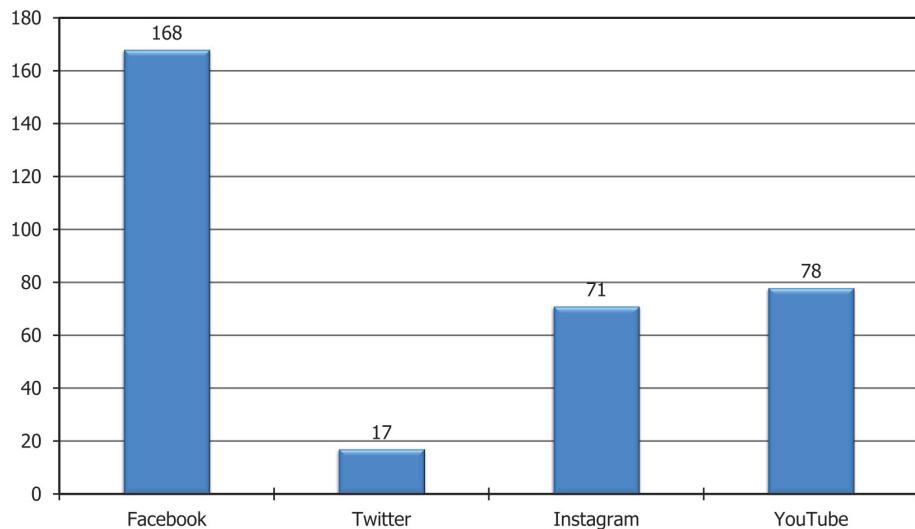
Summary

Social networks allow the local authorities and their elected officials direct, accessible and unmediated communication with the public, which increases their involvement in city-life. Nevertheless, these networks are private platforms, the use of which in the public sector, presents many unseen challenges.

In light of this, it would appropriate for the local authorities and their elected officials to use social networks optimally and efficiently to exploit their potential, use that will increase the public's trust in the local authorities and their elected officials. Nevertheless, the local authorities and their elected officials must keep in mind that their activities on social networks are bound by the regulations of public law and, therefore, they must take every precaution to prevent violation of public rights. On the basis of the information presented in this report regarding the broad and rising use of social networks and given the great importance for the local authority to maintain contact with its residents, it would appropriate for this subject be regulated properly by the Ministry of Interior and Ministry of Justice.



Data regarding the use of social networks by local authorities



According to the responses given by the local authorities to the questionnaire; processed by the Office of the State Comptroller.



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Government Authorities Handling of the Coastal Cliff Erosion Processes

Abstract



Government Authorities Handling of the Coastal Cliff Erosion Processes

Abstract

Background

Along the coast of Israel, there is a 45-km-long unstable cliff. Because of natural processes and human activities, the cliff is collapsing and retreating eastward. During the twenty-first century, an acceleration in the processes destroying the cliff is anticipated – it and the beaches adjacent to it are expected to recede tens of meters. Solutions for this phenomenon must be found in order to ensure public safety and protect property and natural assets.

In the past few years, the State has taken some steps to deal with the problem of the cliff collapsing, with its associated dangers, and decided that the responsibility for funding, planning and executing the maritime preservation actions will be given to the government and those to be done on the shore will be given to the local authorities.

Key figures

Up to 22 meters

The cliff at Ashkelon has receded in the last 20 years. The width of the beach strip has also diminished due to sand loss and erosion

NIS 878-1,378 million

Assessment of the cost of setting up marine and land protection measures for the cliff and their maintenance over a 20-year period, as of 2011

Around 13 kilometers

The length of the cliff in nine local authorities. Behind the cliffs are built-up areas and unique sites, which were included in the government decision as a protectable area

NIS 500 million

The budget approved by the government in 2011 as Stage A for implementing preservation measures for the cliff, of which NIS 360 million is maritime protection

NIS 250-800 million¹

The initial assessment of the damage due to the cliff collapse, as presented to the government in 2010, not including the cost of damages as a result of injuries to people

NIS 26 million

The cost of executing the actions by the cliff preservation company for the years 2015 – 2018, from a cumulative action budget for these years totaling NIS 303 million

¹ As of December 31, 2019 1 US dollar = 3.45 NIS.



Audit Actions



In 2019, the Office of the State Comptroller examined the performance of the central and local governments in dealing with the processes eroding the cliff, promoting planning and implementation of the cliff preservation activities and government activities to protect the public. The audit was conducted in the Ministry of Environmental Protection and the Ministry of Interior, in the Mediterranean Coastal Cliffs Preservation Government Company Ltd. (the Cliff Preservation Company), in the municipalities of Ashkelon, Herzliya, and Netanya, and in the Emek Hefer Regional Council. Supplementary audit activities were performed in the Office of the Prime Minister and the Ministry of Justice, the Planning Administration and the Israel Nature and Parks Authority.

Key findings



- **The status of implementation of the preservation activities:** Even though it has been nine years since the government decision to preserve the cliff, in most of the cliff sections – in Hadera, Emek Hefer, Netanya, Herzliya, Tel Aviv-Yafo, Bat Yam, Gan Rave and Ashkelon; maritime preservation activities, for which the Ministry of Environmental Protection and the Cliff Preservation Company were responsible, have yet to be implemented. Only urgent preservation work in the sea was performed, in one area, in Ashkelon. The on-shore preservation work for which the local authorities are responsible has not been performed.
- **The actions of the Cliff Preservation Company:** The budget execution of the actions of the Cliff Preservation Company from the time of its establishment in the latter part of 2013 until the end of 2018 came to a total of about NIS 26 million, only 8.6% of the budget allocated in its plans. The company's board of directors and the inter-ministerial steering committee that stewarded the company did not examine the reasons for this and the implications on the work plans for the coming years. The Company has yet to advance the planning of the maritime preservation work in different areas, including those with high urgency.
- **Differences in the estimates for implementation of the preservation work:** The updated estimates for performing the preservation work, based on data from the Cliff Preservation Company and the local authorities, NIS 1,476 million for some areas, differed substantially from the estimates presented to the government in 2011, for the entire cliff preservation enterprise, which came to a total of NIS 878 – 1,386 million. Despite the significant differences between the estimates, the cost-benefit considerations versus the cost of the damage were not re-examined and none of the agencies involved in the area have complete and verified information about the scope of the budget required to implement the preservation work in its entirety.



- 👎 **Disagreement on the issue of funding the on-shore preservation work:** Nine years after the government's decision to institute protective measures for the cliff, there is no solution for the disagreement between the local authorities and the government ministries and among the government ministries themselves regarding the issue of funding the on-shore protection work. The disagreement is delaying implementation.
- 👎 **Handling protection of the public:** The Emek Hefer, Herzliya and Ashkelon local authorities have not conducted a risk assessment of the cliff to check its condition and identify areas endangering the public and property. These local authorities have not yet been implemented the required safety measures to ensure that the public keeps a safe distance from the deteriorating cliff. Among others, these areas include places where part of the cliff has already broken off, which is a danger to the public.



Establishing a policy on the subject of preserving the shoreline cliff and promoting it: In 2010 the government established a policy to deal with the erosion of the shoreline cliff. Following this, it implemented several actions for handling this issue, authorized two master plans to execute urgent protective and permanent measures and even established a government company to deal with the cliff.

Oversight of the Cliff Preservation Company: As of October 2016, the Ministry of Environmental Protection has been employing an audit company to audit the activities of the Cliff Preservation Company. At the beginning of 2019, the Cliff Preservation Company approved the "audit of project planning and implementation" regulation, in accordance with instructions and guidelines established by the Ministry of Environmental Protection, the audit company and the Cliff Preservation Company.

Measures to preserve the cliff and protect the public: The city of Netanya acted to advance the planning and implementation of protective measures for the cliff in several areas within its jurisdiction and to monitor the cliff's condition in order to protect the public. The city of Herzliya set up safety barriers along some of the beaches in its jurisdiction to keep the public away from the cliff.

Key recommendations

- 💡 It is appropriate for the Ministries of Interior, Environmental Protection, and Finance and the Office of the Prime Minister, in cooperation with the Cliff Preservation Company and the local authorities, to perform a comprehensive examination of the estimated requirements for implementing the cliff preservation measures. This can serve as a basis for establishing a multiyear program for continued funding of the protective measures, according to priorities to be determined and taking into consideration budget limitations and the condition of the cliff in each area. Within this framework, It is recommended to examine the possibility of raising funds from additional sources, for example, by integrating the cliff preservation enterprise in other infrastructure or development projects adjacent to the beach.



It is appropriate for the government entities and the local authorities to identify the impediments to advancing the cliff preservation in the different areas and their implications for continuing the work of preserving the cliff in areas that have yet to be dealt with, and act to remove these impediments in order to prevent delay in advancing urgent projects to protect the cliff.



The local authorities should act to promote planning and implementation of the necessary on-shore measures along the length of the cliff, in the face of the immediate need to prevent damage to it and avert risk to human life. The Cliff Preservation Company must advance the planning and implementation of the necessary maritime protective measures, especially in the areas where it has been determined that this work is urgent.



Local authorities should monitor the cliff's condition and act to identify places that are dangerous to the public and property, and deal with these dangers to ensure the safety of the public.

Summary

Nine years after the government approved a policy to deal with the cliff, a significant part of this policy has not been implemented. The bodies involved in this project, government ministries, the Cliff Preservation Company and the local authorities, must conduct a comprehensive examination of the policy and the obstructions delaying its implementation and make operative decisions on the subject, in order to streamline the protection and preservation of the cliff and prevent additional delays.

Examples of the cliff's retreat



Source: The report of the Cliff Preservation Company of the "Ashkelon Land Unit 38 Monitoring Report 2017 – 2018" (May 2019).



Status of the implementation of protective measures in line with the master plans for preservation of the cliff

 On shore protections  Maritime Protections

Local authority / site	Required		Status	
	Land	Sea	Land	Sea
Hadera	✓	Adding boulders in the sea	Not implemented	Option of adding boulders in the sea ruled out. No other protective maritime measures have been established
Emek Hefer	✓	Replacing sand where needed	Not implemented. On-shore protection is being planned for part of the cliff	The need to replace sand has yet to be examined.
North Netanya	✓	✓	Not implemented	Maritime protection – not implemented. Planning has yet to start
South Netanya	✓	✓	Plan has been approved. Protective measures have yet to be implemented	Plan has been approved. Protective measures have yet to be implemented
North Herzliya	✓	✓	Not implemented.	Not implemented. The overall plan for establishing maritime protective measures is in the planning stage
South Herzliya	✓		Not implemented	
Tel Aviv	✓	✓	Not implemented. Some of the work is in the planning stage	Not implemented. Some of the work is in the planning stage
Bat Yam	✓	✓	Not implemented. The protective measures are in the planning stage	Not implemented
Gan Rave	✓	Adding boulders in the sea	Not implemented	Option of adding boulders in the sea ruled out. No other protective maritime measures have been established
North Ashkelon	✓	✓	Not implemented Being planned	Urgent protective measures have been implemented. Permanent protective measures are in the planning stage
South Ashkelon	✓		Not implemented	Not implemented.



