



State of Israel

State Comptroller

**Special report:
The State of Israel's Coping
with the Covid-19 Pandemic**

**Jerusalem
August** 2021



ABSTRACTS



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of Israel's Coping with the
Covid-19 Pandemic**

Abstracts



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Foreword

We are in the midst of the fourth wave of the Covid-19 pandemic, which is shaking countries all over the world, including Israel. This pandemic influenced our lives significantly, and the situation is testing our personal and national resilience. In such a reality it is highly important for the government to act properly, efficiently and economically. I therefore see it essential for the State Comptroller's Office to continue its activity, subject to the challenges of this time, in order to improve the conduct of the government bodies.

Our office monitored the government actions during the first wave of the pandemic, and began auditing several matters regarding the handling of the Covid-19 pandemic and its effects. Given the importance of the interim findings in that audit and the added value of rectifying the deficiencies as quickly as possible, I found it appropriate to submit the interim findings to the Knesset, and to publish them in October 2020.

This report contains chapters on various topics regarding the management of the crisis on the national level, and to economic and budgetary matters. The following is a summary of the deficiencies and the recommendations raised in this report:

The report contains an audit regarding the **Managing the Covid-19 Pandemic at the National Level – Decisions Making Process and Implementation**. The audit found deficiencies, inter alia in the following areas:

- The 34th government's decision-making process during the Covid-19 pandemic;
- Establishment of a Covid-19 cabinet and decision-making in this matter by the 35th government;
- Activity of the government and the Covid-19 cabinet during the second wave of the pandemic;
- The Ministry of Health's operational capacities for managing the crisis;
- The role and conduct of the National Security Council in assisting the government's management of the crisis, and in drawing conclusions and monitoring the implementation of the decisions during the crisis;
- Establishing a reference scenario;
- Setting a strategy for exiting the first wave of the pandemic and preparing for the second wave;
- Handling passengers arriving in Israel;
- Establishing an investigative epidemiological array.



The local authorities, who have managerial and operational ability and experience, have a main role in handling and providing services to residents in both routine and in emergencies. The Covid-19 pandemic emphasized the importance of an optimal interaction between the central and the local government. The audit regarding the **Managing of the Covid-19 pandemic at the National Level – Decisions Making Process and Implementation** raised that the policy for dealing with areas with a high rate of infection in order to halt outbreaks of infection from spreading was not implemented, and areas where the infection spread were not handled effectively according to the established criteria. These deficiencies may have contributed to the increase in the infection rate and the decision to impose a second general lockdown, and may have also had a negative impact on the public's willingness to cooperate in combating the Covid-19 pandemic. In order to make optimal use of the local authorities' relative advantage in dealing with residents and achieving the national objectives, it is recommended that the relevant government ministries – the Ministry of Health, the Ministry of Interior, the Ministry of Public Security, and the Ministry of Justice – include the local authorities in the national effort to reduce infection and consider expanding their authority in this matter.

The audit regarding the **Public Information Campaign during the Covid-19 pandemic** raised that government spending on communication during the Covid-19 pandemic totaled NIS 311 million. There were 53 million visits to the Ministry of Health website in March–October 2020, and 73% of the calls to the Ministry of Health call center in September 2020 were not answered by a receptionist (most of these calls were cut off). It was also raised that the government response to the need for providing information regarding the Covid-19 pandemic and ways of dealing with it differed from the plan for national communication in a civilian emergency, which had been the subject of a drill 18 months before the outbreak of the pandemic. Furthermore, important positions in the communication array established in the Prime Minister's Office according to a 2007 Government Resolution were not filled at the time of the outbreak, and therefore the array did not operate as planned. In addition, the Ministry of Health, which was required to lead the government communication efforts, lacked the required functional infrastructure and professional tools. These were supplemented during the crisis, at a time of rising infection rates, causing the allocation of state resources, without taking into account the preparations made and resources invested in the years preceding the crisis. In view of the findings raised in this audit, and in order to ensure the government communication departments preparedness for emergencies, it is recommended to Formulate a binding plan for dividing responsibility among the various communication bodies and adapting the organizational and professional infrastructure of each one to the responsibility assigned to it according to this plan; Set principles and effective communication methods based on population research, including mapping and specification of various target population groups; and establish consolidated information databases for public use in emergencies.

Another challenge facing communication bodies is combating false information, widely distributed, inter alia through social networks. The communication array in the Prime



Minister's Office is responsible for ensuring other government communication departments preparedness for emergencies. The findings and recommendations in this chapter should be the basis for drawing conclusions process regarding this matter.

Besides massive infection, the Covid-19 pandemic caused one of the worst employment crises in Israel's history. The audit regarding the **Government Handling of the Unemployed during the Covid-19 pandemic** found that 880,000 people received unemployment benefits in April 2020, more than 11 times in comparison to January 2020. Unemployment benefits paid in 2020 totaled NIS 26.3 billion, more than six times the total in 2019. The total cumulative debt of Israeli citizen from the beginning of the crisis until January 2021 due to overpayment of unemployment benefits was NIS 923 million. In practice, the Covid-19 pandemic was a test case under pressure. As such, it exposed deficiencies in the quality of service for those claiming unemployment compensation from the National Insurance Institute (NII), and in the government actions to reintegrate unemployed in the labor market, with an emphasis on cooperation and regular data sharing among three key bodies: the NII, the Israeli Employment Service, and the Labor Branch in the Ministry of Labor, Social Affairs, and Social Services. It is recommended to consider uniting the resources of the bodies handling the employment market in a single organizational agency. This will reduce the organizational division that can reduce the effectiveness of the government's activity. In addition the relevant bodies should increase, the cooperation between them. Improving the cooperation is important in light of the reduction in the scope of the activity of the Labor Branch and the Employment Service in 2020, and given the negative incentive of some of the unemployed to return to the labor market, or at least to improve professional skills due to the extension of eligibility for unemployment compensation during the audited period.

The Covid-19 pandemic sharply reduced global economic activity and caused an economic crisis in Israel. This crisis featured a severe liquidity problem in many households and businesses. For example, the total loans requested from all of the state guarantee loan funds was NIS 73.6 billion. The audit regarding **Financial Services, Credit and Stability of Financial institutions during the Covid-19 pandemic** raised that the financial regulators in Israel had made rapid preparations for providing assistance to the economy and maintaining its resilience. Among other things, they adapted the financial services provided to the public to the circumstances of the crisis, expanded the supply of credit, and monitored the risks incurrent in financial activity in the economy. At the same time, deficiencies were found, inter alia in the cooperation between all of the relevant bodies regarding the definition of essential activity of financial regulatory bodies in emergency, dealing with the high exposure of financial institutions to derivatives abroad, establishing measurable criteria for granting loans, and setting timeframes for handling loan requests. Furthermore, it was found that the rate of guarantees in the portfolio of state-guaranteed loans was lower in comparison with similar programs in other countries. It is therefore recommended to examine the proposed assistance mechanisms for the purpose of increasing the efficiency the credit granted to businesses, with the aim of bridging the cash



flow gap caused by the crisis and enabling businesses to resume their activity and grow when the crisis ends.

This report contains a chapter regarding **Municipal Property Tax Discounts for Businesses during the Covid-19 pandemic**. The government provided aid for businesses through a discount on municipal property taxes in two rounds. The estimated total of the discounts in the first round in April 2020 was NIS 2.8 billion. In the second round in September 2020 a discount approved for the time period between June 2020 and June 2021 was NIS 3.5 billion. The audit raised that in the payment mechanism of the second round, the bureaucratic burden on businesses was greater, the duration of handling the requests was longer, and when the mechanism was first put into practice, delays were created in handling the requests submitted. During the audit, the Small and Medium Business Agency (SBA) and the Israel Tax Authority improved the procedure for submitting and handling requests. Bureaucracy was reduced, and businesses are now contacting the SBA online, without having to provide approval from the Israel Tax Authority. It is recommended that the Ministry of Interior and the Ministry of Finance continue their cooperation, analyze the needs of businesses and local authorities, and take necessary steps in order to enable exhaustion of rights. It is also recommended that the Ministries rectify the deficiencies found in the audit and determine guidelines for future assistance programs, if necessary.

This special report also contains chapters regarding education, welfare, health, and employment matters, including:

- Caring for senior citizens during the Covid-19 pandemic;
- Aspects of regular medical activity during the Covid-19 pandemic;
- Taking samples and laboratory testing for diagnosing Covid-19;
- Distances teaching and learning during the Covid-19 pandemic;
- Epidemiological investigations to break the Covid-19 infection chains;
- Remote work of government ministries in the Covid-19 pandemic – The IT perspective;
- Budgeting management during the covid-19 pandemic – handling the crisis and preparing for the future.

This report reflects the State Comptroller's vision and goals, including conducting an innovative, social, motivate, relevant, objective, and respectful audit, that is oriented to the future challenges, improving the activity of the audited bodies, promoting the fulfillment of their objectives, and increasing the benefit the public can gain from their activity. On the one hand, the state's audit focuses on social matters, among them the service provided to the public, and the substantial risks affecting the activity of the audited bodies. On the



other hand, it acts to implement norms of good governance in the actions of the government and public administration.

This report was carried out by the Social and Welfare Division the Economic departments Division, the Government Ministries and Institutions Division and the Defense Establishment Division in the State Comptroller's Office. I thank the employees of these divisions and the Office staff involved in writing the report for their professional, thorough, efficient, and challenging work, especially in the circumstances created by the Covid-19 pandemic.

The audited bodies should act quickly and efficiently to rectify the deficiencies that have not yet been rectified in order to improve future handling of the Covid-19 pandemic.

I wish all of us an optimal handling of the Covid-19 pandemic and a safe return to our life routine.

Matanyahu Englman
State Comptroller and
Ombudsman of Israel

Jerusalem, August 2021



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Introduction

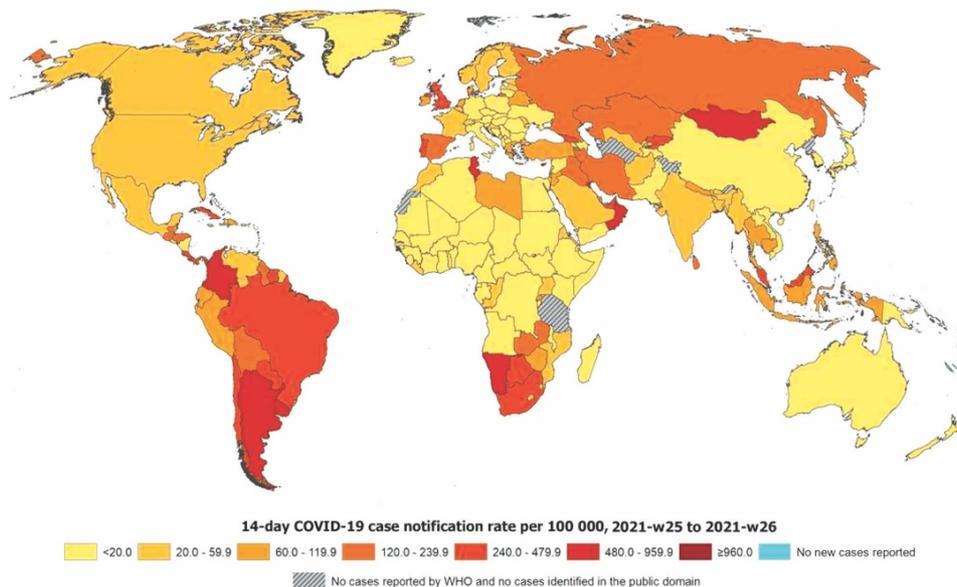
Introduction

This audit report comprises 13 chapters that deal with the State of Israel's response to the Covid-19 pandemic during the period between March 2020 and March 2021 ("the audit period"). Each chapter indicates the audit period relevant to it. As the audit was being conducted, considerable changes took place in the areas dealt with by the audit, resulting in changes to the characteristics and scope of the pandemic and waves of infection. The figures shown in the Introduction are correct for the end of the audit period, with some updated as of July 31, 2021.

Background

In late December 2019, the coronavirus that causes Covid-19 started to spread in China. In mid-February 2020, the virus started to spread rapidly to other countries, with the first case of Covid-19 identified in Israel on February 27, 2020. The World Health Organization (WHO) declared Covid-19 a global pandemic on March 11, 2020. The Covid-19 pandemic is a crisis on a global scale. Figure 1 below shows the number of confirmed Covid-19 cases per 100,000 people worldwide, during the last two weeks of June 2021.

Figure 1: **Number of confirmed Covid-19 cases per 100,000 people worldwide, in the last two weeks of June 2021**



Source: Website of the European Center for Disease Prevention and Control

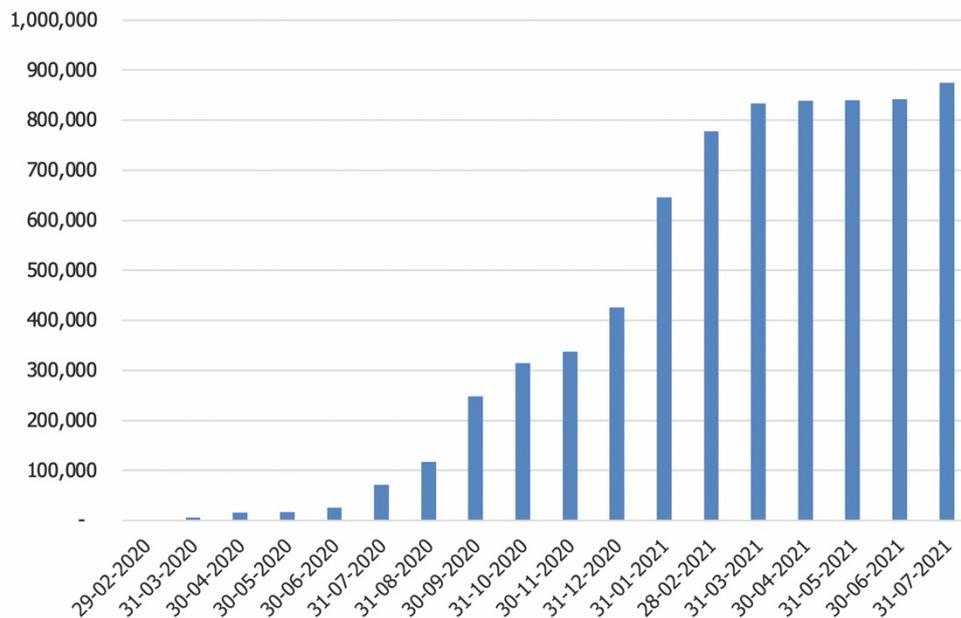


The Covid-19 infection level is characterized by waves of varying intensity. During the audit period, 833,000 infected persons (also – "confirmed cases") were diagnosed in Israel. In January 2021, at the peak of infections, some 10,000 people were added on a single day to the count of confirmed cases. In May 2020 and also between April 2021 and June 2021, the infection rate started to decline, with the daily tally of confirmed cases dropping to as low as just dozens per day. Towards the end of June 2021, there was a resurgence in infection cases, and by mid-August 2021 daily new confirmed cases reached 8,000.

Per Ministry of Health figures, as of the end of July 2021, some 874,000 persons in Israel had been infected with Covid-19, 6,478 died from the disease, and 199 infected persons were severely ill.

Figure 2 below shows the aggregate number of confirmed cases in Israel, as of July 31, 2021, according to Ministry of Health figures¹:

Figure 2: Aggregate number of confirmed cases in Israel, as of July 31, 2021



As per figures from the Ministry of Health website, as processed by the State Comptroller's Office.

At the end of December 2020, the Ministry of Health began to vaccinate Israel's population against Covid-19. The first to be inoculated in the vaccine campaign were people aged 60 and older, people under age 60 defined as being at risk due to their health condition, medical staff and crucial role holders in the economy whose uninterrupted functioning has been shown to be vital. Subsequently, the vaccination campaign was expanded to include other age groups.

¹ The figures were retrieved from the Ministry of Health website on August 23, 2021.

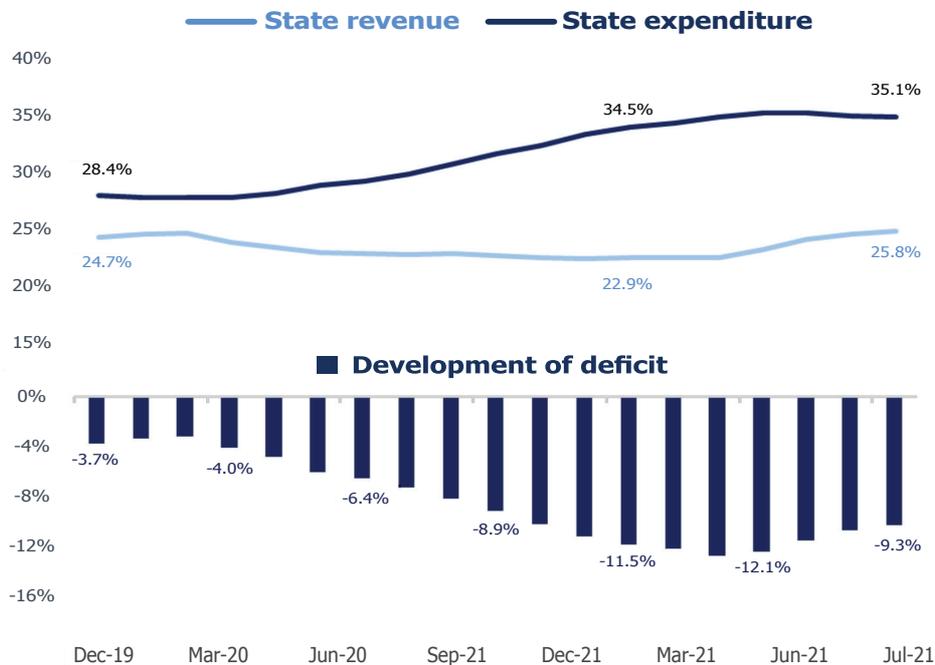
According to Ministry of Health figures, as of the end of July 2021, 5.78 million people were vaccinated with the first dose, 5.38 million were vaccinated with the second dose, and 14,000 were vaccinated with the third dose.

Economic Impacts

Given the spreading pandemic, countries around the world laid down measures to slow the rate of its spread and help the healthcare systems deal with the large scale of severe infection. Additionally, countries worldwide initiated a wide range of aid programs for those hit by the pandemic's economic fallout. These programs focused on the payment of allowances to salaried workers and self-employed persons whose pay was affected, on the deferment and easing of mandatory payments to the tax authorities, and on increasing the liquidity of businesses and households.

As of July 2021, most countries around the world are in different stages of Covid-19 pandemic waves, and it is still too early to assess the overall loss that will be incurred to the global economy due to the pandemic, as well as the full scope of economic damage caused in each and every country.

Figure 3: **Development of deficit, expenditure and revenue as a percentage of GDP for the 12 months ended July 2021**



Source: "Initial Estimate of Budget Implementation, Government Deficit and Its Financing," Accountant General's website.



Response of the State of Israel to the Covid-19 Pandemic

Israel has been in a continuous state of emergency since the proclamation of the Declaration of Independence in May 1948. The declaration of a state of emergency was first regulated under Section 9 of the Law and Administration Ordinance, 1948. Today, this matter is regulated under Section 39 of the Basic Law: The Government, which empowers the government to enact regulations for a state of emergency to protect the state, public security and to ensure the supply of vital goods and services. According to the Basic Law, emergency regulations expire three months after their enactment, unless extended by law. With the outbreak of the Covid-19 pandemic, starting from March 2020 until the beginning of August 2020, the government acted under emergency regulations meant to sustain a normal fabric of life amid the Covid-19 pandemic and to prevent the spreading of the pandemic. On July 23, 2020, before the expiration of the laws extending the emergency regulations, the Special Authorities to Combat the Novel Coronavirus (Temporary Provision) Law, 2020, was passed in order to replace the use made by the government of the emergency regulations. This law constitutes a "framework law" designed to grant the government explicit and defined powers by virtue of specific primary legislation, in matters regulated by emergency regulations, for continuing to deal with and prevent Covid-19, and as of now the law will remain in effect until November 30, 2021.

Following are examples of measures implemented during the Covid-19 pandemic:

- **Intermittent imposition of lockdowns and imposition of restrictions on business activity and public movement, depending on the level of infection.**
- **Development of economic aid programs for the economy on three levels:**
 - ✓ Ensuring "social subsistence" by granting of grants to self-employed persons and employees who were fired or placed on unpaid leave, and the granting of one-time grants by the National Insurance Institute.
 - ✓ Granting of grants to facilitate continued economic functioning and to prevent chain reactions that could lead to the collapse of businesses. Including grants for regular expenses.
 - ✓ Granting of employment grants and incentives aimed at encouraging employment and boosting productivity in the economy, to help the economy recover from the crisis and renew its economic growth.
- **Preparing the healthcare system to handle the population:**
 - ✓ Augmenting the manpower and equipment of hospitals and HMOs (health funds).
 - ✓ Caring for Covid-19 patients at home and at quarantine hotels, besides hospitalization.

- **Breaking the chains of transmission** by establishing timely guidelines and directives for sampling and testing for Covid-19, to identify confirmed cases, and for operating a system of epidemiological investigations to trace contacts of confirmed cases and prevent further infections.
- **Assistance for the senior population in Israel** numbering over one million people, about 12% of the general population. Among other things, the government developed the "Mothers and Fathers Shield" program, aimed at protecting the elderly and persons with disabilities residing in housing frameworks outside the home. The program also prescribes the dedicated medical response to be provided to persons infected with Covid-19 from among these populations.
- **Intermittent closure of the education system and a shift to remote learning**
 - The education system dealt with the Covid-19 pandemic through intermittent discontinuation of frontal teaching and transition to distance learning, as follows: From March 2020 to February 2021, the education system was in full operation for just 11 days; for 81 days the education system operated by distance learning mode only; and during 128 days schools operated a hybrid learning model (distant and frontal).
- **Vaccination of the population against the coronavirus.**



Contents of the Report

The compilation of reports published in this framework includes additional reports besides the interim findings published by the State Comptroller and Ombudsman in October 2020, in the framework of "The State of Israel Response to the Covid-19 Pandemic – Special Interim Audit Report"; the compilation includes 13 chapters divided into three parts, as follows:

Part One – Topics at the National Level

1. Managing Covid-19 Pandemic at the National Level – Decisions making Process and Implementation
2. Managing the Covid-19 Pandemic at the National Level – Handling of the Pandemic in Local Authorities with High Infection
3. Public Information Campaign during the Covid-19 Pandemic
4. the Covid-19 Pandemic – The ICT Perspective

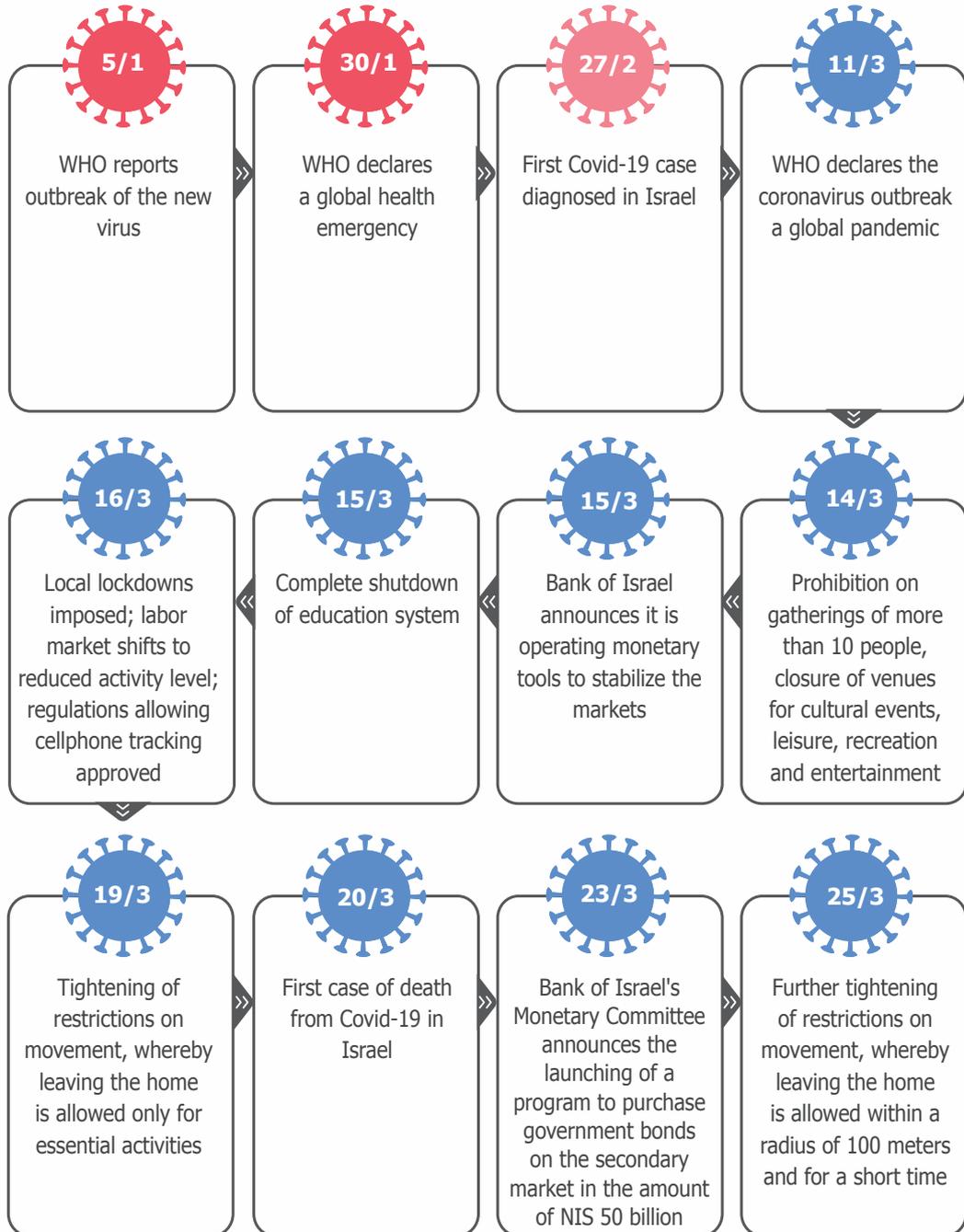
Part Two – Economic and Budget Topics

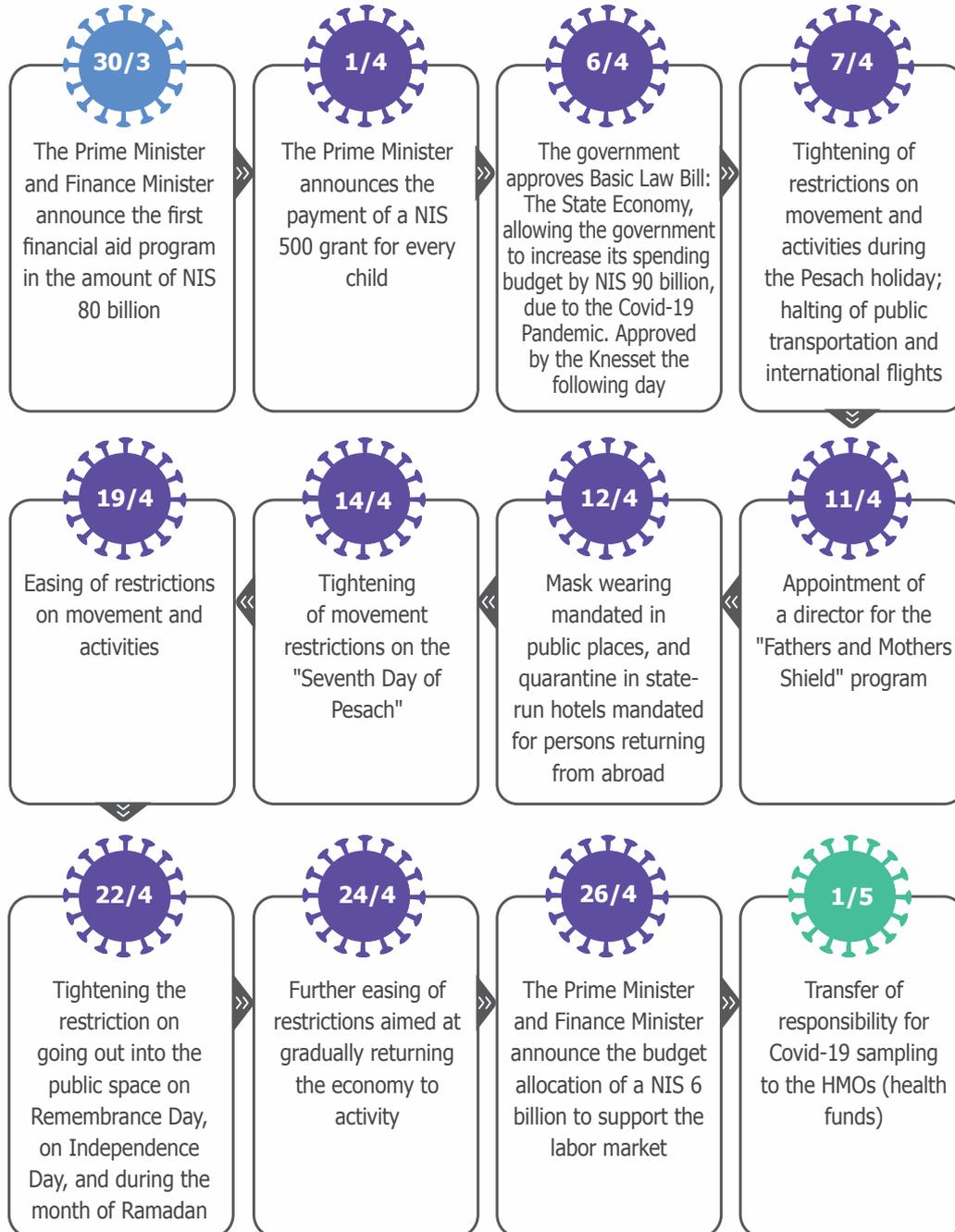
1. Budgeting Management during the Covid-19 Pandemic – Handling the Crisis and Preparing for the Future
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3. Financial Services, Credit and Stability of Financial Institutions during the Covid-19 Pandemic

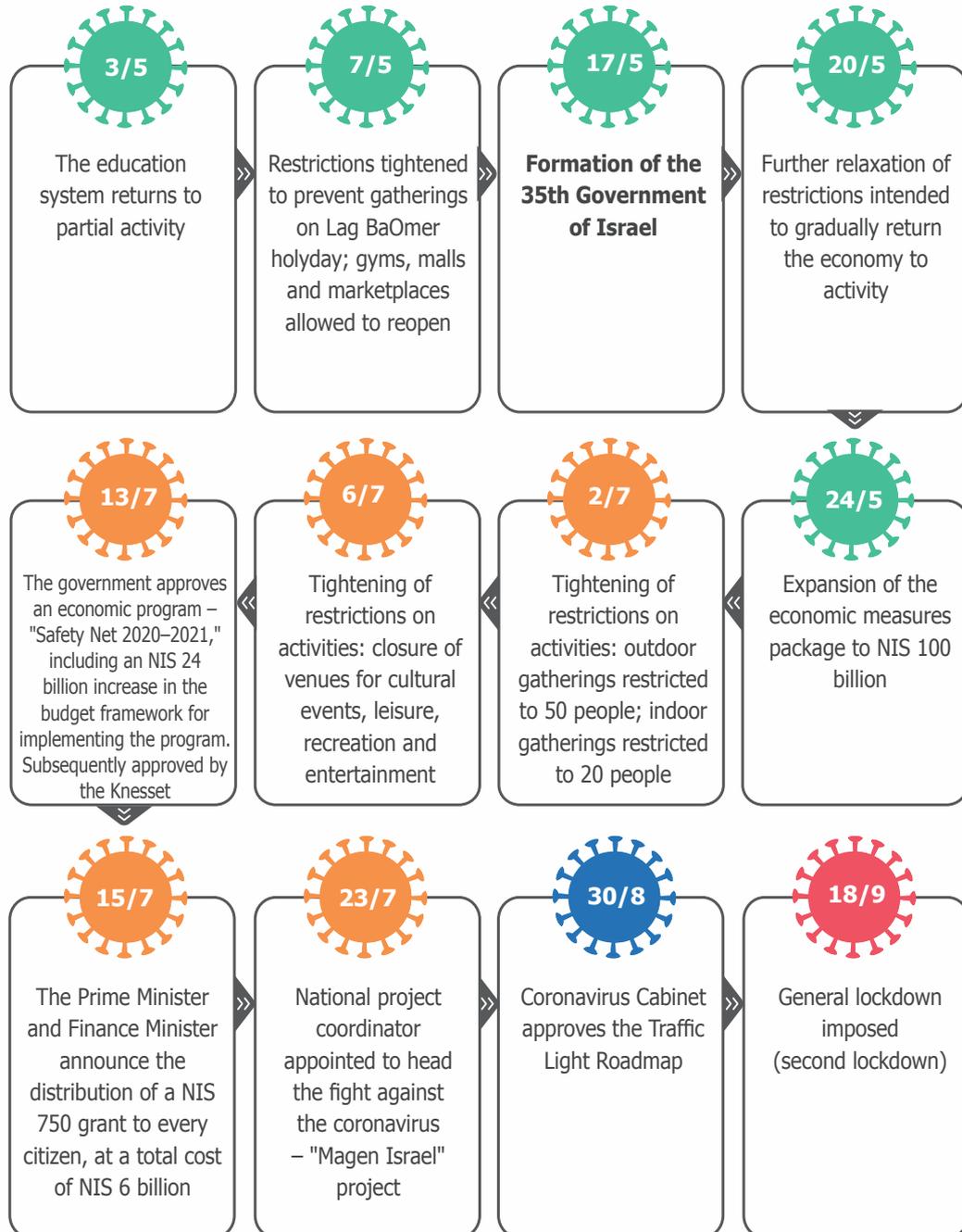
Part Three – Welfare, Education, Health and Employment Topics