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Measures to Increase Road Safety within the Jurisdictions of the Arab POPULATION'S Local Authorities

Abstract



Measures to Increase Road Safety within the Jurisdictions of the Arab Sector Local Authorities

Abstract

Background

According to the data held by the National Road Safety Authority (hereafter NRSA), the percentage of the Arab society* population involved in fatal road accidents is higher relative to the percentage of the general population. The main victims in this society are road users aged 0 – 24. The main factor contributing to this increased risk is a cultural environment that opposes safety; a state of mind that is expressed through the low awareness of road safety rules and non-compliance with traffic laws. Additional risk factors are lax enforcement and a neglected and unsafe physical environment characterized by poor infrastructures.

Key figures

17 billion shekels

The annual cost of road accidents to the national economy (about 1.3% of the GDP)

33%

Of those killed in road accidents in the last decade were of the Arab population, even though they constitute only 21% of Israeli society

2.4 times

Young drivers from the Arab sector were involved in road accidents in the last decade, in comparison to young drivers from the Jewish sector

1.9 times

Drivers from the Arab sector were involved in road accidents in the last decade, in comparison to drivers from the Jewish sector

* The NRSA uses terms such as "Arab society" or "Arab sector" as a general name encompassing the non-Jewish minority, including the Bedouin and Druze populations. In this report, the terms "Arab society", "Arab sector" or "Arabs" refer to the State's non-Jewish population.



18

Of every 10,000 drivers from the Arab sector were involved in severe road accidents in the last decade, compared to 8.3 drivers from the Jewish sector

8%

Of grade 6 classes in the Arab sector operated a crossing guard system during the 2018/9 academic year in comparison to 54% in the Jewish sector

7.5 times and 3.4 times

Pedestrian toddlers below the age of 5 and children aged 5 – 14 from the Arab society (respectively) were killed in road accidents in the years 2017 – 2018, compared to their counterparts in the Jewish society

39%

Of directors of road safety headquarters in the Arab sector local authorities who did not take a training course for directors of road safety headquarters

Audit actions



In the months of June through November 2019, the Office of the State Comptroller examined the activities to raise road safety in the jurisdictions of five local authorities in the Arab sector: the municipalities of Kfar Qasim and Qalansawe and the local authorities of Jisr a-Zarqa, Jatt and Tel Sheva (five local authorities). Supplementary examinations were conducted at the NRSA, the Ministry of Education, the Ministry of Interior, the Ministry of Transportation and Road Safety, the Ministry of Public Security, and the Israel Police.

Key findings



- **Examination of the effectiveness of the road safety study programs and activities for students:** The Ministry of Education did not conduct a methodical examination of the effectiveness of the road safety study programs and the Ministry of Education and the NRSA did not check the degree of effectiveness of the conducted by private contractors activities (plays, lectures, workshops, simulations etc.), they authorized. These activities were.
- **Information about accident hotspots:** The five local authorities examined haven't recorded and documented the locations of road accidents that occurred in their jurisdictions and their causes.

- Paving roads and sidewalks:** In the jurisdictions of the five local authorities*, there are about 32 km of unpaved roads and sidewalks (four of a total of approximately 176 km of roads and sidewalks). Four of the five local authorities had not charged a road paving tax in the last few years.
- Traffic arrangements:** Deficiencies were found in traffic arrangements and safety devices in the examined local authorities, which put road users at risk. The Jisr a-Zarqa local authority did not have any traffic signal plan. The traffic signal plan of Kfar Qasim municipality and the Jatt local authority was not updated.
- Marking and installations:** The Jisr a-Zarqa and Tel Sheva local authorities did not make use of the budgets allocated to them by the Ministry of Transportation for the years 2016 – 2018 on behalf of marking and installations. The Qalansawe municipality and the Jatt local authority did not make use of the budget for marking and installing allocated to them for 2018.
- Prevention of road accident near educational institutions:** Safety deficiencies such as non-marking of crosswalks, non-standard safety railings and vehicular traffic intersecting the routes taken by students were found near some educational institutions. The examined local authorities did not limit the speed of vehicular traffic near schools.
- Enforcement:** The enforcement mechanisms in the examined local authorities are lacking: in the Qalansawe municipality and the Jisr a-Zarqa, Jatt and Tel Sheva local authorities, there were no municipal units responsible for traffic supervision. In all the examined local authorities there were no urban police units (in the Tel Sheva local authority, one is in the process of being established).



Road safety education: In the academic year 2018/19, there was a significant increase in the number of high school classes in the Arab sector studying road safety programs relative to the 2017/18 academic year: from 7.5% to 46.5% in grades 9 and from 82% to 85.6% in grades 10.

Particular program for the Arab society: commend must be given to the NRSA for developing and operating commend p rograms for the Arab society. These programs encourage Arab society to promote road safety and reduce the high rate of traffic injuries. In 2017 – 2018, the NRSA transferred a one-time additional budget of local Arab authorities in the sum of 8 million shekels, to strengthen activities to increase road safety and to build traffic signal programs.

* There is no information regarding the Jisr a-Zarqa local authority since its Department of Engineering has no data or assessment about the length of unpaved roads and sidewalks in its area.



Key recommendations

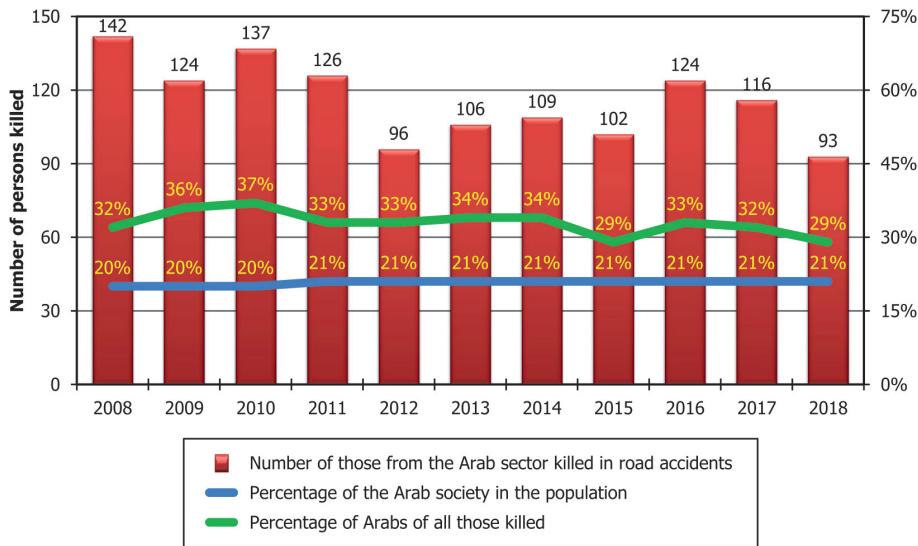
- 💡 It is recommended that the Ministry of Education complete a methodical examination of the effectiveness of all the road safety programs in all educational frameworks. It would be appropriate for the Ministry of Education and the NRSA to conduct effectiveness examinations and get continuous feedback about all the activities run by private contractors. It is also recommended to consider increasing use of online training and mobile phone apps on this matter.
- 💡 Given the importance of road safety education from a very young age, and in light of the contribution of the school crossing guard program, it is suggested that the police periodically check if sufficient resources exist to carry out the training. It should examine knowledge and training ability and of human resources, in order to guarantee that educational institutions needing school crossing guards get the required training.
- 💡 It would be appropriate for the NRSA to encourage the heads of local Arab authorities to conduct low cost voluntary informational activities.
- 💡 The Kfar Qasim and Qalansawe municipalities should convene their road safety committees in accordance with the municipalities ordinance. Albeit the law does not mandate the establishment of such a committee by a local authority, the Jisr a-Zarqa, Jatt and Tel Sheva local authorities should consider establishing one to strengthen the road safety in their jurisdictions.
- 💡 The heads of the examined local authorities should maintain the roads and sidewalks in their jurisdictions at the appropriate level; should see to the soundness of traffic arrangements, safety fixtures and lighting, and charge a road paving tax from residents.
- 💡 Because of the significant gaps in road infrastructures in the examined local authorities and in the Arab sector overall, it is recommended that the Ministries of Interior and Transportation assist the local authorities in preparing individual programs based on budget sources and timetables to complete and repair the road infrastructures in the communities having subpar infrastructures.

Summary

In order to promote road safety in the Arab society, action must be taken on a number of levels: education and information, infrastructure improvement and enforcement.

To reduce the number of traffic accidents and victims in the jurisdictions of the local authorities in the Arab sector, the local authorities must give road safety top priority. More involvement of local authorities in Arab society is required to promote the issue of traffic safety and lead activities that will provide solutions to the populations at risk and to the risk hotspots.

Persons killed in road accidents in the Arab sector 2008 – 2018 (in numbers and percentages)



Source: The National Road Safety Authority



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Activities of Local Authorities through Cultural, Youth and Sports Community Centers

Abstract



Activities of Local Authorities through Cultural, Youth and Sports Community Centers

Abstract

Background

Community centers are the executive arm of local authorities regarding culture, entertainment and informal and within them most of the authority's activities occur. The main concept behind their establishment and operation is giving communities the opportunity to participate in the activities of these centers, with an emphasis on involving community representatives in their management.

In addition to the local authorities, community centers are managed also by two main entities: The Israel Association of Community Centers Ltd. (IACC) and subsidiaries of the Jewish Agency for Israel and its contribution campaigns, United Israel Appeal and the Jewish Federations of Canada (jointly, the Jewish Agency).

Key figures

200

community centers in 161 local authorities that provide services to 1,500,000 people

NIS¹ 84 million

The turnover of the six community centers audited in 2018

2.5 times higher

The scope of operations of a community center in a local authority in a high socioeconomic cluster, compared to a community center in a lower cluster that serves a similar population size

NIS 43 million

Total income of the six community centers audited, from the payments made by participants in 2018

NIS 24 million

The amount transferred by local authorities to the six community centers audited in 2018

NIS 9 million

The share of government ministries in the budget of the six community centers audited in 2018

¹ As of December 31, 2019 1 US dollar = 3.45 NIS.