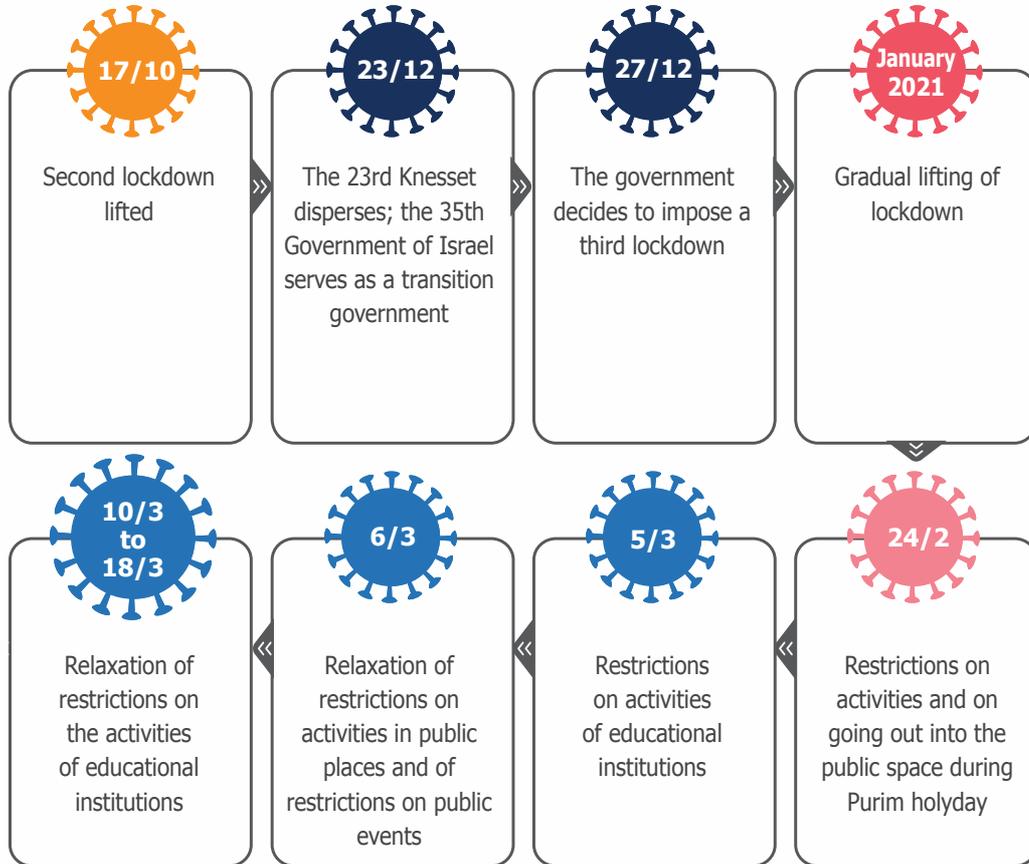
5. Government Handling of the Unemployed during the Covid-19 Pandemic
6. Caring for Senior Citizens during the Covid-19 Pandemic
7. Aspects of Regular Medical Activity during the Covid-19 Pandemic
8. Sampling and Lab Testing Setup for Diagnosing for Covid-19
9. Distance Teaching and Learning during the Covid-19 Period
10. Epidemiological Investigations to Break the Covid-19 Infection Chains

Timeline of Events from the Outbreak of the Covid-19 Pandemic until March 31, 2021











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Chapter One

National Level Issues



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National Level Issues

Managing Covid-19 Pandemic at the National Level – Decisions making Process and Implementation



Managing Covid-19 Pandemic at the National Level – Decisions making Process and Implementation

Background

Israel has been in a continuous state of emergency since the Declaration of Independence by the Provisional State Council in May 1948. The declaration of a state of emergency is limited to one year, and the Knesset has renewed it every year. In December 2019, the coronavirus (SARS-CoV-2 coronavirus) outbreak in China caused the Covid-19 pandemic. On January 27, 2020, the Minister of Health, by the authority vested in him under Section 20 of the Public Health Ordinance¹, declared that the Covid-19 pandemic is infectious, and poses a severe threat to public health. With the outbreak of covid-19 pandemic in Israel, the government began in March 2020 to institute emergency regulations permit it to make decisions on dealing with the crisis and impose restrictions on the public to prevent the spread of the virus without carrying out the regular legislative processes in the Knesset. On July 23, 2020, the Special Authorities to Combat the Novel Coronavirus (Temporary Provision) Law 2020 was enacted. This law authorizes the Government to declare a state of emergency in the wake of the covid-19 pandemic under the conditions outlined in the law. By declaring a state of emergency, the law sets out various restrictions that the Government is empowered to impose on the public. At the start of the Covid-19 pandemic, the then Prime Minister directed the National Security Council ("Malal") to integrate government ministries' activities during the Covid-19 pandemic.

1 Public Health Ordinance No. 40 for 1940; Public Health Order (Change in List of Infectious Diseases Appearing in the Schedule to the Ordinance), 2020, Collection of Regulations No. 8334.



Key figures

**8,600 –
21,600
deaths**

from Covid-19 according to the mortality forecasts of the Ministry of Health during the first pandemic wave. This is in contrast with 1,500 deaths according to the direst forecast of the National Emergency Management Authority (NEMA)

**6,400
deaths**

from Covid-19 until the middle of June 2021

**Approx. 4
months**

after the outbreak of Covid-19 pandemic in Israel, the Ministry of Health appointed a national coronavirus project director

**114
meeting**

were held by the 34th and 35th Governments (meeting in various forums headed by the Prime Minister, Government meeting, Coronavirus Cabinet meeting, and Ministerial Committee for Restricted Areas meeting) between January 26, 2020, and October 15, 2020

**9
months**

following the Covid-19 pandemic outbreak in Israel, the IDF started to fully operate the mechanism for breaking the chains of transmission ("Alon" Coronavirus Command Center)

4%

of incoming passengers to Israel from Ben Gurion Airport were sent to quarantine in government-run hotels between April 2020 and February 2021 (some 20,000 out of around 551,000 incoming passengers)

**7
conditions**

laid down by the NSC and the national advisory team of experts as mandatory conditions for exiting the first lockdown. At the time of exiting the lockdown, two conditions were not implemented, four were partly implemented, and one was fully implemented

**7,000
Mechanical
ventilators**

is the target for the procurement of ventilators set by the Prime Minister to prepare the healthcare system for dealing with the Covid-19 pandemic



Audit Actions

 Between June 2020 and January 2021 (audit period), the State Comptroller's Office examined how the Government dealt with the Covid-19 pandemic. This audit reviewed the management of the Covid-19 pandemic at the national level as part of a special report on the State of Israel's coping with the Covid-19 pandemic, part of which was published in interim reports in September and October 2020. The audit in this report pertains primarily to the first wave of the pandemic from March to May 2020 (first wave of the pandemic) and the second wave of the pandemic from June to September 2020 (second wave of the pandemic). Regarding the issue of persons entering Israel from abroad, the audit also dealt with the third wave of the pandemic from December 2020 to February 2021. At the end of the audit, Israel embarked on a vaccination campaign for its population, which affected the pandemic. By August 2021, Israel is experiencing the fourth wave of infection. The audit was conducted at the National Security Council; Ministry of Defense – Office of Staff Assistant to Minister of Defense; National Emergency Management Authority; Department of Production and Procurement (DOPP); Ministry of Health; Ministry of Justice; IDF – Home Front Command; and the Israel Police – Enforcement Directorate. Supplementary examinations were carried out at the Prime Minister's Office – Israeli secret intelligence service (the Mossad), and the IDF Operations Directorate. During the audit, the audit team met with numerous officials managing the response to the pandemic and with experts in pandemic and emergency management.

Key findings



 **Decision-making during the Covid-19 pandemic in the 34th government** – The 34th government held 24 meetings devoted entirely or partially to dealing with the Covid-19 pandemic. Likewise, the Ministerial Committee on Declaring Restricted Zones held seven meetings. In addition, the Prime Minister held 31 meetings in different compositions forums, some of them with the participation of ministers. These compositions generally included the National Security Council (NSC) head and the then directors general of the Ministries of Finance and Health. The audit found that the government had not empowered a coronavirus cabinet. The establishment of an emergency government had not been declared as set out in Appendix D to the Government Working Code: Emergency Government Working Procedure. It further emerged that the decisions on employing the Ministry of Defense assistance, the presentation of alternatives to the Infection forecasts, and the decision on the procurement of Mechanical ventilators during the period of the 34th government were made in the framework of different forums led by the Prime Minister, and were not discussed in the government plenum.



-  **Establishment of the Covid-19 Cabinet and decision-making in the 35th government** – According to the Government Decision from May 24, 2020, a ministerial committee (coronavirus Cabinet) will be established headed by the prime minister comprising 15 other ministers. The functions of the Covid-19 Cabinet, as defined in the Government Decision, were: (a) Serving as an "overarching coordinating framework for all government entities dealing with handling the coronavirus pandemic." (b) "Concentrate on the exit strategy" (c) "Dealing with preparations for a renewed outbreak of Covid-19 pandemic." From its establishment in May 2020 until October 15, 2020, the coronavirus Cabinet has held 22 meetings. The ministerial Committee on Declaring Restricted Zones held six meeting during that same period. The Government Decision did not authorize the coronavirus Cabinet to decide on behalf of the government; hence, until the reestablishment of the coronavirus Cabinet on July 26, 2020, all decisions made by it required government approval.
-  **Activities of the government and covid-19 cabinet during the second Covid-19 pandemic wave** – During the period between July 3, 2020, and August 2, 2020, the coronavirus cabinet did not convene. The government did not discuss measures to stem the infection recommended by the NSC, even though during this period the number of severely ill patients increased. Given the need for rapid and immediate decision-making in dealing with a complex crisis, the delay in decision-making by the cabinet during July-August 2020 impaired the ability to reduce morbidity according to the recommendation of the professional officials, a fact that influenced the decision to impose an additional national lockdown on September 18, 2020.
-  **The operational capabilities of the Ministry of Health for dealing with the Covid-19 pandemic** – The Ministry of Health experienced difficulty in managing and providing an operational response in the domains of procurement, as well as in managing the Control Center, all of which functions were intended to reduce the pandemic risks. The national coronavirus project director² was appointed four months after the outbreak of the Covid-19 pandemic in Israel, even though the Ministry of Health's difficulties in the managerial-operational areas had been raised before the decision-makers at the beginning of the pandemic. Additionally, the national coronavirus project director was not appointed by a letter of appointment nor given definition of powers. Thus, the formulation of a program for dealing with the covid-19 pandemic was also delayed. The establishment of the Control Center in the Ministry of Health in July 2020 provided a solution for some of its missing operational capabilities.
-  **Functioning of the NSC in assisting the government in the management of the Covid-19 pandemic** – The role assigned to the NSC and the complexity of dealing with the pandemic during the first wave of the pandemic led the NSC, from time to time, to carry out functions of an operational nature on the management of the Covid-19

² Director of the "Magen Israel" ("Israel Shield") program, whose purpose is to bring about a systematic lowering of the R (reproduction) number.



pandemic, in addition to its function as an advisory body. The management of a national pandemic necessitates running a dedicated operational body empowered to implement the decisions of the political echelon. The NSC's activities during the Covid-19 pandemic were carried out based on the existing organizational structure, without any assessment of whether NSC's organizational structure is adequate for its tasks in dealing with the Covid-19 pandemic and its other regular functions role.

-  **Establishment of a "red team"³ at the NSC** – At the start of the crisis, the NSC deliberated over the need to set up a "red team" (adversarial approach) to challenge the working assumptions and actions; however, such a team was not formed.
-  **Control of the implementation of the Prime Minister and Government's decisions** – The Government or the coronavirus Cabinet did not hold an orderly process to control and monitor the Prime Minister and Government's decisions, enabling them to know the barriers for implementing their decisions. In ten of 28 deliberations held by the Government or coronavirus Cabinet during the period between March 8, 2020, and November 8, 2020, the NSC presented a reference of the manner of implementation of previous decisions; in the 18 other deliberations, the NSC did not present to the Government plenum or coronavirus Cabinet status of implementation of their decisions.
-  **Process of lessons learned from the management of the crisis** – After the first wave of the pandemic and response to it, the NSC did not complete an overall process of drawing lessons on the management of the crisis for presenting the lessons to the decision-makers. Moreover, the Government or the coronavirus Cabinet failed to discuss lessons learned between the first and second waves of the pandemic. By the audit end date, no process of lessons learned at the national level was completed, including neither by the NSC nor by the Ministry of Health.
-  **Use of a reference scenario as a basis for managing the crisis** – In the first wave of the pandemic: until June 2020, the Government did not deliberate over a reference scenario that deals, among other things, with the extensive impacts of the Covid-19 pandemic on the economy in terms of economic, education and welfare aspects. Likewise, the then Prime Minister accepted the dire infection forecast of the Ministry of Health, without alternative forecasts being presented to the Government, despite the considerable differences between the various forecasts, among them, the disparity between the forecast of the National Emergency Management Authority (NEMA) and that of the Ministry of Health, and the influence of the decision on the selected scenario, on the preparations of the government ministries and the conduct of the economy. In the second wave of the pandemic: after the coronavirus Cabinet and the Government decided the infection forecast will be used as a working assumption ahead of the second wave of the pandemic, they decided those preparations will be made in the healthcare system alone, without examining the derivative implications on additional areas such as education, employment, economy, transportation and culture, and without directing the

3 Devil's advocate unit that examine unlikely scenarios and questioning common assumptions.



various ministries to make preparations accordingly. All this, despite the considerable impact the infection had during the first wave of the pandemic on all areas of life, particularly on the education system and the economy.

Establishing an exit strategy for the first Covid-19 wave and preparing for the second wave – NSC prepared a lockdown exit plan based on the recommendations of the expert teams. Nevertheless, the audit showed that the initial measures for exiting the first lockdown from mid-April to the beginning of May 2020 had been implemented without the government discussing the NSC's lockdown exit plan and setting targets and indices for evaluating the effect of easing restrictions on the spread of the infection. When the government deliberated on May 4, 2020, over the lockdown exit strategy, it did not examine the fulfillment of mandatory conditions for exiting the lockdown, as set out in the NSC's plan, among them the implementation of an effective mechanism for breaking chains of transmission. In addition, the roadmap approved by the government for exiting the lockdown did not keep to the time intervals of two weeks between easing measures, contrary to the experts' recommendation. It was further found that during May and June 2020, the government altered the roadmap it had laid down, approving the implementation of easing measures at an even faster pace, without evaluating the effects of these measures on the spread of infection, and continued to support easing measures even after a surge in infection beyond the threshold values for two out of the three "warning lights" established.

Handling of passengers entering Israel from abroad – From the beginning of May 2020 until late December 2020, the infection rate rose steadily from 16,000 cases per month at the beginning of the said period to 338,000 cases at the period's end. The number of people entering Israel grew from 9,700 per month at the beginning of the period to 101,000 per month at the period's end, and there was no mandate to quarantine at government-run hotels. Neither the government nor the coronavirus cabinet examined the position of the Ministry of Health on administering Covid-19 tests to incoming travelers or explored other alternatives to a 14-day stay at quarantine hotels, despite the understanding that without tighter supervision and monitoring of incoming international passengers, it would be difficult to prevent the importation of a new wave of infection into Israel. Moreover, despite recognizing the danger of covid-19 variants entering Israel that could jeopardize the vaccine campaign, the measures were taken after learning of the British variant in September 2020 to stem its entry into Israel, allowing the passage of 98% of passengers arriving from abroad into home isolation. This isolation was found to be ineffective both in compliance and in enforcement. The audit, raised that the handling of incoming international passengers from Ben Gurion Airport was based on a single solution of sending 96% of incoming travelers (531,000 out of 551,000 people) to home isolation during the period between April 2020 and February 2021, a course of action, which proved to be ineffective.

Directorate of epidemiological investigations – The directorate of epidemiological investigations went into the whole operation after the IDF set up the "Alon Coronavirus



Command Center" at the beginning of November 2020, some nine months after the outbreak of the Covid-19 pandemic, and six months after the Prime Minister's instruction to set it up. An instruction that was given already at the beginning of the exit from the first lockdown.

Key recommendations

-  In times of crisis or emergency, when the Government decides to form a dedicated ministerial committee to perform tasks, it should assess the possibility to vest the ministerial committee with powers, as it did while managing this crisis. This framework granted the coronavirus Cabinet with powers in July 2020.
-  It is recommended that the NSC conduct a comprehensive assessment, in collaboration with all the entities involved in the management of the crisis, mainly the Ministry of Health. This, to point out the correct course to provide an operational solution including a review of the current norms for handling a pandemic, as laid down before the outbreak of the Covid-19 pandemic, adapted for the unique needs entailed in managing a similar event of such an extensive scope in the future. Additionally, the Government should hold a discussion, based on the findings of the NSC's assessment, as to the various options open for the operational management of a pandemic type of crisis.
-  It is recommended that the NSC complete the lessons learned processes, integrating into them the lessons from all the relevant entities. Likewise, the Government or the coronavirus Cabinet should discuss the matter of lessons learned, particularly at the end of the pandemic wave, to improve preparedness for future waves of the pandemic, should they occur.
-  A reference scenario adopted by the Government should consider the full array of systemic aspects, including their impacts on the preparations of all the relevant government ministries.
-  It is recommended that the NSC, in conjunction with the Ministry of Health, Ministry of Defense, Ministry of public security, and Ministry of transport and road safety, conduct a comprehensive process of learning lessons on handling incoming international passengers, to date, and formulate an overall proposal for handling this issue. Including weighing alternative courses of action for each of the following topics: Covid-19 testing of incoming passengers, abroad and in Israel; effective enforcement of mandatory quarantine on individuals who must home isolate; and a transportation solution for arriving passengers to and from Ben Gurion Airport to home isolation. Given the complexity of preventing of virus entry from abroad, it is recommended that the coronavirus Cabinet and the Government timely evaluate passengers entering and leaving Israel and ensure the provision of a solution that considers all supplementary

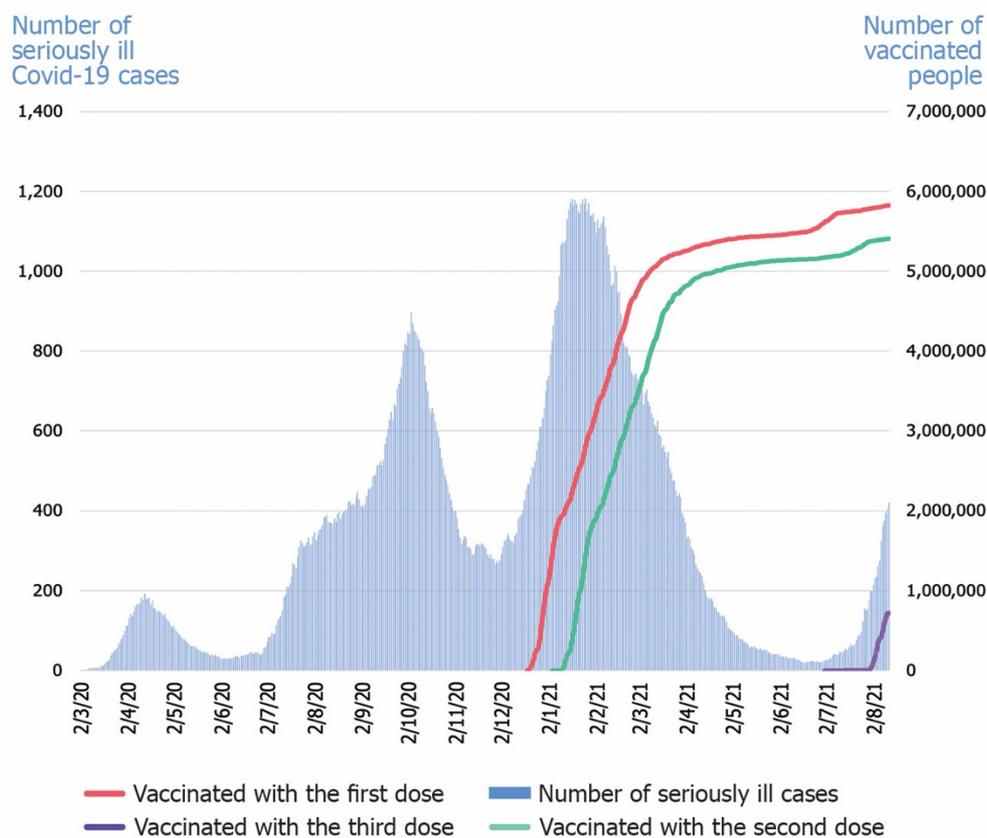


measures needed in the long term, balancing between efforts to reduce the risk of virus spread and the protection of individual rights.



It is recommended that the Prime Minister's Office and the NSC examine the organizational structure of the NSC in view of the continuation of the crisis, paying attention to its dedicated tasks relating to coping with the crisis and its other regular tasks.

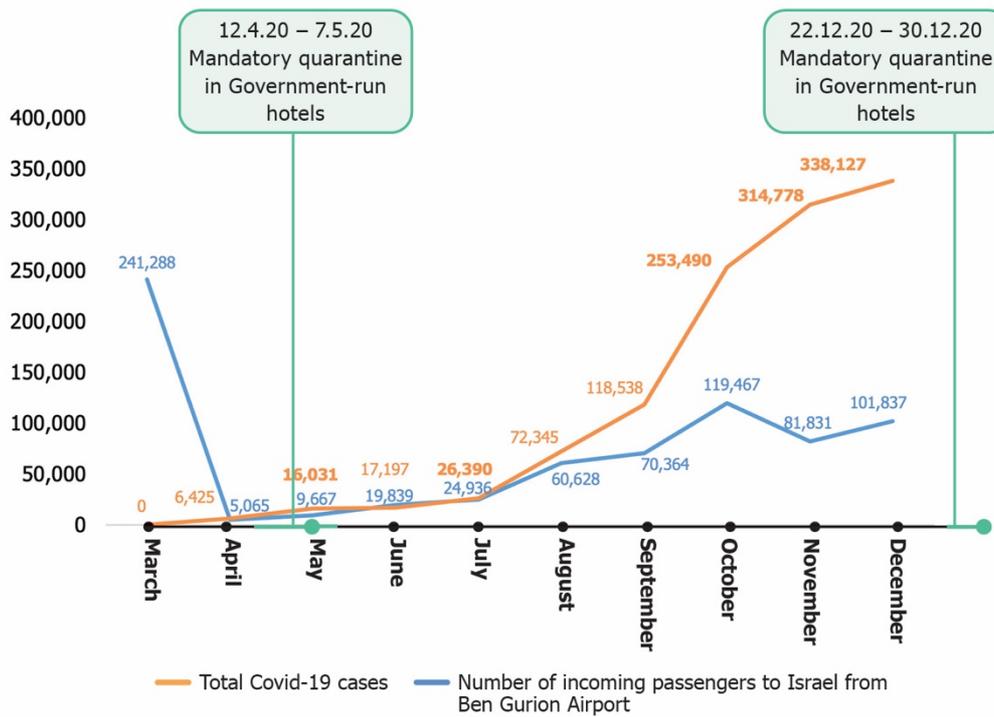
Number of Seriously Ill Cases and Number of Vaccinated People between March 2020 and August 2021



According to the Ministry of Health. Figures, as processed by the State Comptroller's Office.



Number of Covid-19 Cases and Incoming Travelers to Israel from Ben Gurion Airport between March 2020 and February 2021



According to Data.gov, combined with Israel Population and Immigration Authority data posted on the Internet, the State Comptroller's Office processed.

* Mandatory quarantine was imposed between April 12, 2020, and May 7, 2020, except for exceptional cases).



Summary

The Covid-19 pandemic caused a global crisis unusual in its scope and its impact on public health and on the economic and social situation of Israel's population. The management of crises, particularly unforeseen crises, necessitates rapid decision-making and implementation of actions under pressure and uncertainty. The audit found that Israeli government quickly understood with the outbreak of the pandemic in the world, the risks posed by such an event and the need to devise measures to mitigate the danger. However, deficiencies were found in the decision and implementation processes of the following matters: decision-making by the 34th Government during the Covid-19 pandemic; establishment of the Covid-19 Cabinet and decision-making by the 35th Government; activity of the Government and Covid-19 Cabinet during the second wave of the pandemic; the Ministry of Health's dealing with the crisis; the NSC assistance to the Government to manage the crisis, control and supervise implementation of the decisions, and draw lessons from the crisis; reliance on a reference scenario; setting an exit strategy from the first wave of the pandemic and preparing for the second wave; handling of incoming passengers to Israel and establishment of a directorate of epidemiological investigations. By May 2021, Israel's population was vaccinated against Covid-19, which significantly reduced the number of confirmed cases and severely ill patients. Nevertheless, by August 2021, Israel has been hit by a fourth wave of the pandemic, enhancing the need that the said relevant bodies rectify the deficiencies specified in this report and adopt the accompanying recommendations, to optimize decisions dealing with the ongoing Covid-19 pandemic, and with future crisis of similar magnitude, and for improving the preparedness for it.



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National Level Issues

Managing the Covid-19 Pandemic at the National Level – Handling of the Pandemic in Local Authorities with High Infection



Managing the Covid-19 Pandemic at the National Level – Handling of the Pandemic in Local Authorities with High Infection

Background

In December 2019, the covid-19 pandemic broke out in China, spreading rapidly throughout the world. In February 2020, the first confirmed covid-19 pandemic case was identified in Israel. During March 2020, there has been a significant increase in the infection rate in Israel, following which the Government placed restrictions on public and economic activity, ultimately imposing a full lockdown on the population on March 25, 2020 which lasted until May 4, 2020. In mid-April 2020, the infection rate declined, prompting the Government to start lifting general restrictions. At the beginning of June 2020, there was a surge in infection rates, and by the end of June, the level of infection surpassed that in March. Infection rates continued to rise in July – August, and in September another general lockdown was imposed. The pandemic hit certain local authorities harder than others, among them, Jerusalem, Bnei Brak and Deir al-Asad (the three local authorities). To deal with high infection rates, the Government set up a ministerial committee for declaring restricted areas if convinced that it is necessary to restrict the entry to and exit from these areas to prevent the spread of the disease.



Key figures

**April
2020**

the date the government authorized a ministerial committee headed by the Prime Minister to declare restricted areas and to restrict the entry to and exit from such areas

**4
months**

passed since the local authorities raised before the Ministry of health the need to carry out epidemiological investigations themselves, and until they received such authority

**Approx.
17%**

the rate of confirmed cases in Jerusalem from the end of March 2020 for about two weeks and until the declaration of several of its neighborhoods as a restricted area, compared to the national average of 7% confirmed cases

**10%–
21%**

the rate of confirmed cases in Bnei Brak during July – August 2020, compared to a national average of 4.5%–8%. However, Bnei Brak was not declared a restricted area during this period

**56% and
62%**

of the confirmed cases in Jerusalem and Bnei Brak, respectively, during the first wave of the pandemic, were not included in the database used by the epidemiological investigations Directorate of the Ministry of health

**Up to
47%**

the rate of supervision and enforcement by the Israel Police of mandatory quarantine of confirmed infected persons in September – December 2020

**2,145
fines**

handed out by the Israel Police in Bnei Brak in March – September 2020 compared to 52,628 fines in Jerusalem, whose population is 4.5 times larger than Bnei Brak, during the same period

**92
fines**

handed out by the municipal inspectors in Bnei Brak in September – December 2020, and 4 fines were issued by the municipal inspectors in Deir al-Asad during the same period



Audit Actions

 From March 2020 to January 2021, the State Comptroller's Office examined a range of aspects relating to managing the Covid-19 pandemic and dealing with local authorities with high infection, including: identifying areas with high infection, the policy established to handle those areas and its implementation; setting criteria for deciding on a declaration of a restricted area and on its termination; the connection between central government and local authority with regard to the involvement of local authorities and the transfer of information required by them for optimal coping with the pandemic, and with regard to maximizing their ability in efforts to break the chains of transmission.

The audit dealt with the first wave of the pandemic between March and May 2020 and the second wave of the pandemic between June and September 2020 (audit period), focusing on the three local authorities. The audit was carried out at the National Security Council (NSC), Ministry of Health, Ministry of Justice, Home Front Command, Ministry of Interior, Israel Police Coronavirus Enforcement Directorate, Federation of Local Authorities in Israel, and the three local authorities.

Key findings

-  **Implementation of the policy document on preventing an outbreak of infection and identifying areas that are a hub of infection** – On May 18, 2020, the NSC issued an administrative work summary to all government ministries, setting out the policy for the prevention of an uncontrolled outbreak of infection in a geographical area or public institution. From the audit carried out on the implementation of actions to identify cities acting as hubs of infection during May – August 2020, a period with a sharp rise in infections, it emerged that the Ministry of Health had alerted the NSC daily regarding unusually high infection rates and that the NSC had regularly received the daily analysis from the National Data and Information Center of the Ministry of Health; however, the Ministry of Health failed to pass on to the NSC recommendations for action, such as increasing the scale of testing and enhancing enforcement.
-  **Discussions held by the Coronavirus Cabinet and ministerial committees on infection hotspot areas** – The Coronavirus Cabinet, serving as an overarching coordinating framework for all government entities dealing with handling the Covid-19 pandemic and responsible for formulating a program for dealing with a resurgence of Covid-19, did not discuss the manner of handling infection hotspot cities, failing to do so also before and after the second wave of the pandemic, as discussions on curbing infections focused on restrictions at the national level (e.g., restrictions on gatherings) or on handling restricted areas. Also, neither the Government nor other ministerial committees dealt with the policy required for handling infection hotspot cities.



- 📌 Scope of testing in Jerusalem and Bnei Brak** – During the first wave of the pandemic (April – May 2020), even after Jerusalem was identified as a hub of infection (with a confirmed cases percentage of 17% compared to the national average rate of 7%), the Ministry of Health did not increase the number of covid-19 tests in the city, except after the declaration of a restricted area in mid-April 2020 (in the week between March 29, 2020 and April 4, 2020, 6,061 tests were administered, and in the following week – 5,748 tests). Only with the declaration of a restricted area the number of tests performed rose to 11,042. During the second wave of the pandemic (June – August 2020) it emerged that in June – July there was a considerable increase in the infection rate in Bnei Brak and Jerusalem (for example, in Bnei Brak the percentage of confirmed cases ranged between 10% and 21%, while the national average was within the range of 4.5% to 8% during that period) and the number of covid-19 tests grew correspondingly up to mid-July, at which point the number of covid-19 tests started to decrease, even though the percentage of confirmed cases out of total tests remained higher than the national average.
- 📌 Epidemiological investigations in Bnei Brak and Jerusalem** – The Ministry of Health maintained two separate databases that were not synchronized. Thus, in the first wave of the pandemic, in April – May 2020, the directorate of epidemiological investigations had information pertaining to 38% and 44% of the confirmed cases in Bnei Brak and Jerusalem respectively, a fact that led to carrying out investigations for part of the confirmed patients, in cities with a high infection rate when the first wave of the pandemic was at its peak. The situation improved by the second wave of the pandemic, but the epidemiological investigations directorate still lacked data on some 20% of confirmed cases.
- 📌 Number of fines handed out by the Israel Police in Jerusalem and Bnei Brak** – The number of fines handed out in Jerusalem and Bnei Brak as part of enforcement efforts did not correspond to the level of infection in these cities, as required under the policy for handling infection hotspot areas. For example, in Jerusalem two weeks prior to the first declaration of restricted areas in the city (from April 12, 2020 to April 19, 2020) there was an increase in the number of fines handed out. However, after the end of the first declaration, there was a considerable decline in the number of fines, which continued into the period of the second declaration (from April 30, 2020 to May 4, 2020). As regards Bnei Brak, it emerged that between March and September 2020, the Israel Police handed out in Bnei Brak 2,145 fines as part of the enforcement of Covid-19 directives, compared to 52,628 in Jerusalem during that same period. Thus, it turns out that in Jerusalem, with a population 4.5 times that of Bnei Brak, the number of fines handed out was 24 times higher than in Bnei Brak.
- 📌 Criteria for the termination of a declaration of a restricted area by the ministerial committee** – Until November 2020 there were no criteria for terminating a declaration of a restricted area, a fact which led at times to the termination of the declaration before a decline in the infection rate was achieved. For example, the Ministry of Health did not raise before the Ministerial Committee on Declaring Restricted Areas the possibility of extending the declaration imposed on Beitar Illit, and a further



declaration was not deliberated by the committee until September 2020, notwithstanding that the figures indicated a continuing spread of the infection in the city.