Audit actions



The State Comptroller's Office examined the activities of local authorities through their community centers from June to September 2019 .*Inter alia*, the following subjects were audited: regulation and activities, transfer of funds, access of the community to activities, and safety.

Six local authorities and their community centers were audited. The authorities selected are primarily those in the economic and geographical periphery of the country. Supplementary examinations were conducted at the Ministry of Interior, the Senior Division for Municipal Association; the Ministry of Justice, the Registrar of Associations; and IACC.

Key findings



Regulation of the activities of the Jewish Agency's community centers – The Ministry of Interior failed to plan the activities of the local authorities through community centers owned by the Jewish Agency, does not treat them as municipal companies, and does not monitor and supervise them.



Regulation of the activities of the Ministry of Interior vis a vis the IACC – No procedures have been established to plan the activities of the Ministry of Interior vis a vis IACC. For example, there is no set procedure for the IACC to notify the Ministry when it starts or ceases working with a community center.



Ensuring the personal safety of children and youth – The community centers of Or Akiva, Kiriат Malachi, Gedera and Yavniel did not request employees who lead workshops at the centers and who are employed through private companies to submit preliminary certificate that they have no prior sex offenses.



Access to center activities – The centers in Nof Galil, Kiriat Malachi and Yavniel did not formulate criteria for discounts to aid weaker populations. The Or Akiva and Kiriat Malachi centers do not have a website. Although the centers in Nof Hagalil and Yavniel do have a website, they do not provide online services.



Appointment of members of management – The local authorities of Or Akiva, Gedera and Yavniel appointed their representatives to the community centers' management without obtaining the required approval of the Ministry of Interior's Appointments Committee. The composition of representatives did not comply with the requirements of the regulations.



Contractual agreements between the local authorities and the community centers in their jurisdiction - The municipalities of Or Akiva and Nof Hagalil did not



sign contractual agreements with the community centers to set their operations. The Yavniel Local Council formulated partial agreements only. The Gedera Local Council did not enforce some of the provisions of the contract signed with the community center. The Kiriya Malachi Municipality signed a contractual agreement with the community center in a tender-exempted process as a 'single vendor', which isn't in accordance with the law.

-  **Budgeting by local authorities** - The local authorities audited, transferred funds to the community centers in their jurisdiction, inter alia, in the form of money equivalents and by transferring money through salaries, which is not in compliance with the Ministry of Interior's circular on the subject. The Kfar Tavor Local Council entered into an agreement with the CEO's community centers in its jurisdiction to carry out activities that do not comply with their objectives and without conducting a tender. The Kiriya Malachi Municipality made purchases through the community centers in its jurisdiction with no tender process.



All six community centers put emphasis on cultural, educational and athletic activities in the community they serve. They conduct a variety of activities for all age groups, and thus attain their purposes.

In all six community centers, the majority of the budget is used for activities of the centers. They expend according to the maximum percentage allowed for management and administrative expenses out of the operating turnover, as stipulated in the procedure for supporting state institutions.

The Gedera and Kfar Tavor community centers operated a proper mechanism for receiving feedback from participants in their activities. This enables them to make decisions on how to improve the services and adapt them to the needs.

All local authorities and community centers audited carry insurance for their operation and activities.

Key recommendations

-  Local authorities must set regulations for contractual agreements with the community centers in their jurisdiction, appoint their representatives to the centers' management according to the regulations, and ensure that funds are transferred according to the provisions of the law.
-  Local authorities and the community centers in their jurisdiction must ensure the services provided by the centers are accessible by all levels of society, including the weaker populations. Information about all activities must be available to all residents, via innovative technological means. It is recommended that all community centers study the ways to receive feedback from those participating in their activities.



It is recommended that the Ministry of Interior regulate the activities of local authorities through Jewish Agency community centers, in the same way that it regulates the activities of local authorities through community centers in cooperation with IACC.



It is recommended that the Ministry of Interior evaluates ways to formulate procedures for electing and appointing public representatives on behalf of the community, as well as their work as members of the centers' management.



In light of the findings about the manner in which funds are transferred from the local authorities to the community centers, it is recommended that the Ministry of Interior evaluates the need to update the existing procedures. This refers in particular to activities and community centers that do not comply with the conditions stipulated in the exemption regulations, and act to ensure that these arrangements manifest the uniqueness of the companies that work in cooperation with a government agency.



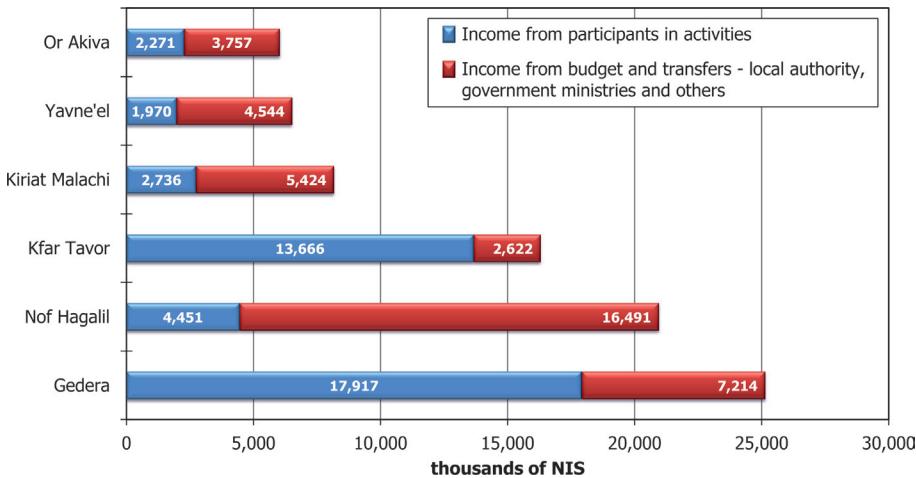
It is recommended that the Ministry of Interior regulate the activities vis-a-vis IACC through work procedures, including a procedure for updating the ministry in cases in which IACC starts or ceases managing a specific community center.

Summary

Community centers play an important role in the social fiber of the community where they operate. The community's involvement in their activities and management helps invest the funds of the local authority and the state effectively and efficiently, according to the needs and characteristics of the service recipients. It is recommended that the Ministry of Education, in cooperation with IACC (for which it is responsible), with the assistance of the Ministry of Interior, continue to expand the manner of operation of community centers with IACC to additional local authorities. Emphasis should remain on authorities located in the social-economic-geographical periphery.



2018 Funding sources for the audited community centers' activities (in thousands of NIS)





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Operation of Local Authorities Through Municipal Non-Profit Associations

Abstract



Operation of Local Authorities Through Municipal Non-Profit Associations

Abstract

Background

In recent decades, the areas of operation of local authorities has broadened as have the range of services they offer their residents. Many local authorities, accordingly, have set up corporations, incorporated as one of three types of corporations: municipal economic limited corporations, municipal public benefit corporations; municipal non-profit associations.

The primary areas of operations of municipal non-profit associations are urban development and provision of services in the areas of welfare, education, culture and sports.

Key figures

559

Corporations in which local authorities hold at least part of a controlling interest: 284 municipal non-profit associations; 239 municipal corporations; 36 municipal public benefit corporations

117

Fully controlled municipal non-profit associations (that is, the local authority holds 50% or more of the controlling interest in them)

1 billion shekels

Annual turnover of activities of the controlled municipal non-profit associations

23%

Percentage of non-profit associations controlled by municipalities whose articles of incorporation have yet to be regulated by the Ministry of Interior

600

Requests by representatives of local authorities who are candidates for positions on the corporations' board of directors waiting for approval by the Appointments Committee of the Ministry of Interior

75%

Percentage of municipal non-profit associations involved in culture and sports that were examined.



Audit actions



In the months of June through October 2019, the Office of the State Comptroller examined the activities of local authorities through municipal non-profit associations. The audit included examination of the manner these non-profit associations had been established, how their objectives are determined and the means for realization thereof, their management through representatives of the respective local authority, their supervision by the local authorities and their financial reporting. The supervision of these associations by the Ministry of Interior and the Registrar of Associations was also examined. The audits were conducted in the municipalities of Umm al-Fahm, Givataim, Herzliya, Haifa, Maalot-Tarshiha, Netanya, the Local Council of Katzrin, the Local Council of the Upper Galilee, the Lower Galilee and Mate Asher (hereafter – the local authorities that were audited).

Supplementary examinations were performed in the Senior Corporations Division in the Ministry of Interior, the Registrar of Associations in the Corporations Authority in the Ministry of Justice and in the Accountant General Division of the Ministry of Finance.

Key findings



- 👎 Regulation of the articles of incorporation of municipal non-profit associations –** The regulation of the status of municipal associations in the Ministry of Interior has not been completed for about 30% of the associations that were examined.
- 👎 Registration of the associations by the Registrar of Associations –** In the database of the Registrar of Associations, there is no specification for municipal associations and no data about the degree of control held by local authorities in the associations.
- 👎 Preparation of a standard set of articles of incorporation –** The Ministries of Interior and Justice have not prepared a standard set of articles of incorporation for municipal associations that the latter can adopt and thereby shorten the process of authorization of the associations' articles of incorporation.
- 👎 Activities of the Appointments Committee –** The work patterns of the Ministry of Interior and the work procedures of its Appointments Committee are not compatible with the digital age. At the time of the audit, about 600 applications submitted by candidates for positions on the board of directors of various municipal corporations had accumulated in the office of the Appointments Committee. These applications faced about six months of handling before being completed.



- ❗ **Approval of local authority representatives by the Appointments Committee** – Some local authorities examined had not submitted details of their representatives in the municipal associations for examination and approval by the Appointments Committee.
- ❗ **Signing of an agreement between the local authorities and the associations** – Seven of the local authorities that were examined had not signed a contractual agreement with their associations regarding services that the latter were to provide and how they would use municipal properties, including the financial implications deriving from this.
- ❗ **Levy of property taxes on the properties held by the municipal associations** – Some of the local authorities had not levied property taxes on the properties handed over for the exclusive use of the municipal associations. These properties are not eligible for exemption according to the property tax law. Real estate taxes were also not levied on properties that the associations rented from private owners.
- ❗ **Use of associations in violation of their purposes** – Two local authorities, that were audited, used the associations for hiring human resources in violation of their stated purposes.
- ❗ **Oversight by the Ministry of Interior** – The Ministry of Interior did not succeed in carrying out follow-up monitoring, and did not hold information about whether the associations corrected the deficiencies raised in the audits conducted by the Ministry.



Setting up internet sites – All the audited municipal associations that provide diverse leisure activity services, set up a website that provides information to the public regarding the activities offered and the ways to register for these activities. Most sites allow online registration for the activities.