-  **Discussion at the Ministerial Committee on Declaring Restricted Areas** – The Ministry of Health did not raise before the Ministerial Committee on Declaring Restricted Areas all the cities that met the threshold conditions prescribed by the Health Ministry for declaring a restricted area; therefore, the handling of these cities with high infection rate was not uniform. It was found that the Ministerial Committee on Declaring Restricted Areas, headed by the Prime Minister, held a deliberation on July 1, 2020, in which it discussed 2 out of the 16 areas which the then Prime Minister had instructed in a preliminary discussion held on June 30, 2020, should be discussed for possible declaration as a restricted area. This came following a release by the National Data and Information Center on June 30, 2020, showing the rise in infection during the second wave. It was further emerged that the Ministerial Committee was not proactive in receiving information on cities with a high infection rate and in assessing the course of action taken to reduce the spread of infection, focusing its discussions on the recommendations presented to it by the Ministry of Health. In addition, the Ministerial Committee on Declaring Restricted Areas did not convene for two months (from July 9, 2020 to September 6, 2020), even though Covid-19 infection numbers increased during this period.
-  **Effectiveness of declaring restricted areas** – During the audit period, the NSC and Ministry of Health did not raise before the Coronavirus Cabinet the issue of the lack of uniformity in the declarations of restricted areas, and the deficient handling of the restricted areas, including the coupling of the declaration with an expansion of the scope of Covid-19 testing, to facilitate a discussion on boosting the effectiveness of the declarations, despite the surge in infection rates.
-  **Transfer of information on confirmed cases and quarantine cases to the local authorities** – About a month after the Ministry of Interior turned to the Ministry of Health with a request to transfer the data on infected and quarantined persons to the local authorities, and after the NSC recognized the need to transfer the information to the local authorities, a procedure for disclosing data on confirmed and quarantine cases to the local authorities was issued. The delay in transferring the information impaired the ability of the local authorities to assist their quarantined residents, and thus to reduce the possibility for violating mandatory quarantine, and also impeded their ability to help in the evacuation of the infected residents to government-run hotels, and thereby to contribute to the breaking of transmission chains in the early stages of the pandemic spread.
-  **Epidemiological investigations by the local authorities** – The local authorities raised before the Ministry of Health the need to carry out epidemiological investigations by themselves, in order to break the chains of transmission, at the beginning of April 2020, but were empowered to do so only at the start of August 2020.



 **Enforcement by inspectors of the local authorities** – Although mask wearing was mandated in April 2020, the local authorities' inspectors were authorized to enforce mask wearing in July 2020. It further emerged that the local authorities of Bnei Brak and Deir al-Asad, during the period September – December 2020, handed out 92 and 4 fines (respectively) by their inspectors for failure to wear masks and for non-compliance with "Purple Badge" instructions, and as of January 2021, the Jerusalem Municipality had not reported its enforcement actions to the Coronavirus Enforcement Directorate. As of the audit date, the local authority inspectors had not been authorized to carry out enforcement on persons with confirmed Covid-19 and persons required to quarantine, despite the fact that the Israel Police had difficulty meeting the targets it set in the matter.

 **Enforcement of mandatory quarantine by the Israel Police** – Supervision and enforcement of mandatory quarantine for confirmed cases and persons requiring quarantine dropped in the period September – December 2020 to rates of 8% to 47% for mandatory quarantine for confirmed cases, and to rates of 7% to 22% for persons requiring quarantine, notwithstanding that infection rates surged during these months, reaching in December 98,000 confirmed cases and 465,000 persons required to quarantine.



Cooperation of Jerusalem and Bnei Brak with the Home Front Command and Ministry of Defense – From April 2020 until the audit end date, the municipalities of Jerusalem and Bnei Brak operated a corporate headquarters for evacuating confirmed patients and persons requiring quarantine to recovery and quarantine hotels, acting in collaboration with the Home Front Command and Ministry of Defense in this matter, thereby creating a working process that contributed to evacuation efficiency.

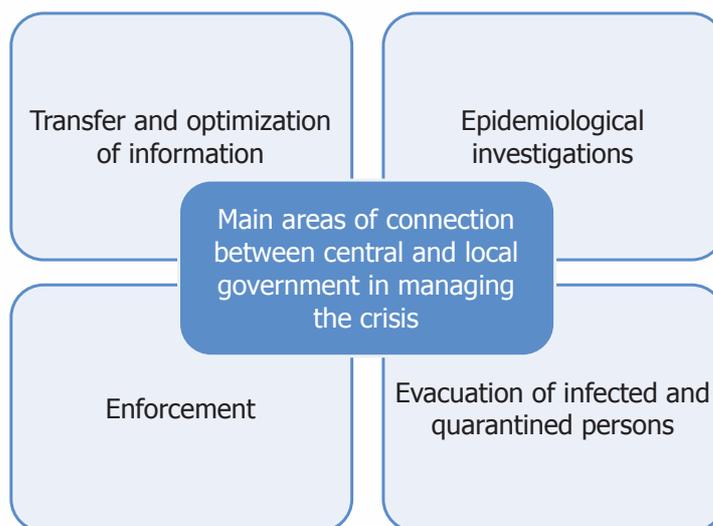


Key recommendations

-  It is recommended that the Coronavirus Cabinet discuss the policy on declaring restricted areas and its effectiveness, to optimize the accompanying steps required at the time of declaration, namely: tightening enforcement, expanding the scope of testing, toughening restrictions, and determining the desired duration of the declaration. Additionally, the Coronavirus Cabinet should discuss the issue of handling infection hotspot areas which could in certain cases obviate the need to declare a restricted area and stem the spread of infection in time. Furthermore, besides examining the policy on declaring restricted areas, the Coronavirus Cabinet should assess the need for supplementary measures to support the relevant local authority and the area's residents through local actions to curb infection rates, to prevent the necessity for imposing general lockdowns on the entire population.
-  It is recommended that the Ministry of Health timely present infection rate data for localities as well as its recommendations to the Ministerial Committee for Declaring Restricted Areas, and the Ministerial Committee should convene regularly to discuss the state of infection and to declare restricted areas. In addition, the Ministerial Committee should examine every termination of a restricted area declaration in accordance with the criteria prescribed by the Ministry of Health in November 2020, while setting quantitative criteria to be monitored.
-  It is recommended that the NSC ascertain that the mechanism it laid down in the document on the policy for identifying infection hotspot areas and handling them is implemented by all the relevant entities. Additionally, the NSC should monitor the Health Ministry's compliance with the policy established for handling infection hotspot areas, and make sure that reports on the matter are timely forwarded to the Coronavirus Cabinet.
-  It is recommended that the Ministry of Health optimize the Covid-19 testing network and increase the number of covid-19 tests in cities with high infection rates, at the earliest possible, set up a single database to be used by all its systems, including the epidemiological investigations system, and also verify data uniformity and integrity.
-  It is recommended that the Israel Police, with the guidance of its Coronavirus Enforcement Directorate and in conjunction with the local authorities and Health Ministry, address the issue of enforcement based on the infection rate in each area, as part of the efforts to stem the infection. In addition, the Ministry of Internal Security, in collaboration with the Israel Police and the Ministry of Justice, should examine options for reinforcing law enforcement and inspection forces in times of crisis, such as the Covid-19 pandemic, whether by bolstering municipal enforcement through the addition of local authority inspectors to its ranks or by reinforcing the Israel Police.
-  It is recommended that the local authorities reinforce their enforcement action and that the Coronavirus Enforcement Directorate guide them according to their infection rate, by determining the enforcement policy and monitoring its application.



The Main Areas Reflecting the Connection between the Central and Local Government in the Management of the Covid-19 Pandemic



According to Central Bureau of Statistics publications, as processed by the State Comptroller's Office.

Summary

Local authorities are the core of handling residents in times of routine and emergency and possess the managerial and operational capabilities and experience. The Covid-19 pandemic has underscored the importance of an optimal connection between central and local government.

The audit has found that there was no implementation of the policy for handling infection hotspot areas to curb the outbreak of infection before spreading, and that in areas where the infection had spread, there was no effective handling of the situation in accordance with the criteria set. All this may have possibly led to an upsurge in infection and to the decision to impose a second general lockdown on the economy, and even to a decline in public willingness to proactively join the fight against the covid-19 pandemic.

To optimize usage of the relative advantage of local authorities in handling the residents and in achieving national goals, the relevant government ministries in the matter – the Ministry of Health, Ministry of Interior, Ministry of Internal Security and Ministry of Justice – should act to widen the involvement of the local authorities in the national effort to bring down the infection rate, and, accordingly, to assess the need to expand their powers.



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National Level Issues

Public Information Campaign during the Covid-19 Pandemic



Public Information Campaign during the Covid-19 Pandemic

Background

In a reality in which the State of Israel had to tackle the severe crisis caused by an ongoing global pandemic, at a time when information on how it broke out and the ways to combat it was lacking and was being learned by the professionals on the fly, the official public information campaign formed a central tier in the array of government actions to deal with the pandemic.

The public information campaign must maintain an ongoing uninterrupted process of communicating information to the public, motivating it to life-saving action and behavior, through three significant aspects: communication of vital information; persuasion and motivation to act; and strengthening public resilience. To implement the information campaign's functions effectively, the information bodies must verify that the instructions for behavior in emergencies have reached the entire population (with all its component groups), and have been understood and internalized, with the public prepared to abide by them. The level of public trust in the decision-makers influences information campaign effectiveness and compliance with instructions, among other things.

Three key bodies were central in running the information campaign and communicating the information to the public in Israel during the Covid-19 pandemic: the National Information Directorate in the Prime Minister's Office, which is charged with coordinating all government information bodies in Israel and directing them in emergencies; the Ministry of Health, which is charged with leading the information campaign; and the Home Front Command, which served as an ancillary body in the information campaign efforts.



Key figures

**NIS 311
million**

government spending on information campaign activities during the Covid-19 pandemic in 2020

**53
million**

entries to the Health Ministry's website from March to October 2020 (compared to 5 million entries to the Home Front Command website)

19%

of the total public expressed a high level of trust in the bodies in managing the pandemic, before the third lockdown, compared to 45% at the start of the pandemic

24%

of the Government Covid-19 Cabinet, were attended by representative of the National Information Directorate or the Media Adviser (from January to October 2020)

36%

of the public said the restrictions were not rational and not understood, and 34% said that the restrictions had not been explained clearly

73%

of calls to the Health Ministry's call center in September 2020 were not answered by a phone receptionist (including disconnected calls)

**32%—
68%**

of calls to the Home Front Command's call center regarding Covid-19 issues went unanswered (from March to October 2020)

41%

of the Arab sector felt that the Health Ministry was, exaggerating the degree of risk it attributes to the Covid-19 pandemic



Audit Actions

 From May 2020 to January 2021, the State Comptroller's Office conducted an audit on "The Public Information Campaign during the Covid-19 Pandemic." The audit examined the following topics: information campaign effectiveness and public trust; national preparedness for an information campaign in a state of civil emergency; delivery of vital information and instructions to the public via websites and call centers; information campaigns for specific populations; rebuttal of false information and dealing with stances that run counter to the government's position. The audit focused on the period from January to October 2020: including the preparations preceding the covid-19 pandemic during the alert period before the virus's arrival in Israel, from January 2020; during the first wave of the pandemic and the first lockdown in March 2020; until the end of October 2020 (after the end of the second lockdown). The audit was carried out at the Prime Minister's Office – in the National Information Directorate and the National Security Council; the Ministry of Health; and the Home Front Command. Supplementary examinations were carried out at the Government ICT Authority, the Government Advertising Agency, and the Israel Police.

In addition, the State Comptroller's Office examined the public's stances on the information campaign during the Covid-19 pandemic period by three means: a survey conducted in December 2020; a study including an analysis of discourse on the social networks carried out from March 2020 to the end of October 2020; and an assessment of the influence of remarks made by experts that conflict with the official government position, on the public's trust and stances, in the framework of the study analyzing the discourse on social networks.

Key findings



Effectiveness of the information campaign and public trust

- Explaining the lockdown restrictions to the public: The audit conducted by the State Comptroller's Office found that the information bodies were only moderately successful in explaining the restrictions to the public. In general, the public had only limited trust in the bodies in charge of managing the pandemic. From the first lockdown (April 2020) to the end of the second lockdown and before the third lockdown (December 2020), there was a marked decline in the degree of trust. An analysis of the discourse on the social networks showed that people were only moderately convinced of the necessity for most of the restrictions. Trust in the decision-makers was low concerning most of the core issues examined (for example, regarding the issue of quarantine procedure or the issue of Covid-19 testing).



- Compliance with the precautionary instructions indicated the effectiveness of the information campaign: The audit conducted by the State Comptroller's Office found that less than half the public was strict about avoiding meetings with friends or family and adhering to social distancing guidelines.
- Understanding of the restrictions, conviction of their necessity, and trust in the bodies in charge of managing the pandemic: An analysis of the discourse on the social networks showed that the degree of public understanding of the restrictions ranged between 6.5 and 8.8¹; in other words, generally a high degree of understanding. Conviction of the necessity for most of the restrictions – the lockdown and movement restrictions, Covid-19 testing, the quarantine procedure, the Purple Badge and the reopening of businesses and the education system – was moderate (within the range of 5.4–6.5), and concerning two restrictions – mask wearing and gatherings – conviction was substantial (7.9 and 8, respectively). In other words, the public was convinced of the necessity for the latter two restrictions, and only partly convinced of the necessity for most of them. Trust in the decision-makers was low for most of the core issues examined (1.9–2.9) and moderate regarding the two restrictions for which conviction was strong (mask wearing and gatherings, 4.2 and 4.3, respectively). These findings are consistent with the findings of the survey conducted by the State Comptroller's Office in December 2020 and with Home Front Command surveys conducted from March to October 2020, which indicate, as already mentioned, a low degree of trust in the bodies responsible for managing the pandemic. General trust observed in the discourse on social networks from March to October 2020 scored on average 3 (on a scale of 0–10). However, public trust in public figures in the face of cases in which they failed to set an appropriate personal example of compliance with instructions restricting life's routine was even lower – 0.8. Low public trust in public figures could considerably reduce compliance with the instructions, and therefore poses a challenge for the information bodies, which are supposed to convince the public of the instructions' necessity. Moderate conviction and low trust increase the risk of public non-compliance with the instructions issued by government bodies

Organization and division of responsibility among the information bodies

- Purview and boundaries of responsibility: According to the decision from February 2020 in the matter of leading the information campaign, the responsibility of the Ministry of Health for public information was expanded as compared to the planned framework of action, requiring the ministry to lead and carry out the information activities; the responsibility of the National Information Directorate was reduced, and it was defined as being an ancillary body to the Ministry of Health, and not as defined in the Government Decision from 2007 regarding its establishment (according to which it was meant to direct the information officials/bodies, including the Health Ministry, and head the National Information Forum in a state of emergency, serving as the ultimate overseer of all the information conveyed to the public); and the responsibility of the Home Front Command was not officially defined until October

1 A high score (7–10) indicates a high degree of understanding, conviction or trust; a medium score (4 – 7, not inclusive) indicates a moderate degree; a low score (0 – 4, not inclusive) indicates a low degree.



2020, after a decision was made regarding the Covid-19 Cabinet at the end of September 2020. This formalization of the division of roles among the information bodies, not in accordance with advance planning, created a need for further organization requiring time and resources. Likewise, the lack of clarity in the division of responsibility resulted in coordination problems among the various information bodies.

- Strategic and operational preparation: The National Information Directorate, which is charged with the direction and coordination of all information and public diplomacy officials/bodies in an emergency, did not issue a binding strategic document to all government information bodies.
- Manning of key positions in the Public Diplomacy Directorate: Since 2015, Head of the Public Diplomacy Directorate and Director of the Political-Security Section positions were not filled. Since July 2019, the National Information Directorate head position was not manned.
- Participation of the National Information Directorate in Government and Covid-19 Cabinet discussions: Since the outbreak of the Covid-19 pandemic from the end of January 2020 to the end of October 2020, 75 Government and Covid-19 Cabinet meetings were held. A representative of the National Information Directorate attended only eight of these meetings, and the Public Diplomacy and Media attended ten meetings. They assisted the Prime Minister's Office during the Covid-19 pandemic. Altogether, the National Information Directorate representative or Public Diplomacy and Media Adviser participated in 24% of all meetings. The core issues of public diplomacy were deliberated in at least 27 discussions. Still, the National Information Directorate representative or Public Diplomacy and Media Adviser did not attend them or relate to the said issues.
- Conveyance of uniform and coordinated messages to the public: Although the National Information Directorate was set up, among other things, for the purpose of presenting uniform and consistent public diplomacy policy, on two central occasions during the Covid-19 pandemic, shortly before the exit dates from the lockdowns imposed on the public, before completion of the formulation of a uniform framework for returning to routine, which would be binding on all government ministries/agencies, some of the government agencies released independent communications that were not coordinated with the National Information Directorate, conveying differing messages that could confuse the public regarding the instructions expected to be imposed on it following lifting of the lockdown.
- Parallel communication frameworks: Throughout most of 2020, the Health Ministry and Home Front Command acted separately, setting up two communication frameworks, launching advertising campaigns, conducting and analyzing public surveys, and operating separate public information centers, with the investment of separate budgets.
- Ministry of Health's communication and spokesman ship plan: The plan was not updated since 2007 despite the changes that had taken place in the area of communication, new media and public diplomacy means over the past decade. Thus, social networks were not mentioned at all among the means of message



dissemination. However, the Ministry of Health dealt with these topics with the inception of the pandemic. It was further found that the Ministry's plan from 2007 did not deal with the need to adapt the messages to a range of target audiences in Israeli society, which differ from one another religiously, culturally and socially, and that the ministry's information campaign actions during the Covid-19 pandemic, adapted to suit the Arab and ultra-orthodox Jewish sectors, began gradually and belatedly, compared to the information campaign directed towards the general Jewish population.

- Ministry of Health's preparedness for handling the information campaign: With the outbreak of the Covid-19 pandemic, when the Health Ministry was assigned the responsibility of leading the information campaign and providing guidance to the public, the organizational infrastructure and professional expertise available to the ministry in the area of public diplomacy did not suit the scope and complexity of the task, particularly concerning the handling of the information campaign for different sectors.



Delivering information to the public

- Websites: At the initiative of the Prime Minister's Office, the Home Front Command set up a website to provide information to the public during the Covid-19 pandemic, at a cost of NIS 4.1 million. Concurrently, the Health Ministry invested in its own website a total of NIS 11.5 million. There is an overlap between the two websites with regard to 10 out of 17 areas about the Covid-19 pandemic. The information appearing on the Home Front Command website is based mainly on information posted on the websites of other government ministries/agencies.
- Call centers: The separate operation of parallel call centers and websites by the Health Ministry and Home Front Command reflected inefficiency, since each had to deal separately with difficulties in providing complete and efficient service to the public (peak waiting time for the Health Ministry's call center – 48 minutes on a weekly average; negative peak of number of calls answered by the Home Front Command call center – 13% on a weekly average).
- Home Front Command call center: From the start of the Covid-19 pandemic until September 2020, the Home Front Command lacked a managerial tool for tracking the segmentation of calls made to the call center by topics, meant to find out, among other things, what preoccupies the public, if any issues require clarification for the entire public, and the effectiveness of the call center. The absence of such a managerial tool could compromise the quality of service given to the public.



Information campaign for distinctive populations

- Information campaign for the Arab sector: The Ministry of Health gradually translated the information and messages into Arabic, compared to the information conveyed in Hebrew. From March to April 2020, partial information was issued regarding Covid-19 hotspots in the Arab local authorities. The Health Ministry's Arabic Telegram channel went into operation for the first time shortly before mid-March 2020, and the Covid-19 pandemic call center was operated for the first time in Arabic at the



start of April 2020. Even though 44% of Arab sector is aged 20 and older do not speak Hebrew well.

- Information campaign for the ultra-orthodox Jewish sector: The Health Ministry started providing information to the ultra-orthodox Jewish sector through customized means of dissemination, such as pashkevils (wall posters), doing so gradually compared to the general Jewish population, even though part of the ultra-orthodox Jewish sector is not exposed to the means of communication commonly accessible to the general population. The communications disseminated to the ultra-orthodox Jewish sector in February and at the start of March 2020 were relatively limited in content and scope.
- Disparities in the public information campaigns for the Arab and ultra-orthodox Jewish sectors: The period of time that passed until information dissemination started to be customized to these sectors, created a gap in the assimilation of the behavior instructions between the general Jewish population and the Arab and ultra-orthodox Jewish sectors.
- Spending on information campaigns: The bulk of the Health Ministry's spending (82%) was allocated to advertising campaigns for the general Jewish population; 10% – for the Arab sector (a rate 2.1 times lower than its proportion of the population); and 5% for the ultra-orthodox Jewish sector (a rate 2.4 times lower than its proportion of the population)².
- Customized information campaign actions: The intensification of information dissemination aimed at the Arab and ultra-orthodox Jewish sectors starting from the second half of March 2020, included for the first time during the Covid-19 pandemic, the use of dedicated advertising campaigns relating to religious holidays and customs, and expanded the application of dedicated dissemination means. However, no actions in the framework of the information campaign considered the unique characteristics and difficulties of both sectors. Thus, for example, the information campaign failed to address the issue of wedding events that are considered "infection promoters."

Dealing with false information and positions that run counter to government policy

- The response of the National Information Directorate and Ministry of Health did not include a systematic and across-the-board action to deal with the dissemination of false information, such as monitoring the inaccurate information, airing and exposing it as incorrect, and disseminating credible information that refutes the inaccurate information. This resulted in the dissemination of false information that was left encountered by the bodies that managed the pandemic.
- The Ministry of Health started to train Covid-19 spokespersons for media appearances following the outbreak of the Covid-19 pandemic. However, already at

² Additionally, in March-October 2020, the Health Ministry contracted external advisers to reinforce information campaign efforts targeting distinctive populations, at a cost of NIS 4.7 million.



the start of the pandemic it had to deal with experts' stances that ran counter to the government's position, causing at times confusion among the public and hurting information campaign efforts.



Although the organizational infrastructure and professional expertise available to the Health Ministry for the information campaign did not suit the scope and complexity of the task, it nevertheless did act quickly to establish another organizational and functional setup, considerably expanding the existing organizational framework.

The State Comptroller office commends the targeted initiatives of the Ministry of Health and Home Front Command for strengthening social resilience, with a focus on children in the Arab and ultra-orthodox Jewish sectors.

Key recommendations

-  The conclusions regarding the decline of public trust in the bodies managing the pandemic and regarding the instructions which the public understands but is only partly convinced of their necessity should be included in the framework of drawing lessons. Besides the surveys conducted among the population by the information bodies, a study should be made of the public's stances and conduct, taking into account all the restrictions imposed on it at different points in time during the pandemic, whether through surveys or other research tools, such as an analysis of the discourse on social network.
-  It is recommended that the Prime Minister's Office (PMO), in which framework the National Information Directorate was set up, make sure that the plan defining the purview and boundaries of the various bodies responsible for national information policy will be binding, clear-cut and adapted for full and immediate implementation in a state of emergency, including in an ongoing civil crisis. Additionally, the PMO should take the necessary actions to ensure that the National Information Directorate will be fit to meet all the tasks assigned to it both in times of routine and emergency. It should fully staff the Directorate, particularly its top positions, and ensure their activity aligns with the Government's decisions. Likewise, the National Information Directorate should act to coordinate between all the information bodies of the government ministries on an ongoing basis during the pandemic, and act during routine times to issue a tender for establishing an emergency national information setup, as a basis for beefing up the existing setup when the need arises.
-  It is recommended that National Information Directorate formulate a national information strategy for civil emergency events, which lays down the principles and methods of information communication, and to circulate it in a binding document; to direct the

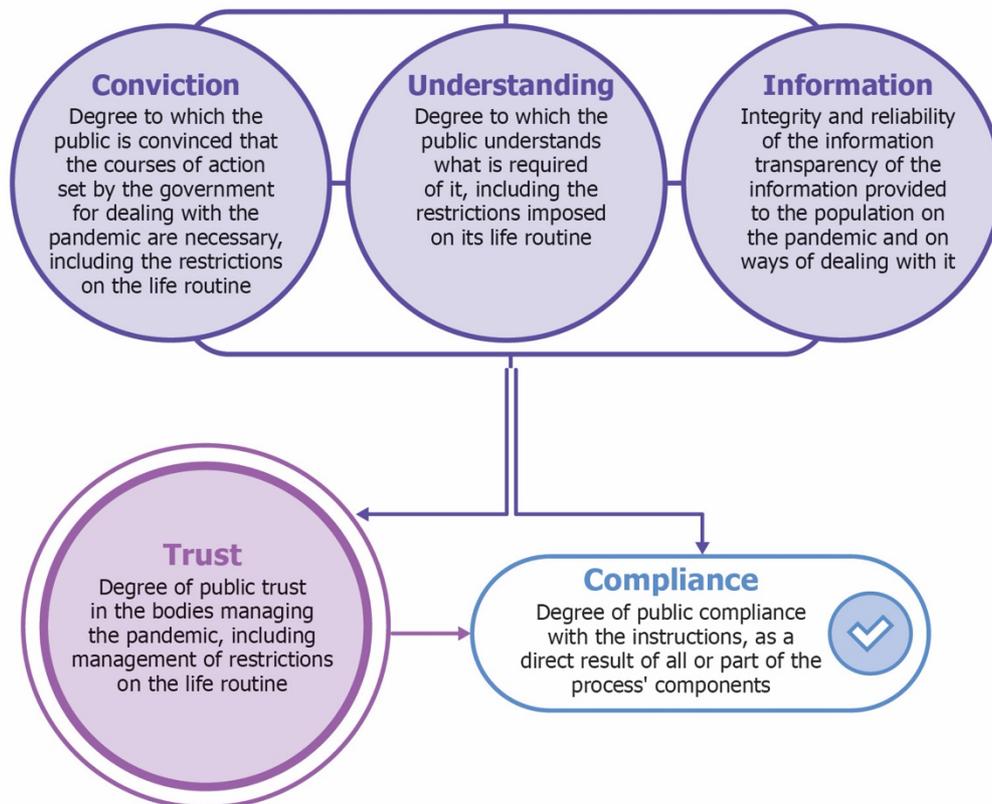


information policy bodies in the government ministries to formulate action plans, also for a civil state of emergency, aimed at bolstering the readiness for information dissemination within the areas of responsibility of their respective ministries, and to update these periodically; to reinforce its directives to all government ministries, particularly in a time of emergency, for coordinating information policy activities and the work of all information bodies, to maintain a uniform line of information policy

-  It is recommended that the National Information Directorate, with the assistance of the Health Ministry, form a plan to consolidate the efforts and resources for establishing integrated government sources of information for the public in a time of civil emergency. Action should be taken to unify the Home Front Command website with the integrated government website, and summarize within this unified site all government-sponsored information needed by the public in a time of civil crisis. It is also recommended to consider the operation of a unified government call center, which will possess the capabilities – in terms of resources and professional expertise – to provide optimal service to the public.
-  The Home Front Command should assemble detailed data on the call center it operates for public use in matters concerning the Covid-19 pandemic, in a way that will allow it to assess service quality and spot vulnerable points.
-  It is recommended that the National Information Directorate act in advance to formulate information campaign plans for distinctive populations, and ascertain that a public study will be carried out including the mapping and characterization of the various target audiences in Israel, their unique needs and the effective information dissemination methods for each target audience. It is further recommended that the government information bodies, led by the National Information Directorate, act to verify that the information campaign targeting distinctive audiences in ongoing emergency events will be conducted from the very first stages of the crisis, along with the necessary adaptations; coupled with a diversification of the information dissemination means, to the extent possible; and taking into account the problems associated with the unique characteristics of these audiences.
-  The National Information Directorate should lead systematic government action to deal with inaccurate information and formulate in this matter a suitable plan of action, in conjunction with other government bodies and non-government bodies. There is room to establish, in advance, a pool of spokespersons who are expert in their field and trained for media appearances; to monitor cases where experts' stances run counter to the government's position; and vis-à-vis the various media outlets to increase the chances that they will be integrated into the various plans.



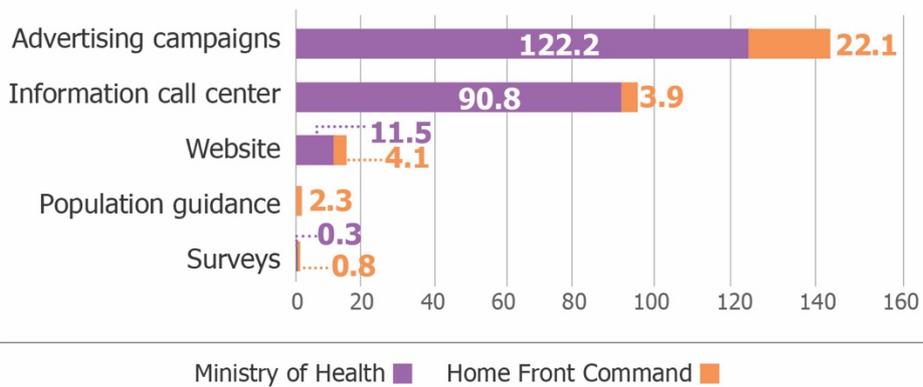
Components of the Information Dissemination Process



As per figures from the National Data and Information Center for the war on Covid-19, as processed by the State Comptroller's Office.



Spending by the Ministry of Health and Home Front Command on the Covid-19 pandemic Information Campaign (in NIS millions), 2020



As per Health Ministry figures and Home Front Command figures, as processed by the State Comptroller's Office.



Summary

National crisis events, such as the Covid-19 pandemic, requires a national information setup to help the public deal with an unforeseen reality change and with the uncertainty over how to protect themselves. This report raises various findings evidencing that the response provided by the government to the need for communicating information on the Covid-19 pandemic and ways to deal with it, differed from the outline planned for the national information campaign in a civil emergency event, which was drilled around a year and a half before the outbreak of the pandemic. In addition, the critical positions in the Public Diplomacy Directorate that was established in the Prime Minister's Office, in accordance with a Government Decision from 2007, were not manned at the time of the pandemic outbreak; therefore, the information system failed to operate as planned. Moreover, the Ministry of Health, which was supposed to lead the government information communication actions, lacked a functional infrastructure and suitable professional tools, which were provided amid the pandemic and rising infection rates, with an investment of state resources, without taking into consideration the preparations made in the years preceding the pandemic and the resources already invested in this matter. The findings and recommendations in this report should serve as a basis for the process of drawing lessons to be carried out in this matter.

To ensure the readiness of government information bodies for an emergency, it is recommended to set out a binding plan for the division of responsibility among the various information bodies and the customization of the organizational and professional infrastructure of each of them to suit the responsibility assigned to it under said plan; to lay down effective information dissemination principles and methods, based on a population study that includes mapping and characterization of different target audiences; and to establish integrated government information sources for public use in a time of emergency. Another challenge facing the information bodies is dealing with inaccurate information, which is widely disseminated via the social networks. The readiness for response in this area requires monitoring cases that necessitate a reaction, and the formulation of suitable information communication means in advance, such as setting up a pool of spokespersons who are experts in their field and trained for media appearances, with access to data and information, to deliver a fitting professional response. The responsibility of verifying the readiness of the information bodies for an emergency is on the Public Diplomacy Directorate in the Prime Minister's Office.



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National Level Issues

The Covid-19 Pandemic – The IT Perspective



The Covid-19 pandemic – The IT Perspective

Background

The labor market faces numerous challenges, including the need to prepare for a changing and flexible work environment that will be affected, among other things, by technological and digital advances. One of the changes that will characterize the labor market in the future, which came to the fore during the Covid-19 period, is work by remote connection to the organization's computerized systems (remote work). Remote work presents advantages from various aspects, such as reducing air pollution caused by transport, alleviating traffic congestion on the roads and facilitating access to the workplace for people with access difficulties. At the same time, remote work poses various challenges for employers and employees, such as reducing social interaction between the organization's workers and limiting the employer's ability to supervise his staff.