Discussion of meeting minutes and financial reports of the associations – The audited local authorities discussed the financial reports of the associations during their annual council meetings, and forwarded meeting minutes to the Ministry of Interior.

Key recommendations

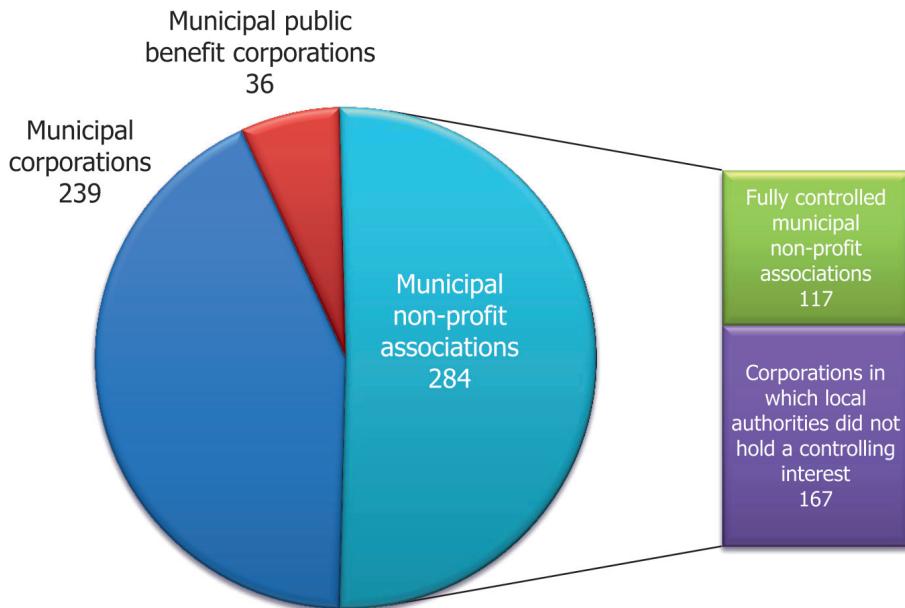
- 💡 The local authorities must complete the process of formalizing and regulating their municipal associations, act to have their representatives on the board of directors approved as required and forward these to the Ministry of Interior's Appointments Committee for its examination and approval thereof.
- 💡 The Office of the State comptroller notes in accordance with the Ministry of Interior's policy, that if the Ministry prefers the establishment of a municipal benefit corporation over an association, it is inappropriate to consider the need to prepare a standard set of articles of incorporation of a municipal association, given the number of municipal associations needing to regulate or update their articles of incorporation.



- 💡 The Office of the State Comptroller recommends to the local authorities to periodically examine the economic benefit and value of the municipal associations' activities and service provision through them. It should also examine the efficiency and savings in the appointment of a non-salaried director-general for associations whose activity turnover is low, given the limitations imposed by law and regulations; and the need to avoid conflict of interest, in order to ensure effective and optimal oversight of the director-general's actions by the board of directors.
- 💡 The Office of the State Comptroller recommends completing establishment of the information transfer procedures between the Corporation Division and the Registrar of Associations so that municipal associations will be required to submit reports to only one authority, which will update the second one.
- 💡 The local authorities should sign written agreements with the municipal associations that will anchor the rights and obligations of both sides. This agreement will detail the activities and services that the associations are to provide to residents and will regulate the use of municipal properties allocated to them for carrying out their activities, including the issues of the costs of maintaining and insuring the properties.
- 💡 The local authorities must act to register the properties assigned to municipal associations for their use in the revenue collection system and require them to pay property tax as laid out by law. Further, optimally, local authorities should instruct the associations eligible for an exemption from property taxes to act to get the highest exemption rate possible by law for the properties that they operate.
- 💡 It is appropriate that the Corporation Division in the Ministry of Interior follow the correction of the deficiencies raised in the audits that it conducted, including demand from the audited associations to submit a detailed report about correction of these deficiencies.

Summary

Establishment of municipal associations by various local authorities has a worthy aim: to provide leisure time services for residents in a way that minimizes bureaucracy and makes the services accessible. The local authorities should act with the requisite caution, while examining the economic value and efficiency of conducting their activities through the associations, supervise the activities and regulate their activities in order to ensure the effectiveness of the association and realization of their aims.

**Distribution of the municipal corporations by type**



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Selected Issues in the Water Infrastructure in Samaria

Abstract



Selected Issues in the Water Infrastructure in Samaria

Abstract

Background

There is one water company operating in Samaria (Shomron), Yuvalim Shomron 2003 Ltd., which serves two local authorities - the Ariel Municipality and the Karnei Shomron Local Council. The six other local authorities in Samaria provide water and sewage services to their residents by themselves. In recent years, there have been many interruptions in the supply of water in most towns in Samaria due to several reasons, primarily infrastructures that remained unattended in recent decades, and a significant increase in water consumption due to the population's growth that was not accompanied by a parallel growth in water sources.

Key figures

463,000

Number of residents in Jewish towns in Judea and Samaria at the end of 2019 (100,000 of them in Samaria). By 2030, their number is expected to increase to 580,000 people.

NIS¹ 150.6 million

Consumption of freshwater by both Palestinians and Israelis in 2020. It is estimated that by 2030 the consumption will reach 212.9 cubic meters.

5%

Depreciation in the Israeli water supply systems in Judea and Samaria (according to the water master plan), compared to 30% in Palestinian systems.

NIS 0.30

The tariff established by the water company in Samaria for a cubic meter of water up to the allowed quantity (3.5 cubic meter/month/person). NIS 3.37 is the cost established by the water company in Samaria for one cubic meter of water above the allowed quantity.

NIS 0.468-2.272

The cost of one cubic meter of water for unincorporated authorities up to the allowed amount; the cost above the allowed quantity ranges from NIS 5.583 to NIS 7.387 per cubic meter.

1 As of December 31, 2019 1 US dollar = 3.45 NIS



13,492 meters

Length of the water pipes deployed in Kedumim more than 30 years ago. In 2019 this segment represented 66% of the total length of the pipes (20,365 meters).

22%

Percentage of people that take advantage of a discount in the payment for water in the Oranit Local Council in 2019, compared to 83% of people who take advantage of the benefit in all local authorities in Israel

NIS 741 million

Total investment required until 2030 to supply the expected water requirements.

NIS 50,000

The amount of savings resulting from a reduction of 1% in water depreciation by Yuvalim in 2018.

Audit actions



In the second half of 2019, the State Comptroller's Office conducted an audit of selected issues in the water infrastructure, in particular in four local councils in the Shomron: Oranit, Alfei Menashe, Elkana and Kedumim. Supplementary audit activities were performed at the Israel Water Authority, Mekorot - Israel's National Water Company Ltd., and Yuvalim Shomron 2003 Ltd.

Key findings



Interruptions in water supply: Until 2018, most of the settlements in Samaria suffered from interruptions in water supply, especially in the hot summer months. This was due primarily to the depletion of water reservoirs in the region over the years, failure to improve infrastructures, a significant increase in the consumption of water, and water theft. In 2018, the Water Authority and Mekorot began taking care of the supply of water in the Karnei Shomron local council.



- Water company:** Except for two, Samarian local authorities are not incorporated into water companies. The cost of a cubic meter of water paid to Mekorot by the six unincorporated local authorities in the region is higher than the cost of a cubic meter paid by the other authorities, which did incorporate into a water company. The efforts to create a water company in Samaria ceased at the end of 2015
- Master water supply plan:** The local councils of Oranit and Alfei Menashe did not complete the preparation of a master plan for the supply of water to their jurisdiction. The local councils of Kedumim and Elkana did prepare a plan (in 1998 and 2007 respectively), but these were not updated despite the fact that the rate of water depreciation in those councils in the years 2014 to 2018 reached 13% and 24% compared to the national average of 10.5%
- Water depreciation:** The annual financial loss suffered by the three local authorities in Samaria due to the high level of water depreciation ranged from NIS 140,000 to NIS 800,000 per year.
- Discounts:** The percentage of residents who take advantage of the water discount to which they are entitled in the three local authorities of Samaria in 2019 was less than 50%, compared to 83% in all local authorities in Israel.



Water quality: The quality of the water supplied by Yuvalim and by the six other local authorities to their residents through Mekorot was proper. Tests carried out by the Ministry of Health did not find deficiencies in the quality of drinking water.

Information to the population: On their website, Yuvalim publishes information about the quality and price of the water. Residents of Ariel and Karnei Shomron can also submit online complaints about malfunctions in the supply of water. Recently, the Kedumim Local Council has begun doing similar work. However, the websites of four local councils do not offer the option to file complaints about water malfunctions.

Key recommendations

- 💡** It is recommended that the Water Authority and Mekorot make all efforts to complete the program for the development of Mekorot as soon as possible. This will enable execution of the master plan prepared by the Water Authority to strengthen the water and sewage sectors in Judea and Samaria.
- 💡** It is recommended that the Ministry of Finance, the Water Authority and Yuvalim in Samaria work together with the local authorities that provide water and sewage services, and that with the assistance of the Ministry of Justice and Ministry of Interior, This will enable them to formulate a model that will be suitable for the local authorities in Samaria.



It is recommended that the local authorities in Samaria make all possible efforts to reduce the rate of depreciation of water in their jurisdictions. It is recommended that the Water Authority provides guidelines to the authorities regarding ways to reduce water waste.

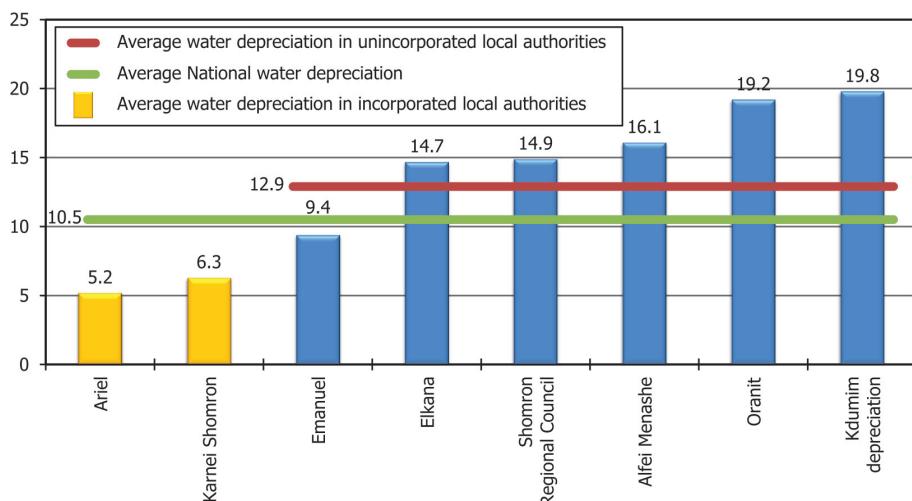


It is recommended that the local authorities in Samaria, in particular the local councils of Oranit, Alfei Menashe and Emanuel, work together to identify the residents entitled to water discounts who do not take advantage of them. It is also recommended that the Water Authority, in coordination with the Ministry of Interior, work with the authorities to encourage residents to take advantage of the discount in accordance with the entitlement guidelines.

Summary

The findings indicate deficiencies in the provision of water services to residents of Samaria, which must be managed at both the national and the local authorities' levels. The Water Authority and Mekorot must work closely with the local authorities and Yuvalim to improve the supply of water. This should include major improvements to the infrastructures aimed at reducing water waste on the one hand, and increasing water sources on the other.

Average water depreciation in local authorities in Samaria, 2015-2018



According to data provided by the Water Authority in March 2020, which was processed by the State Comptroller's Office



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Aspects of Conduct in the Local Authorities of Samaria

Abstract



Aspects of Conduct in the Local Authorities of Samaria

Abstract

Background

The Samaria region (Shomron) is a mostly mountainous area in the center of Israel that covers 2,800 sq. km. Samaria has eight Jewish local authorities: the Ariel Municipality, the local councils of Oranit, Alfei Menashe, Elkana, Emanuel, Kdumim and Karnei Shomron, and the Samaria Regional Council. The unique legislation in Samaria is enacted by the commander of the IDF forces of Judea and Samaria (J&S). In some cases, the Ministry of Interior applies Director General circulars to the J&S region through the person in charge of them.

Key figures

More than 100,000

The number of residents in Jewish settlements in Samaria at the end of 2019

NIS¹ 850 million

Total income of the eight local authorities in Samaria in 2018

NIS 37 million

Total deficit accumulated by the eight local authorities in 2018

NIS 6,000 to 70,000

Cost of transportation of a student per year in the academic years 2016-2017 and 2017-2018

NIS 9,000

Fee charged by the Kfar Saba Municipality from the authorities for Samaria students that studied in its institutions in the 2016-2017 and 2017-2018 school years

83%

Percentage of bylaws legislated in the eight local authorities in Samaria over 20 years ago, which must be updated or substituted (134 out of 162 bylaws)

1 As of December 31, 2019, 1 US dollar = 3.45 NIS.



Audit actions



In June-November 2019, the State Comptroller's Office reviewed aspects relating to the conduct of the Jewish local authorities in Samaria: accidents on route 55, fees charged to out of district students, bylaws, and internal audit. Additional examinations were conducted at J&S District of the the Israel Police and the Ministry of Interior.

Key findings



- 👎 Accidents on road 55:** Three Jewish local authorities and dozens of Palestinian towns with a total of 300,000 residents are situated near road 55. In 2015-2018, there were 380 accidents on that road. These do not include accidents involving only Palestinians, which are not recorded by the Central Bureau of Statistics, and are not included in the data published by the National Road Safety Authority. For this reason, the Ministry of Transport does not include them in calculating the transportation budget for Samaria.
 - 👎 Out of district student fees:** The municipalities of Kfar Saba, Ra'anana and Hod Hasharon, and the local councils of Kochav Yair-Tsur Yigal, who host students of Samaria's local authorities in their establishments charged annual fees in the amount of NIS 3,000 to NIS 9,000 per student. These amounts are higher than the tariffs stipulated by the Ministry of Education. The amounts were charged for additional services, without the Ministry of Education having determined the additional services that should be provided and the formula for calculating their cost.
 - 👎 Updating the bylaws:** The eight local authorities have not updated their bylaws in many years, not even when it was required to adapt some of them to changes in the legislation.
 - 👎 Website advertising:** Local authorities in Israel are obligated to post vast amounts of information about many topics on their websites. This obligation has not been applied to the local authorities of J&S.
 - 👎 Internal audits:** The examination of six local authorities indicated that none of them prepared internal audit reports for one or more years over the period 2014-2018. Two of the local authorities prepared a single internal audit report for two years. Four local authorities did not prepare annual or multiyear internal audit plans. The audit committees of those authorities did not convene at all in some of the years or convened very few times.
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Increased enforcement on roads: In 2016-2018, the J&S Traffic Department conducted enforcement activities and traffic operations. As a result, and based on the data at its disposal, the number of accidents on road 55 decreased from more than 100 in 2015-2017 to 73 in 2018.

Key recommendations

- 💡 The Central Bureau of Statistics and the National Road Safety Authority must update their data to include data on accidents involving Palestinians for all roads of J&S, based on data from the police, the Israel Civil Administration, and other bodies. Accordingly, the Ministry of Transport and Road Safety must analyze the data to make decisions regarding upgrading the roads and establishing additional safety means, including traffic cameras, security railings and more in all J&S roads.
- 💡 To resolve the issue of the fees paid for out of district students, the Ministry of Education and the Ministry of Interior, in collaboration with the Federation of Local Authorities in Israel, must formulate rules and guidelines. These guidelines should include specifications for additional services for which the receiving authority should collect money, their cost, and an evaluation of the maximum amounts that can be collected.
- 💡 The local councils of Oranit, Alfei Menashe, Elkana and Kdumim must ensure they initiate bylaws updating, to adapt those to their changing needs, and must review their relevance from time to time. It is recommended that the Ministry of Interior evaluate the possibility of updating bylaws at the national level, so that changes and updates apply to all authorities.
- 💡 It is recommended that the Ministry of Interior's Coordinator for Israeli Settlements in J&S consider to oblige asking the local authorities to post on their website the information that all local authorities in Israel are required to publish. This will increase the level of transparency of their decisions and ongoing activities, and will enable the residents to obtain access to all the information they should be receiving.
- 💡 The Alfei Menashe local authority must appoint an auditor as stipulated in the regulations. The latter and other local authorities in Samaria must comply with the provisions of the law in terms of internal audits.



Summary

This report indicated deficiencies in the provision of municipal services to residents of Samaria, which must be resolved by both the central and the local governments. The findings show that governmental and municipal bodies must update their data about all road accidents in J&S, in particular along road 55, and include this information in their calculations to upgrade the roads and add safety means. The Ministry of Education must get guidelines for collecting fees from out of district students, and the local authorities are required to resolve issues related to bylaws and internal audits.

Fatal and severe accidents on road 55, 2018-2019



Source: Central Bureau of Statistics, processed by the State Comptroller's Office



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Chapter 2

Reports on Individual Municipalities



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The Municipality of Karmiel

Abstract



The Municipality of Karmiel

Abstract

Background

The city of Karmiel sits on the main highway between Acco and Tzfat. It was established in 1964 as part of the Jewish Settlement in the Galilee Project and was declared a city in 1986. During the 1990s, the city doubled in population, with the absorption of approximately 18,000 new immigrants from the countries of the Former Soviet Union. Today, it has approximately 53,700 residents and its jurisdiction covers about 24,500 dunams. On its eastern side, it has a large industrial area, and companies operating within its environs employ thousands of people from the city and the surrounding settlements. In October 2018, a new mayor was elected. Over the past few years, the city has witnessed accelerated development, including the construction of a new neighborhood of about 3,000 residential units and the opening of a train line.

Key figures

6

The socioeconomic cluster in which the city was rated

NIS 2.5 million

Irregularities in salary payments in 2018

304

Number of members of the same family employed by the municipality in 2019

NIS 317 million

The municipality's budget for 2018

NIS 10.5 million

The municipality's overtime salary expenses for 2018

24,000

Number of applications of residents to the municipality's call center in 2018

NIS 152 million

The municipality's salary expenses for 2018

1,029

Number of people employed by the municipality in 2019



Audit actions



In the months of June through October 2019, the Office of the State Comptroller audited the administration of the municipality of Karmiel in three areas: human resource management, salaries and additional associated payments, and the municipality's handling of public inquiries and complaints. The audit focused on the years 2016 through 2019. Supplemental examinations were performed in the Senior Division for Oversight of Human Capital in the Local Authorities in the Ministry of Interior and in the Division of Wage and Labor Agreements in the Ministry of Finance.

Key findings



-  **Actual staffing levels versus the standard:** In the years 2016 – 2018, the average number of positions exceeded the authorized number of positions. The number of employees employed by the municipality was larger than what was permitted by its authorized budget. The deviation from the standard during these years was 5.4%, 1.6% and about 11%, respectively
-  **The formulation of tenders:** In 139 of the 159 recruitment tenders examined, it was found that the Municipality did not include in the tenders all the required details (among others, the grade level and subordination); in nine cases, the municipality eased or tightened the minimum conditions, disregarding the guidelines.
-  **Recruitment tenders for filled positions:** In 25 of the recruitment tenders, persons selected for the proposed positions were employees who were temporarily filling the position – as an actual appointment or a replacement, without these facts being included in the tenders.
-  **Employment of family members:** The municipality did not complete mapping all the related employees in the municipality and did not act to resolve potential conflicts of interest in their employment.
-  **Concern regarding a political affiliation:** In two recruitment tenders for senior positions, the municipality chose candidates who had a suspected political affiliation with the mayor. The candidates did not declare this affiliation. The municipality did not receive a legal opinion from the legal advisor regarding this issue, and did not provide details about the justification for preferring these candidates.
-  **The position of the Municipality Comptroller:** The municipality did not hire a full-time comptroller as required by law.



- ❗ **Employees' attendance:** An examination of 670 of the municipality's employees attendance for the period of November 2018 – February 2019, indicated that between 5% to 10% of them did not sign the time clock in and out as required at the beginning and end of the workday.
- ❗ **Payment for overtime hours and on-call hours:** The municipality's overtime cost in 2018 was 10.5 million shekels, and its percentage of all salary expenses was 6.9%, high in comparison to municipalities of similar size. On annual average, the municipality paid (for the years 2016 – 2018) about 5% of its employees for being on-call, costing about 1.09 million shekels per year. There are no rules or criteria for allocating overtime and on-call hours.
- ❗ **Handling of public inquiries and complaints:** The municipality does not have a central log and a system for organized tracking of public complaints and inquiries that do not arrive through the city call center, and has not established rules for handling them.



The municipality budget: The municipality had a balanced budget in 2016 – 2018.

Meeting minutes: From 2019, the personnel examination committees have improved the recording of minutes of meetings, including details and justification.