Key figures

Approx.

40,000

employees are employed in government ministries and auxiliary units

Approx.

4%

of employees in Israel before the pandemic outbreak worked from home (according to figures for 2018), compared with 5.4% of employees in the OECD (according to figures for 2019)

48%

of all government ministry employees received approval to work from home in May 2020

51%–

57%

of essential workers in government ministries worked from home during the emergency period¹

13%

of work hours in May 2020 were performed from home

Approx.

2,500

laptops were lacking in government ministries and government hospitals at the start of the Covid-19 pandemic (March 2020)

51%

percentage of women in government ministries who were given approval to work from home in May 2020, compared with 43% of men

48%

increase in the number of cyber attacks identified by the Israeli Cyber Emergency Response Team (CERT) in 2020 (in which there were 3,662 cyber incidents) compared with 2019 (in which there were 2,443 cyber incidents)

5

government ministries (out of 36) indicated that they had experienced a cyber incident through the remote access interface

¹ From March 22, 2020 to April 30, 2020.



Audit Actions



From May 2020 to February 2021 the State Comptroller's Office examined aspects related to ICT preparation by government ministries for remote work and its implementation during the Covid-19 pandemic period. The audit was conducted at the Information and Communication Technology Authority (the ICT Authority), and supplementary examinations were carried out at five government ministries: the Ministry of Interior, the Ministry of Transport and Road Safety, the Ministry of Science and Technology, the Ministry of Justice and the Ministry of Environmental Protection, as well as at the Civil Service Commission, the Ministry of Finance and the Israel National Cyber Directorate in the Prime Minister's Office.

Key findings



-  **Formulation of an ICT policy for remote work** – The ICT Authority has published several directives dealing with remote work that focus mainly on aspects of information security and business continuity. However, these directives do not comprise an overall policy on the subject of remote work and do not address a range of ICT-related aspects, such as: the infrastructure and equipment needed by employees for optimal work performance; government services that can (or cannot) be provided via remote work; possible alternatives for implementing this work model and the role of the cloud in remote work.
-  **Business continuity plan** – It was found that as of November 2020, 21 (57%) of 37 audited government ministries had not formulated a business continuity plan to ensure the continued normal functioning of the organization. Regarding the five government ministries that underwent a specific audit, it was found that the Ministry of Transport and the Ministry of Science and Technology had not completed the formulation of a business continuity plan, while the Ministry of Interior, the Ministry of Justice and the Ministry of Environmental Protection had business continuity plans in place at that time, but only one – that of the Justice Ministry – also dealt with remote work.
-  **Infrastructure aspects** – An analysis of the ICT Authority's data shows the following: at the onset of the covid-19 pandemic in March 2020, 19 of 42 government ministries (45%) indicated that all employees requiring a remote connection had a desktop or laptop computer (or any other means of connection) enabling them to connect remotely; 22 government ministries (52%) indicated that they did not have enough computers to allocate to all the employees requiring a remote connection, while one ministry did not respond to the question; 19 government ministries (45%) stated that their systems had



coped with the load and enabled normal and continuous remote work, two of the ministries (4%) stated that their systems were not able to cope with the load, and the other ministries did not respond to this question or stated that they were working to acquire the missing equipment and infrastructure so that all employees having to work remotely would be able to do so. At that time, the government ministries and government hospitals were lacking some 2,500 laptops, and they took a variety of steps to expand the scope of remote work. Thus, for example, old computers intended for scrap were brought back into use, computers were allocated to employees by rotation and adjustments were made to employees' private computers. It should be noted that several months after the outbreak of the pandemic, an improvement was apparent in the ability of the government ministries to support this mode of work.

 **Implementation of controls for secure remote access** – To minimize the risks inherent in remote work, it is necessary to implement various controls enabling information protection, monitoring of unusual activity and documentation. An analysis of data of the ICT Authority's Cyber Risk Unit (CRU) shows that as of December 2020, all the government ministries that were audited, apart from one (35 ministries), met the controls designated by the CRU as threshold conditions for secure remote access. However, differences were found in the implementation of other controls: in 15 of the audited ministries (41%) there is no identification and authentication of the device initiating the remote connection; in ten ministries (27%) no check is carried out when a computer connects to the network to verify that it has an antivirus program installed on it; in three ministries (8%) there is no restriction on the number of connections one user is allowed simultaneously; in five ministries (14%) access to the ministry systems is not enabled solely via a dedicated hardened component; in ten ministries (27%) access is not restricted to IP addresses from Israel only, and in three ministries (8%) the remote access systems are not linked to a monitoring system. Additionally, an analysis of the data shows that one ministry has not implemented four of the additional controls, while three ministries have not implemented three of the additional controls.

 **Compliance with ISO 27001²** – It was found that as of February 2021, six of the 40 government ministries subject to CRU guidance were not in compliance with ISO 27001, although they were required by the relevant Government decision to be in compliance already in February 2020.

 **Performance of penetration testing** – It was found that the controls carried out by the CRU on government ministries include penetration tests to evaluate the security of the organization, but these tests did not include an aspect of remote work.

 **Use of instant messaging software** – It was found that government ministries are forced to use commercial instant messaging software, mainly due to the lack of a secure quality alternative to these products. This results in exposure of organizational

2 International standard for information security in an organization.



information and significantly increases its accessibility to unauthorized and malicious elements. The information stored on a device is unprotected and unmanaged and thus exposed to the simplest malware. In 2020 the CRU examined the possibility of providing the government ministries with a secure instant messaging system with end-to-end encryption, but the development of this application was not advanced.

 **Employees' user experience** – Findings based on employee surveys conducted during the emergency period and the period of work under the Purple Badge³ restrictions (restrictions on gatherings and occupancy ratios) show that approximately one third of workers reported that they had experienced problems with their remote connection. The findings show, furthermore, that it is necessary to provide training for employees, in order to improve the ability to work remotely and to ensure that the work is performed efficiently.



At the onset of the Covid-19 pandemic, in March 2020, the government ministries had the necessary remote access infrastructure for work from home – 95% of the ministries indicated that there was remote access to the infrastructures and operating systems required for regular and continuous work. The deficiencies noted related mainly to the need to expand the infrastructure and means of remote access in order to meet the needs of the ever growing number of employees working from home. In July 2020, several months after the outbreak of the pandemic, an improvement was apparent in the ability of the government ministries to support this mode of work. The State Comptroller's Office notes positively the progress in the preparedness of the government ministries for remote work and the controls carried out by the ICT in this regard.

Key recommendations

 It is recommended that the ICT Authority formulate an ICT policy for remote work, after mapping the current situation, performing a needs analysis and defining the desirable situation, while identifying challenges and opportunities in the near and far term. The policy will serve the government ministries as a reference when considering and formulating their own policy on remote work, and may also help the Civil Service Commission and the Finance Ministry in examining the feasibility of applying the remote work model more broadly to the civil service.

3 Amendment No. 7 to the Emergency Regulations (Limiting the Number of Workers in the Workplace to Reduce the Spread of the New Coronavirus) 2020, Government Decision 5037 (May 2, 2020).



-  It is recommended that the relevant government bodies, including the Ministry of Finance, the Tax Authority, the Labor Branch at the Ministry of Labor, Social Affairs and Social Services and the National Insurance Institute examine, in collaboration with the Ministry of Justice, the need to regulate the transition of the labor market to remote work and to create conditions enabling the expansion of the remote work model to the entire economy. In this context, thought should be given to various issues, among them the determination of employer and employee rights and obligations, the economic and social feasibility of this work model and its effects on different employment sectors.
-  It is recommended that the 21 government ministries that have not yet completed the formulation of a business continuity plan complete it in accordance with the CRU's instructions. The ICT Authority should follow up the implementation of the directive issued in November 2020 regarding preparations for business and operational continuity in an emergency, including the need to enable remote access in a crisis.
-  It is recommended that the government ministries continue strengthening in normal times the infrastructures required for remote work, to ensure a complete and flexible solution in emergencies when it is necessary to enable a stable and secure remote work environment for larger numbers of workers. They should also draw up a procurement plan that meets all the needs for this purpose, based on a policy to be determined by them. This is especially necessary in government ministries that used temporary solutions to provide an immediate response during the Covid-19 pandemic.
-  It is recommended that in view of the expansion in the scope of remote work during the Covid-19 pandemic and the understanding that remote work may become part of the normal work environment in the future, and considering the risks inherent in this work model, the CRU should continue working with the government ministries to ensure that they meet all the information security controls specified in its directives; it should instruct the government ministries to complete an up-to-date risk survey to determine which changes have occurred in their mode of work (remote work, incorporation of new systems, technological changes, changes in business processes) and perform penetration tests including tests on the remote connection; and it should complete the development of a government instant messaging system and put it into operation as soon as possible.
-  It is recommended that the Civil Service Commission consider, in collaboration with the government ministries, the circumstances under which it will be possible to work remotely at a level of effectiveness that compares satisfactorily with work in the office; it should also verify if the control tools established in the Civil Service Commission directives during the Covid-19 period are adequate or there is room for developing additional tools to provide an effective and convenient solution in this regard. Additionally, the officials in the Civil Service Commission and in the Ministry of Finance who are studying the feasibility of a wider application of the remote work model in the civil service should also consider the aspect of the work environment in the home, including the equipment required by the worker for working remotely (such as a fast internet connection, a desktop or laptop, an ergonomic chair, a keyboard, earphones and cameras).

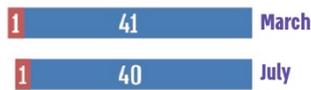


Degree of government ministries' preparedness for remote work, based on the number of ministries that responded to each of the questions in the survey, March and July 2020

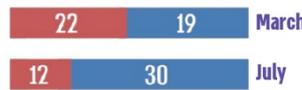
Yes - ■ No - ■ In progress - ■



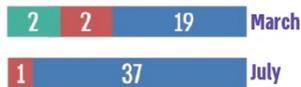
Is there remote access to the operating systems required for these employees?



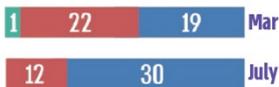

Do all the employees requiring a remote connection have a laptop/desktop computer (or any other means of connection) enabling a remote connection?



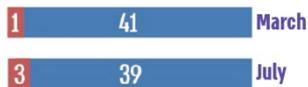

Were the systems able to cope with the heavy load, allowing regular and continuous work?



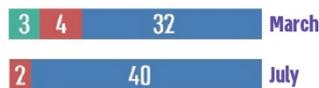

Was a trial remote connection performed under a heavy traffic load?



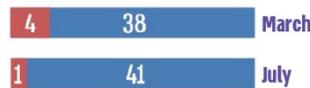

Is there remote access to the required IT infrastructure systems (management servers, communication, storage, etc.) Was a trial remote connection performed under a heavy traffic load?




Was a trial performed to test for remote support capability (system)?




Was the support center of the Digital Technologies and Information Department able to provide a remote solution?





Summary

While Covid-19 pandemic is a medical, economic and social crisis on a global scale, it has also opened up opportunities. The regulation of remote work over the long term alongside work in the office offers an opportunity to create a new reality in which the advantages inherent in this mode of work can be realized, while contending with the challenges it presents. Such regulation will enable government ministries to improve their preparedness for operational continuity, allowing them to continue providing services with optimal efficiency to the residents of Israel in both normal times and emergencies, especially in view of the ongoing need to cope with the Covid-19 pandemic and to prepare for environmental and other global challenges that lie ahead.



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Chapter Two

Economic and Budget Topics



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Economic and Budget Topics

Budgeting Management during the Covid-19 Pandemic - Handling the Crisis and Preparing for the Future



Budgeting Management during the Covid-19 Pandemic - Handling the Crisis and Preparing for the Future

Background

The spread of the covid-19 pandemic around the world was accompanied by policy measures taken to slow the spread of the pandemic and bolster the ability of the public health systems to cope with high levels of serious illness. In response to the adverse economic effects of the pandemic, countries worldwide established a wide range of economic assistance programs for those affected. These programs focused mainly on paying allowances to salaried employees and self-employed persons whose earnings took a hit, the postponement of mandatory fees and the grant of reliefs, and increased liquidity for businesses and households. With the beginning of restrictions on economic activity, the Government announced assistance programs in four categories: immediate response, social security net, business continuity, acceleration programs.



Key figures

NIS 202.3 billion	NIS 131.1 billion	NIS 68.6 billion	11.6%
total of financial assistance programs to cope with the covid-19 pandemic on which the government decided in 2020 (including credit and cash-flow items)	total of budgeted items in the economic plan to cope with the covid-19 pandemic (out of NIS 202.3 billion)	increase in government spending in 2020 compared with 2019 due to the economic strategy for dealing with the covid-19 pandemic	the deficit in the state budget as a percentage of the GDP
Approx. 81.3%	Approx. NIS 74.3 billion	NIS 85.8 billion	March 15, 2018
percentage of implementation of the economic plan in 2020	planned budget for social security programs in 2020–2021	amount from the state budget earmarked as an off-budget box for 2020 for coping with the covid-19 pandemic	last date of approval of the state budget

Audit Actions

 From May 2020 to January 2021, the State Comptroller's Office examined the Government's budget management during the covid-19 pandemic, mainly in the Budgets Department, the Accountant General Department, and the Chief Economist Department of the Ministry of Finance. Supplementary examinations were conducted in other departments of the Ministry of Finance; The Capital Markets, Insurance and Savings Authority; the Bank of Israel; the National Economic Council; the National Security Council; the National Insurance Institute; the National Emergency Management Authority; the Innovation Authority; the Cabinet Secretariat; the Ministry of Health; the Ministry of Labor, Social Affairs and Social Services; the Ministry of Interior; and the Ministry of Tourism.



Key findings

-  **Advance economic planning for pandemic risks** – The Ministry of Finance did not complete the development of economic plans for dealing with the economic implications of a pandemic such as the Covid-19 pandemic, based on the procedure issued by the National Emergency Management Authority in 2018. The Finance Ministry departments, as well as the Capital Markets, Insurance and Savings Authority, did not complete the groundwork and did not prepare professionally for the outbreak of such a pandemic, and among other things, failed to take the following steps:
 - **Budgets Department:** – Examination of the economic aspects unique to a pandemic-induced emergency and preparation of a budgetary contingency plan; examination of the interfaces between the Budgets Department and other government ministries, for determining the necessary steps and for transferring the data required to define the economic implications of those steps; consideration of ways to identify the affected individuals and businesses.
 - **Accountant General Department** – Performance of groundwork enabling an analysis of the economic implications of a pandemic outbreak, including assessing the government expenditure scope, evaluating the epidemic's impact on government debt, and forecasting government revenues to manage the debt and finance the deficit.
 - **Chief Economist Department** – Obtaining relevant data to formulate a real-time economy-wide picture enabling the development of plans to cope with the economic consequences and identifying the data required following the pandemic outbreak to forecast the drop in government revenues.
 - **Capital Markets, Insurance and Savings Authority** – Examination of the professional aspects unique to pandemics and their effects; issuing appropriate regulations and directives for entities regulated by the authority, including regulation concerning pension and employment termination, stemming from various options of temporary absence of employees from work.
-  **The groundwork for decision-making** – The Finance Ministry's failure to prepare for the pandemic was apparent because the financial assistance programs for the public and businesses were implemented in part without any orderly administrative work and without adequately distinguishing between more and less affected parts of the population and economic sectors. Additionally, the Finance Ministry's failure to prepare in advance was a contributing factor, especially in the first months of the crisis, to its inability to present to the decision-makers the expected economic consequences of possible measures for preventing the spread of the disease.
-  **Manner of determination of the overall scope of the assistance program and examination of the program's effectiveness** – The central assistance program (NIS 80 billion) was announced on March 30, 2020, after the World Health Organization had declared a public health emergency on January 30, 2020, after the declaration of the



covid-19 a global pandemic on March 11, 2020, and after the schools and higher education institutions in Israel closed down for two days. This central program was formulated after several preliminary programs for lower amounts of up to NIS ten billion had been announced. The head of the National Economic Council informed the State Comptroller's Office that the program's scope was set on the instructions of the Prime Minister after the National Economic Council had checked what percentage of the GDP the assistance programs of other countries constituted.

The audit did not find at the Ministry of Finance or the National Economic Council documents dealing with overall assistance program scope and the value of its items. The program did not relate to possible scenarios for the development of the pandemic and the times for reviewing the program's effectiveness.