Key recommendations

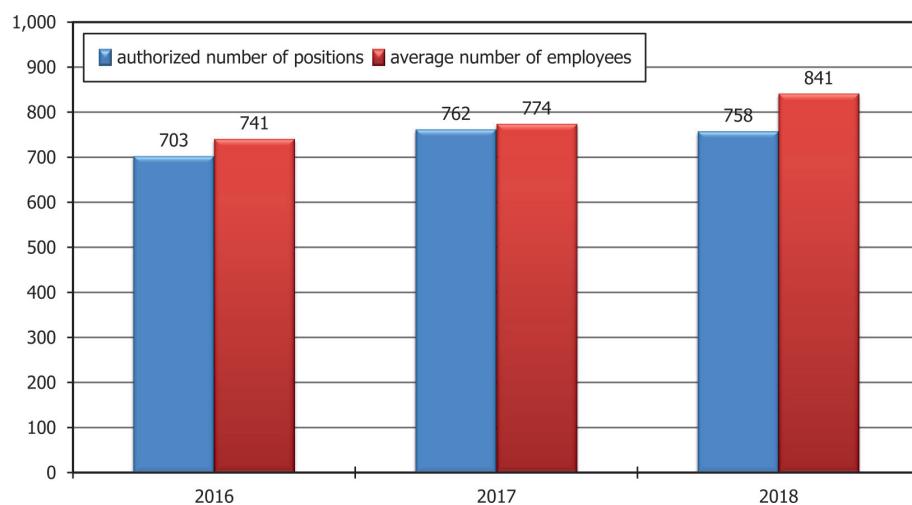
- 💡 The municipality should set a standard for human resources commensurate to its needs and act to hire a full-time auditor. It should be diligent in seeing that its recruitment tenders and the management of its examination committees follow procedures. It must act to reduce the use of temporary appointments, must map all its employees with family relationships, and mitigate any concerns about conflicts of interest in their employment.
- 💡 The municipality must act to repair deficiencies related to its employees signing the time clock in and out of work, establish regulations for overtime employment and on-call status, including defining the positions eligible for these and their scope. It must be diligent in paying for these extra hours as set out by law. Further, it must take care to pay for car stipends, allocation of company cars and participation in gas expenses, for employees eligible for these, in accordance with regulations.
- 💡 It is appropriate for the municipality to examine ways to reduce its salary expenses and streamline the management of its human resources operation.
- 💡 The Ministry of Interior should examine the findings of this report and clarify its instructions to all local authorities regarding these issues.



Summary

The audit indicates that improvement is required in everything related to the municipality's human resources management. Due to the fact that salary expenses total approximately 48% of the municipality's overall budget, correction of the deficiencies enumerated in this report will contribute to increasing the municipality's operational effectiveness in handling different needs and improving the services, it provides to its residents.

The authorized number of staff positions vs. the average number of employees in the municipality of Karmiel, 2016 - 2018.



Brown bars average number of employees blue bar authorized number of positions
According to the data of Appendix 4 to Part B of the audited financial report of the municipality for the years 2016 – 2018. Processed by the Office of the State Comptroller.
Not including retirees.



State of Israel
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Audit Reports on Municipalities 2020

The Municipality of Ramla - Financial Status and Human Capital Management

Abstract



The Municipality of Ramla - Financial Status and Human Capital Management

Abstract

Background

The city of Ramla is located in the center of Israel. It is classified in Cluster 4 in the socio-economic index and in Cluster 8 in the peripheral index of the Central Bureau of Statistics. At the end of 2018, Ramla had 80,996 residents, out of which 23.3% are Arabs and 19% immigrants that came to Israel after 1990. These populations are considered as populations that deserve to be promoted, which usually requires special investments on the part of the local authority. In 2015, the municipality signed a master agreement with the state for the construction of 7,500 residential units. They are scheduled to be populated in the years 2020 to 2024.

Key figures

NIS¹ 546 million

Ramla Municipality's budget for 2018

15.6%

Cumulative deficit of the Ramla Municipality from its income at the end of 2018

32%

Expected increase in the population of Ramla in the years 2020-2024 due to new construction

1,460

Number of employees employed by the municipality in June 2019

145

Number of employees hired by the municipality after 2011 who have a family relationship with other municipality employees

NIS 13 million

Overtime expenses of municipality employees in 2018 (86% higher than in 2014)

NIS 21 million

Deposits in employee pension funds in 2018

¹ As of December 31, 2019 1 US dollar = 3.45 NIS.



Audit actions



From April to November 2019, the State Comptroller's Office audited the financial strength of the Ramla Municipality and the management of its human capital. These topics affect the performance of the municipality in core areas and on the level of services to its residents. The audit also reviewed the information provided to citizens in the municipality's website; supplementary audit activities were conducted at the Ministry of Interior.

Key findings



- 👎 **Cumulative deficit** - the municipality's cumulative deficit reached 15.9% between 2014 and 2018, and it did not make financial provisions for covering it.
- 👎 **Income** - the municipality's self-generated revenueas a percentage of total income decreased from 65% in 2014 to 60% in 2018.
- 👎 **Preparations for development processes** - the city's development program requires the municipality to prepare for an increase of 32% in the number of residents, and for an expected reduction of nonresidential areas that pay municipal taxes from 55% to 49%, and even to 37% in the longer run. These preparations must cover both financial and organizational aspects.
- 👎 **Infrastructure for managing human resources** - the organizational structure of the municipality has not been reviewed in over a decade. Deficiencies were found in work procedures and employee training.
- 👎 **Employment of family members** - the mapping of family relationships among municipality employees has not yet been completed. As a result, cases of employment that may constitute a conflict of interest have not yet been addressed by formulating a legal opinion and by referring the matter to a dedicated Ministry of Interior committee.
- 👎 **Human resources management** - human resources management at the municipality is deficient, including control of overtime and standby hours, vacations, additional work permits and employment of substitutes for long periods of time.
- 👎 **Deposits in the pension funds** - the control of the municipality's deposits to its employees' pension funds is not satisfactory. Almost half of the deposits reports sampled by the audit showed that the amounts of the deposits were not fully attributed, which may damage the employees' rights.
- 👎 **Municipality website** - there is a vast amount of information on the website, which is not accessible by the many Arab and Russian speakers in its jurisdiction.



Collection of property taxes - since 2017, the percentage of collections in the municipality was higher than 90%. This rate is 3% higher than the average collection rates in all municipalities, and 2% higher than the average rate among medium-size municipalities.

Loan burden - the Ramla Municipality's loan burden decreased from 33.6% in 2014 to 25.2% in 2018. This rate is 9% lower than the rate that is considered the benchmark for an economy at risk.

Key recommendations

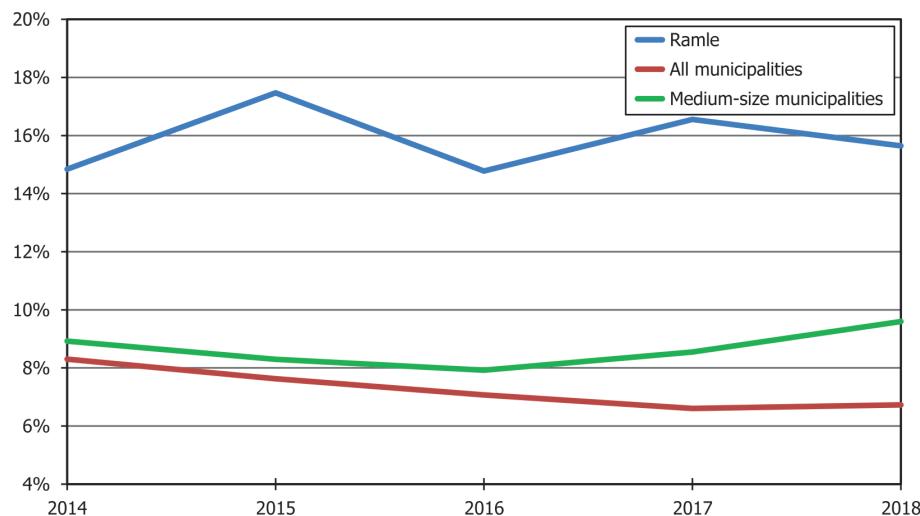
- 💡 The Ramla Municipality must reduce its accumulated deficit and examine ways to generate income to empower its financial strength and reduce its reliance on the federal government.
- 💡 The municipality must assess the expected effects of its development plans on the city's economy and financial strength. The municipality must prepare its organizational structure for the expected changes in the scope of the services it will have to provide. It must also make preparations for deploying them and design a municipal mechanism based on emerging needs.
- 💡 The municipality must improve the infrastructure for managing its human capital so it can cope with the expected challenges and provide appropriate services to its residents.
- 💡 The municipality must implement new controls for the ongoing management of its human capital, including in matters relating to employment of family members, standby and overtime, to ensure compliance with the legislation and with the principles of proper management and savings.
- 💡 The Ministry of Interior must encourage local authorities to assess, from time to time, their debt structure and the feasibility of recycling it. It must also evaluate the selection of the main pension funds for the budgetary pension for authorities' employees. It is also recommended to evaluate ways to control the deposits by local authorities to the pension funds of their employees and formulate relevant guidelines for the municipalities if required.



Summary

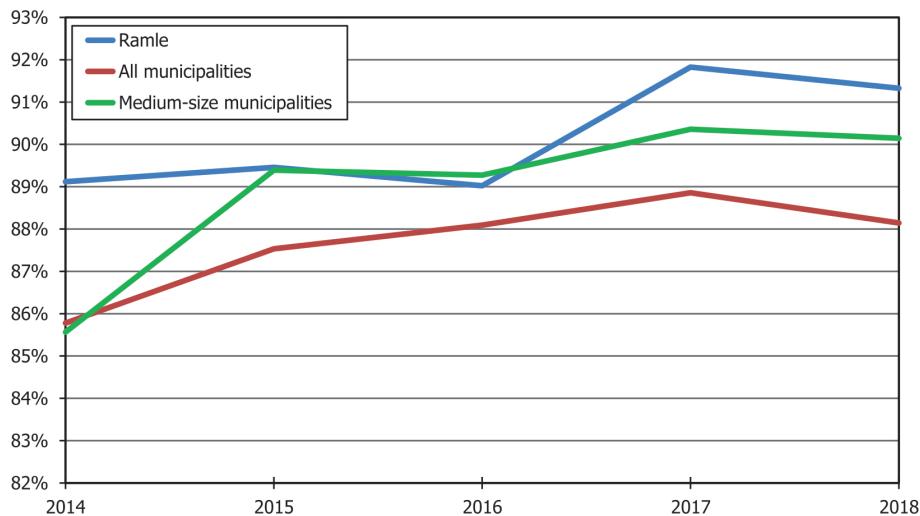
The accelerated pace of development in Ramla requires the municipality to prepare for preserving its financial strength. The State Comptroller's Office recommends that the municipality evaluates its organizational structure, implement a program for the development of human capital, and mechanisms for monitoring its administration in order to improve and optimize the services it provides to its residents.

Ramla Municipality's accumulated deficit in all municipalities and medium-size municipalities, 2014-2018





Rate of property tax in collection in Ramla, in all municipalities and in medium-size municipalities





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The Municipality of Ramla – Prevention of Spousal Violence and Treating its Victims

Abstract



The Municipality of Ramla – Prevention of Spousal Violence and Treating its Victims

Abstract

Background

Domestic violence is a difficult social phenomenon having many different aspects. A large part of the violence occurs between spouses, and its victims are mainly women. A regional Center for Family Well-being, which also serves residents in adjacent local authorities, operates within the Department of Social Services in the city of Ramla.

Key figures

1,219

Calls by women from all over the country to the social emergency call center of the Ministry of Welfare in 2018

22,974

Cases of spousal violence handled by police throughout the country in 2018

8,398

Families treated at the centers for prevention of violence and handling of family violence throughout the country in 2018

NIS 85 million

Total welfare expenses of the municipality of Ramla in 2018

546

Applications to the Center for Family Well-being in Ramla in 2018. 442 of these reached the police, with only 32 coming from the victims themselves

114

Families were treated by the Center for Family Well-being in Ramla, including 72 women

21%

Of the applications to the Center for Family Well-being in Ramla in 2018 related to the immigrant population

18%

Of the applications to the Center for Family Well-being in Ramla in 2018 related to the Arab population



Audit Actions



In the months of April through November 2019, the Office of the State Comptroller audited the social services of the municipality of Ramla, mainly as provided by the Center for Family Well-being, in terms of prevention of spousal violence and treatment of its victims. Supplementary examinations were performed in the Ministry of Labor, Welfare and Social Services, the Ministry of public Security and the Israel Police.

Key findings



-  **Implementation of the recommendations of the National Professional Committee for Handling of Violence** – The recommendations to be implemented in the first year include broadening the services to various sectors, information systems and responses during emergency situations and times of danger. Implementation of the majority of these recommendations has begun but has not been completed.
-  **Filling job positions** – At the time of the audit, about one quarter of the positions on the teams handling individuals and families had not been filled. In the Center for Family Well-being, all positions had been filled, but the staffing tend to fluctuate. Gaps in the filling of social worker positions are a nationwide phenomenon.
-  **Work distribution and coordination in the welfare field** – Distribution of work and coordination between the Department of Social Services and the Center for Family Well-being is not completely regulated. For example, transfer and updating of information that will also determine set times for discussions about joint clients of the department and the center.
-  **Prevention and locating activities** – The Department of Social Services and the Center for Family Wellbeing in Ramla do not conduct orderly and methodical informational and locating activities to prevent family violence, also among unique sectors in the city. An analysis of the applications to the center found that the police made 81% of the applications to the Center for Family Well-being in 2018, 7.1% were applications from the Department of Social Services made 7.1% and only 5.9% of the applications to the center were from independent sources.
-  **Dropping out of treatment** – Even though the number of dropouts decreased by about 30% in 2018 relative to 2017, the scope of the dropouts from treatment is broad – 54 dropouts in 2017 and 38 in 2018.
-  **Treatment of special populations** – Has not yet been completed in the places needing it, including Ramla, the Implementation of the recommendations of the National Professional Committee on the Treatment of Special Populations concerning family



violence, both as related to expanding the professional staff treating these special populations and as related to adapting the treatment model to them.

- ❗ **Delays in reporting and taking action** – It was found that in 14 out of 51 cases that were analyzed, the police had not transferred a report immediately to the Center for Family Well-being, as required by regulations, but on average only after two months. Additionally, In seven cases there was a delay of one week to three months or more from the day the police notification about the complaint of family violence was sent to the center until a clarification call was made by the center with the complainant. In seven cases there was a delay of several months from the time of receipt of the application until the beginning of treatment.
- ❗ **Training and continuing education programs** – The Ministry of Welfare did not begin training professionals using the training program for handling special populations. This program provides tools and knowledge in the area of cultural sensitivity and cultural competence, alongside training for Arabic speaking social workers working in the Arab sector. As of the time of the audit, no social worker from the staff of the Center for Family Well-being in Ramla had taken the designated training courses for handling special sectors and, in particular, the Arab sector.



Provision of welfare services – The social workers handling the clients in the Center for Family Well-being do their work with dedication and diligence, despite the difficulties in hiring professional human resources, emotional difficulties and technical difficulties related to the location where the center operates.

Key recommendations

- 💡 The Ministry of Welfare should promote implementation of the National Professional Committee for Handling of Violence's recommendations in line with the timetable that was set, including training the professionals working in this field.
- 💡 It is recommended that the Ministry of Welfare formulate solutions to minimize the gaps in filling the positions of social workers in the municipality of Ramla and on the national level, including the issue of the conditions of their employment.
- 💡 The municipality of Ramla must act to increase the cooperation and coordination between the Department of Social Services, the Center for Family Well-being and other professional factors (police, education and health factors), in order to improve the handling of victims of domestic violence.
- 💡 The municipality must prepare and conduct programs and locating and identification activities as required, also among special populations, in order to prevent worsening of domestic violence situations, and reach the widest number of clients requiring help. Likewise, it is recommended to continue and examine the reasons for dropping out of treatment, in order to decrease its occurrence.



Summary

Domestic violence is a difficult social phenomenon and one of the main challenges of social services departments in local authorities. This reality is particularly stark in the Municipality of Ramla, because it is a mixed city. Accordingly, action must be taken on the national and local levels to develop tools that will enable the prevention, as much as possible, of this type of violence and to assist its victims.

The Office of the State Comptroller is aware of the challenges that this field presents to those dealing with it and commend there dedicated actions especially in light of the difficulties they face when they fulfil their role – limited budget, difficulties in recruiting professional human resources and emotional difficulties.

Nationwide data about handling of cases of domestic violence by the welfare services and the police, 2016 – 2018



30
Women
were
murdered
by their
husbands



75
Women were
murdered
because of
family violence



67,299
Criminal cases
of spousal
violence opened
by the police



26,079
Families were
treated for issues
involving violence at
the centers for
prevention of
violence and
treatment of family
violence



3,859
Women facing
violence called
the Ministry of
Welfare's 118 -
social emergency
call center

* According to the data from the Ministry of Welfare (access to the report by the law of freedom of information for 2018 and data from the statistical yearbook of the Israel Police for 2018).

Processed by the Office of the State Comptroller.



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Audit Reports on Municipalities 2020

ETHOS – The Haifa Municipality Art, Culture and Sports Association Company

Abstract



ETHOS – The Haifa Municipality Art, Culture and Sports Association Company¹

Abstract

Background

ETHOS – The Haifa Municipality Art, Culture and Sports Association Company, was incorporated in 1956 (ETHOS or the Company), with the aim of promoting, conducting and managing cultural and entertainment fairs, exhibitions, conferences and performances. Today, ETHOS operates 15 entities in five main areas: management, rental and operation of cultural halls and buildings, management of sports courts, management and operation of cultural entities, production of events and festivals. It also operates the Haifa educational Zoo named after the late Louis Ariel Goldschmidt.

Key figures

230

employees in the company

NIS 24.4 million

ETHOS' income in 2018

20%

Decrease in the number of visitors to the zoo in 2018 compared to 2013

NIS² 65 million

Operating turnover in 2018

NIS 5.2 million

Cumulative deficit as at December 31, 2019 (unaudited)

NIS 0.5 million

Loss of potential income due to the non-exploitation of the surfers' beach

NIS 40.7 million

Amount of funds allocated by the municipality and other entities in 2018

NIS 10.4 million

Loss of the Haifa Symphony from its activities in 2018 (before the allocation of funds by the municipality to cover the loss)

1 Public-benefit company.

2 As of December 31, 2019 1 US dollar = 3.45 NIS



Audit Actions

From May to September 2019, the State Comptroller's Office examined different aspects in the Company: fields of operation, transfer of assets from the Company to the Haifa Municipality (the Municipality), composition of the board of directors, the Company's by-laws and budget, its organizational structure and human resources, tenders and engagements, and the activities of some of its profit centers.

The audit was conducted at ETHOS and the Municipality. Supplementary audit activities were conducted at the Ministry of Interior's Municipal Companies Division, and the Ministry of Finance's Wage and Labor Agreements Department.

Key findings



- 👎 Interactions between the municipality and ETHOS:** The municipality and ETHOS did not formalize their interactions in respect to the organization of events, which is at the core of the Company's activities. This includes, for example, formalizing the work procedures between the parties, establishing schedules from event planning through to execution, and aspects relating to a production's content, finances and organization.
- 👎 Expansion of the areas of operation of ETHOS:** The municipality expanded the fields of operation and responsibilities of the Company beyond its original mission, and without assessing the possible implications on other municipal entities that engage in similar activities. This also caused a duplication of roles between ETHOS and those other entities.
- 👎 Transfer and management of assets:** The municipality transferred assets to ETHOS, and then took away those responsibilities without providing prior notice. This was not in accordance with the provisions of the agreements between them. Responsibility over some assets was assigned without an assessment of needs. No feasibility, economic, administrative or operational examinations were conducted, and the transfer costs and effects were not evaluated.
- 👎 Financial management:** The municipality and ETHOS failed to formulate a plan to close the deficit the Company accumulated, which at the end of 2019 amounted to NIS 5.2 million, and may increase in the coming years. Most of the Company's profit centers show a deficit, and its reliance on municipality funds is constantly on the rise.
- 👎 Work plan and budget:** The municipality and the Company did not formulate annual and multi-year work plans for ETHOS. The Company's budget was not determined based on goals and objectives.



- ❗ **Organizational structure and wages:** The Company does not have an updated and approved organizational structure. The Company did not set up a mechanism for establishing employee wages.
- ❗ **Donations:** The Company did not take action in respect of donations received through the Haifa Foundation, in accordance with the Ministry of Interior's procedures.
- ❗ **Educational zoo:** The zoo has been in stagnation for years. It's Income does not increase and the number of visitors is decreasing. Important elements in the master plan for the zoo were not implemented.



Management of ETHOS assets: In 2018, the municipality and ETHOS entered into an agreement stipulating provisions for the management of assets transferred to ETHOS, the "Permissible Agreement".

Accessibility: The actions taken by the municipality and ETHOS to improve accessibility to ETHOS' building to people with disabilities and to its website are noteworthy.

Key recommendations

- 💡 The municipality and ETHOS must prepare a program for closing the accumulated deficit, monitor its implementation, evaluate ways to increase independent income, and ensure its budgetary balance as much as possible.
- 💡 The municipality and ETHOS must consolidate annual and multi-year plans according to the policy documents, objectives and mission, and determine the Company's budget in consultation with it's management.
- 💡 The municipality and ETHOS must set out the contractual relations between them, in particular in respect of the organization of events, which is the main occupation of the Company.
- 💡 It is recommended that the municipality evaluates the duplication of roles between ETHOS, municipal bodies and other city companies that are engaged in the same fields of activity. The municipality and ETHOS must jointly initiate a re-evaluation of all the assets the municipality transferred to the Company and the 'relative advantage' the Company has in the management of those assets, to optimize their use in benefit of the public.
- 💡 ETHOS must immediately consolidate and approve a detailed organizational structure that reflects its human resources, existing positions and needs. It is also recommended that the Company defines criteria for employee wages and advancement.
- 💡 It is recommended that the Ministry of Interior consolidates sample by laws that adapt to the unique characteristics of municipal companies. Such by laws would prevent uncertainty and unnecessary bureaucratic processes.

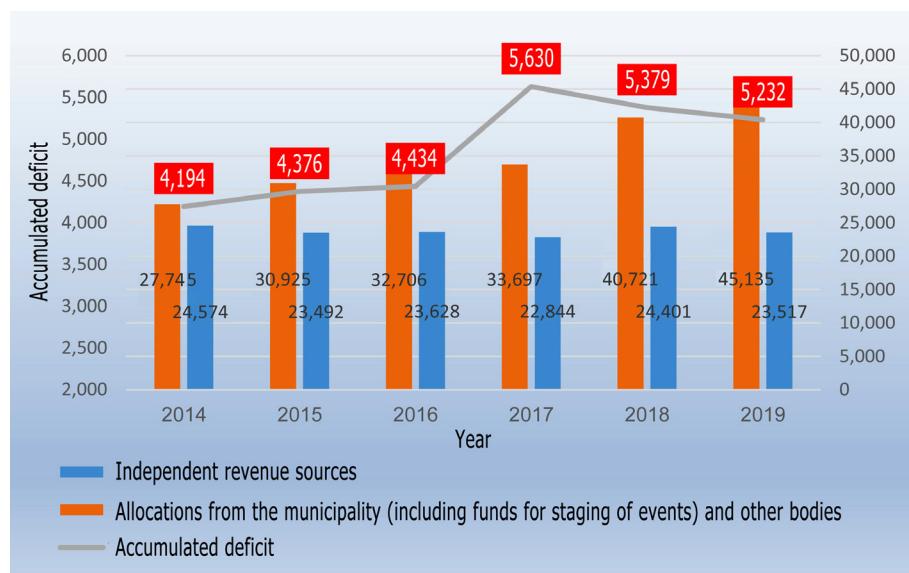


Summary

The audit's findings indicate that, for years, the municipality expanded the activities of the Company, requesting it to manage, operate and maintain assets that are not in line with its original mission, for example, the zoo. The municipality failed to properly assess the consequences of expanding the operations of the Company, and its ability to manage all these entities while executing all tasks it was entrusted with. The relative advantage of the Company compared to other municipal bodies that engage in similar activities was not assessed either. In this reality, many of the organizations managed by ETHOS incur losses that resulted in a cumulative deficit at the end of 2019 of NIS 5.2 million.

This situation indicates that there is a need to immediately assess the scope of activities of the Company and focus in the areas where it can offer added value, as well as significant managerial, economic or operational advantages over other municipal entities.

Operating turnover and cumulative deficit, 2014-2019 (NIS in thousands)*



According to ETHOS' data, processed by the State Comptroller's Office.

*Unaudited financial data for 2019.



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Chapter 3

Planning and Building



State of Israel
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Supervision of Construction in Local Planning and Building Committees

Abstract



Supervision of Construction in Local Planning and Building Committees

Abstract

Background

The Local Planning and Building Committees are part of the planning institutions and operate by virtue of the Planning and Building Law, 1965. These committees are authorized, inter alia, to enforce planning and building legislation in their areas, which are usually identical to the municipal areas of the local authorities. In these cases, the local authority's council is the local committee. Effectively enforcing construction and preventing construction offenses is of public importance because these violations may lead to misuse of land resources, may damage the quality of life and of the environment, and even cause safety hazards. In most cases, these violations are easily manifested. As a result, the ways they are managed affects the committees' trustworthiness in the eyes of the public. Accordingly, and in light of the widespread phenomenon of construction offenses, the State Comptroller's Office reviewed how the local committees manage this issue.

Key figures

131

Local planning and building committees (as at 2017)

11,513

Supervision files sent to prosecutors in local committees in 2018

58%

of the committees failed to submit reports to the National Enforcement Unit about their enforcement activities in 2018, as required by law

98%

of the committees did not complete a survey about construction offenses as required by law, which is essential for decision making regarding enforcement procedures

47%

Percentage of committees in which the number of supervisors is lower than the minimum recommended standard

59%

of the committees did not send reports to the Criminal Registry



38%

of the committees were evaluated by their prosecutors and were found to require improvements in supervision

71

Building permits for split apartments issued 15 months after the amendment to the corresponding law

Audit Actions



From June 2019 to January 2020, the State Comptroller's Office conducted an audit of building supervision at local committees. Supplementary examinations were conducted by the National Unit for Enforcing Planning and Construction Laws, the Department for Guiding Prosecutors, the Planning Administration and The land registry Division. The audit reviewed the preparedness of local committees to carry out their functions in the area of enforcement and their operation from 2016 to 2018. Some of the subjects were reviewed in all committees, some in only a sample of the committees.

Key findings



- 👎 Preparedness of local committees for supervision and enforcement functions:** The vast majority of the committees did not prepare a survey of construction offenses. As a result, they do not have the factual infrastructure that is essential for effective decision making. Half of the committees are lacking supervisors, and 38 of the committees have 20% less supervisors than the minimum recommended standard.
- 👎 Interfaces between planning, licensing and supervision:** There is a lack of detailed outline plans in Arab towns, which may lead to an increase in construction offenses. Furthermore, Amendment 117 to the Planning and Building Law, which enabled local committees to issue building permits for split apartments through a shorter procedure, has almost not been implemented.
- 👎 Initiation of enforcement activities:** Based on the committees' reports, most of them do not initiate enforcement activities methodically. This results in violations that are not detected at the early stages and in longer resolution times.
- 👎 Allocation of budgets to demolitions:** Out of 12 committees audited, only two, Elad and Bnei Brak, allocated a dedicated budget to the demolition of illegal buildings. Furthermore, except for Bnei Brak, which in 2018 demolished 60 buildings, most

committees audited made almost no demolitions.

- ❗ **Reports to the Lands Registrar:** Nine committees out of the 12 reviewed did not report building deviations to the Lands Registrar. Data from the Lands Registrar for the entire country shows that 1,566 reports were submitted in 2018, even though the number of supervision files sent that year to the local committees' prosecutors reached 11,500. It can be assumed that thousands of deviations are not reported at all.
- ❗ **Enforcement processes:** A review of four local committees (Bnei Brak, Givatayim, Tira and Hof Ashkelon) showed deviations in enforcement procedures, delays in enforcement activities and lack of effectiveness. The Tira local committee showed a phenomenon whereby construction offenses are not supervised.



Accreditation of local committees: In general, in the accreditation process of local committees as independent committees, the Planning Administration takes into consideration issues relating to their function in the area of supervision and enforcement, based on the opinion of authorized bodies.

Interfaces between planning, licensing and supervision: In some of the committees reviewed, it was found that professionals initiate the required detailed outline plans, which contribute to minimizing the conditions that lead to construction offenses.

Key recommendations

- 💡 It is recommended to study the possibility of several local committees joining forces in their supervision activities, in light of the fact that there is a lack of supervisors in many committees. This situation impacts on enforcement activities, Where the minimum standard of supervisors is initially little.
- 💡 It is recommended that local committees reinforce the interfaces between planning, licensing and supervision, and that they promote plans that prevent construction offenses in the future.
- 💡 Local committees should complete their surveys of construction offenses, as soon as possible and based on the guidelines of the National Enforcement Unit. They must also update their enforcement policies.
- 💡 Local committees must methodically increase enforcement in their areas. Their workplans should include proactive actions and measurements to assess effectiveness. This will enable to detect violations at the early stages and act to resolve them. They must utilize all their enforcement authorities to make the processes more effective and efficient.

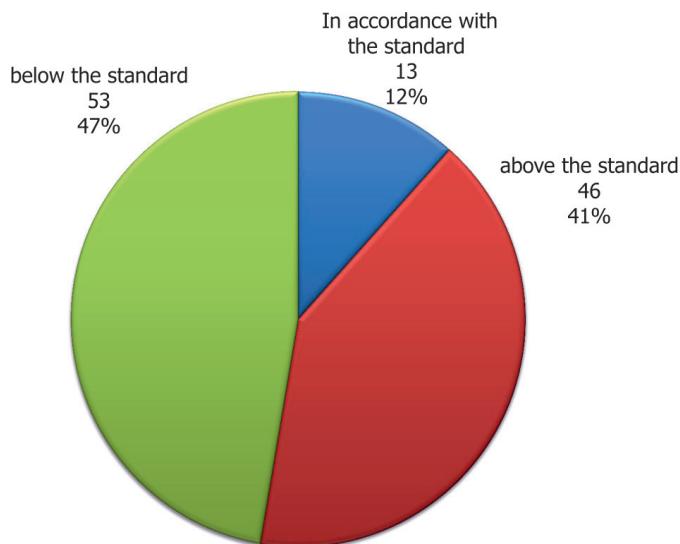


The National Enforcement Unit and the Department for Guiding Prosecutors must increase supervision over local committees, work to computerize reporting interface, and take the necessary steps to increase enforcement. It is recommended to focus on local committees whose enforcement activities are poor, and where there is a great potential for construction offenses due to the nature of construction in their jurisdiction or the weakness of their enforcement bodies.

Summary

Construction offenses and lack of enforcement challenge the rule of law, cause financial, environmental and planning damages, and put human lives in danger. The majority of the committees are not prepared for conducting effective enforcement. This is due to the shortage in human resources, lack of information about violations, and a lack of proactive enforcement. Without strengthening the status of the supervisory units, improve their preparedness, and with lack of governmental control over their activities will result the inability to substantially reduce construction offenses. In light of the findings, it is recommended to evaluate alternatives to improve supervision and enforcement by local committees, to strengthen the interfaces between planning and supervision at all levels, and ensure optimum use of the land based on the policy of the planning institutions.

Actual number of supervisors at local committees comparing to the standard



*In 30 out of 53 committees, the gap between the standard and the headcount is 20% to 50%; in eight committees it is higher than 50%.