 **Use of off-budget "boxes"** – Since Israel did not have a state budget for 2020, the government operated throughout that year on a continuation budget based on the budget for 2019, which was determined in March 2018. The scope of the boxes, which was defined in amendments to the Basic Law: The State Economy and in the Reduction of Deficit and Limitation of Budgetary Spending Law 1992 concerning the budgets for 2020 and 2021, was NIS 84.8 billion in 2020 and NIS 52.3 billion in 2021. An OECD report¹, as well as a Bank of Israel report from April 2021, stated that even if in the initial stages of the Covid-19 pandemic the need to make quick budgetary decisions outweighed accepted budgetary control considerations, the exceptional circumstances brought about by the Covid-19 pandemic and the resulting fiscal actions should not be allowed to become a fixed norm. The usual budget management methods should be put back in place.

 **Rate of implementation of assistance programs** – The cumulative rate of implementation of the financial assistance program increased over the year, reaching 81.3% at the end of December 2020. In total, the cumulative expenditure during the year stood at NIS 68,954 million out of a cumulative quota of NIS 84,812 million. The categories of the Law in which the budgetary planning was highest (health and solutions for government ministries; grants and assistance to businesses and the self-employed; indemnification of the National Insurance Institute) account for the highest implementation rates (109%, 83%, and 90%, respectively). By contrast, there is a low implementation rate in the "other purposes"² and "crisis exit plan – infrastructure, technology and digitization" categories (49% and 67%, respectively).

 **Control over the implementation of economic programs** – The control over budgetary planning versus the use of the budget earmarked for dealing with the Covid-

1 Government financial management and reporting in times of crisis, OECD, 19 November 2020.

2 Grant and assistance to ensure nutritional security for disadvantaged families, realization of demobilized soldiers' deposits and grants for some demobilized soldiers, as well as expenditure for exemption from land appreciation tax and purchase tax.



19 pandemic, totaling NIS 85 billion ("the off-budget box"), was performed in 2020 employing Excel files along with management under the different items in the computerized systems of the state budget. Budgets, especially of this magnitude, should be managed by systems that include computerized control mechanisms to prevent mistakes and errors. Regarding five out of the ten programs audited by it, the State Comptroller's Office found discrepancies between the control records of the Accountant General Department concerning the planning and implementation data of the economic programs (which are based on data from the Budgets Department and other government ministries) and the planning and implementation data provided by the Budgets Department and other government ministries to the State Comptroller's Office.

-  **One-time grants** – It was found that one-time grants were paid in two phases, in April and July 2020, to the entire population of Israel in a total amount of NIS 8.95 billion. In the first phase, the grant was paid without any income test, while the second phase incorporated an income test whereby anyone with an annual income above NIS 649,560 in 2019 was not entitled to a grant. Additionally, it was found that no orderly process of drawing lessons took place following each payment phase that demonstrated the advantages, drawbacks, and barriers to the distribution of the grant.
-  **Distribution of food coupons to disadvantaged populations** – The program for the distribution of food coupons, approved for a total of NIS 700 million, was made available to a broad population comprising 260,000 households deemed eligible. The eligibility was based on the entitlement to a municipal property tax discount, but without any groundwork to determine the usefulness of this criterion for targeting the disadvantaged populations most significantly affected by the Covid-19 pandemic. Additionally, it was found that the program, which the Government approved in August 2020, was implemented only half a year later, in February 2021, among other things, due to legal difficulties in the tender process for selecting a supplier to distribute the coupons.
-  **Hotel assistance programs** – NIS 300 million as the assistance for the tourism industry, was set by the Government in August 2020 based on an agreement from early June 2020 between the Finance Minister and the Tourism Minister at the time. This assistance was not distributed by the end of 2020 and a whole year passed before the government started distributing it while hotels began to be affected by the pandemic.
-  **Criteria for payment of support grants to third-sector institutions** – The Finance Ministry approved the additional support for the sector in the amount of NIS 100 million and should have published criteria for payment of the support grants within 30 days of the effective date of the Law³ (i.e., by August 29, 2020). It was found that Finance

3 Section 26Q(a) of the Law sets the "effective date" as October 29, 2020, but only for a certain chapter of the report and not with respect to the chapter dealing with the budget intended to support public institutions whose revenues had decreased. Therefore, the effective date of the Law with respect to the support budget for public institutions whose revenues had decreases is the date of publication of the Law, i.e. July 29, 2020.



Ministry published on December 3, 2020, a draft of criteria for payment of support grants to public institutions (whose revenues had decreased in the wake of the Covid-19 pandemic) for the receipt of public comments on December 17, 2020, and for payment of support grants to the public institution, the Finance Minister signed the criteria on January 17, 2021. Therefore, the budget set out in the law for distributing in 2020 to assist and support large institutions in the third sector was not distributed.

 **Innovation Authority's grants program** – An examination of the budget implementation of the Innovation Authority's assistance and grant tracks, according to reports of the Accountant General Department, showed that although based on the government resolution, the Authority was to have used the entire amount of the budget by the end of 2020. In actuality, a sum of NIS 659 million was used out of the budgeted NIS 1,200 million (55%).

 **Decision-making process from the economic perspective in the Covid Cabinet and in the Government** – An examination of 37 presentations made to the Covid Cabinet and to the government by the National Security Council (NSC) between March and November 2020 showed that the NSC incorporated in these presentations mainly health data and that no economic analyses were attached to the presentations, apart from a economic (GDP contribution) and health matrix that was presented in September 2020. According to the Bank of Israel and the Chief Economist estimates, the cost of each week in the first lockdown (as derived from the decline in the GDP) stood at 5.1 to 5.4 billion NIS, in the second lockdown at 3.2 to 4 billion NIS and in the third lockdown at 3 to 3.5 billion NIS. The high cost of the lockdowns highlights the importance of considering the economic costs of imposing lockdowns.



Following the outbreak of the Covid-19 pandemic, the Finance Ministry's departments and the Capital Markets, Insurance and Savings Authority performed numerous actions in their professional fields of responsibility to deal with the difficulties brought on by the pandemic, thereby helping the public and the entities regulated by them to cope with the effects of the pandemic.



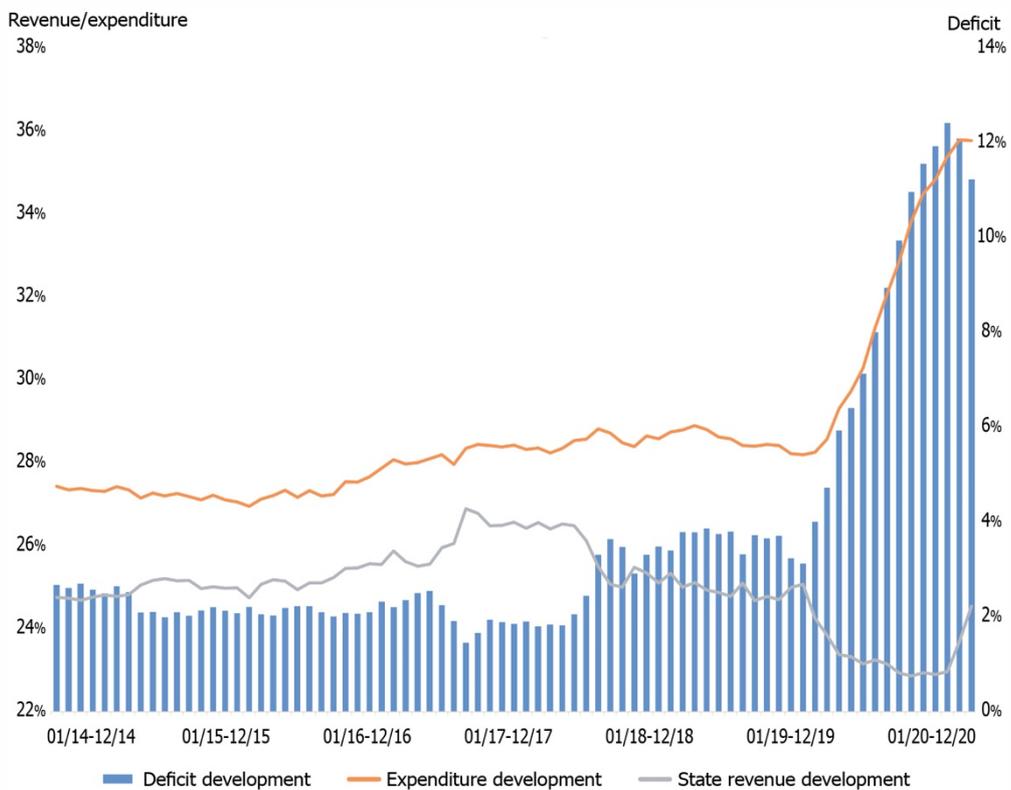
Key recommendations

-  It is recommended that the Finance Ministry and the relevant government ministries draw up an economic plan to serve as a "contingency plan" for dealing with the economic implications of a pandemic outbreak, based on lessons drawn from the experience that the ministries have gained during the Covid-19 pandemic.
-  It is recommended that the Budgets Department in the Ministry of Finance, the Ministry of Health, and the Ministry of Defense monitor the extent of use of the budgets allocated to the government ministries for preparedness for the Covid-19 pandemic, examine which of the allocations were not implemented or insufficiently implemented are still relevant, and make the necessary budgetary adjustments based on their examination.
-  Given the significant economic repercussions of the furlough policy implemented in Israel on the national economy and unemployment levels, the Ministry of Finance, the Bank of Israel, and the National Insurance Institute should examine the furlough policy over time to enable a consideration of its advantages and drawbacks compared with other approaches that were implemented around the world and to determine the extent to which it is suited to the Israeli economy.
-  It is recommended that the Ministry of Finance, the Bank of Israel, and the National Economic Council analyze the results of the one-time grant programs, their advantages, and drawbacks, and outline a basic emergency grant program based on orderly administrative work by professionals. According to the groundwork presented to it, the government should also discuss lessons learned in the matter and draw up rules for implementing grant programs for a broad population during a crisis.
-  It is recommended that the Budgets Department and the Accountant General Department incorporate in the computerized budget system of the Ministry of Finance all the Covid-19 budgets and make periodic adjustments regarding the budgetary data and the budget implementation. Additionally, rules should be formulated for the budgetary recording of earmarked emergency budgets for optimal management and control purposes, and necessary adjustments should be made on this basis in the computer systems.
-  It is recommended that the use of a continuation budget instead of promoting a Budget Law be done only in exceptional circumstances that warrant this to safeguard as much as possible fiscal and governance principles and the laws underlying the approval of the annual state budget.
-  It is recommended that the National Security Council collaborate with the Health and Finance Ministries in considering and formulating a methodology for presentation to the Government during a pandemic, that will include, along with infection rates, also an economic cost-benefit analysis by the different professional bodies, including the Finance



Ministry departments and the National Economic Council, regarding measures to prevent the spread of pandemic. Additionally, with the onset of a health crisis, the Government and the Cabinet members should deliberate on its economic implications.

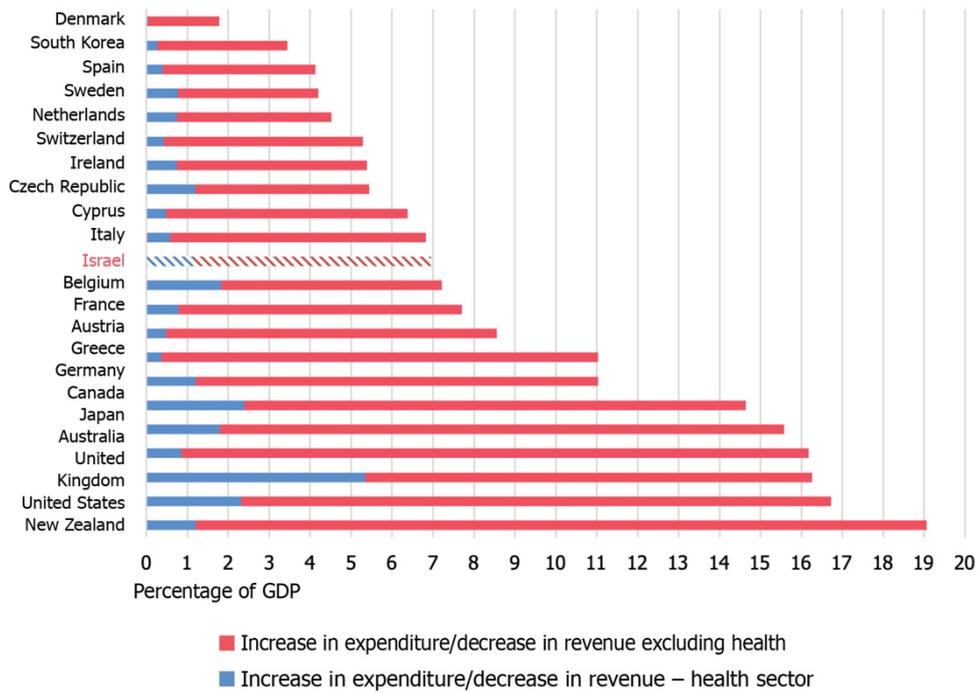
Development of deficit, expenditure and revenue as a percentage of GDP, 2014-2020



Based on Accountant General Department data, as processed by the State Comptroller's Office.



Increase in expenditure and decrease in revenue in assistance programs of selected countries, in GDP terms, by the health sector and other sectors, 2020



Based on International Monetary Fund data, as processed by the State Comptroller's Office.



Summary

The increase in government spending to cope with the Covid-19 pandemic and the decrease in revenue, mainly due to a decline in tax collection and a drop in other income, led to a growth in the annual state budget deficit in 2020 to 11.6 percent of the GDP.

This report has highlighted deficiencies in the preliminary preparation for pandemic risks, the groundwork for formulating financial assistance programs to cope with the Covid-19 pandemic, the implementation of and control over the programs, and the inclusion of economic considerations in the decision-making process during the Covid-19 pandemic. It is recommended that the government draw lessons from the crisis management from the economic aspect. All government bodies must act to correct the deficiencies in budgetary conduct revealed during the management of the Covid-19 pandemic and consider implementing the recommendations included in this report to improve their activity and readiness in the future.

It is further recommended that the Finance Ministry examine from a multi-annual perspective the required actions for dealing with the deficit for 2020, amounting to NIS 160.3 billion, and with the increase in the debt-to-GDP ratio for that year to 72.4% as of the end of 2020, as well as the necessary preparations for making principal and interest payments on the debt that the Government raised to finance the economic plan for coping with the Covid-19 pandemic.



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Economic and Budget Topics

Municipal Property Tax Discounts for Businesses during the Covid-19



Municipal Property Tax Discounts for Businesses during the Covid-19 Pandemic Period

Background

The transfer of funds to the local authorities from the state budget allowed the authorities to grant businesses municipal property tax¹ discounts due to the Covid-19 pandemic. The assistance was provided in two rounds and within two frameworks: Round One – according to a Government decision from April 2020 and the Arrangements in the State Economy Regulations (Municipal Property Tax Discounts) from April 2020 (First Coronavirus Regulations); and Round Two – according to the Arrangements in the State Economy Regulations (Municipal Property Tax Discounts) from September 2020 (Second Coronavirus Regulations). In Round One – the entitlement to a discount was determined based on the classification of the property occupied by the business, and total discounts were estimated at NIS 2.8 billion, with NIS 2.7 billion provided from the state budget and the remainder funded by the local authorities. The discount was granted on a one-time basis to all eligible businesses, at 25% of the annual municipal property tax or at 100% of the municipal property tax charged from March to May 2020. In Round Two – the entitlement to a discount was determined based on a significant decrease in the revenue of a business, and total discounts were estimated at NIS 3.5 billion from June 2020 to June 2021, with NIS 1.3 billion provided during June to December 2020, and the remaining NIS 2.2 billion during January to June 2021.

1 Municipal property tax (Arnona) is an annual tax levied by local authorities in Israel on residents occupying a property within their jurisdiction. The levy funds the authority's activities. The tax is determined based on the zoning, size and location of the property. The rules applicable to municipal property tax are established both in the primary legislation – namely, the Municipalities Ordinance [New Version] and the Local Council Orders, and in the subsidiary legislation. These include regulations and orders issued by the Interior and Finance Ministers, as well as Municipal Property Tax Orders that are updated annually by the local authority councils.



Key figures

**Approx. NIS
2.8 billion**

Round One – an estimated total of discounts for businesses, of which NIS 2.7 billion was funded from the state budget and the remainder by the local authorities. These budgets were fully utilized (see the breakdown in Table 6 below)

**Approx. NIS
275 million**

Round One – a budgetary supplement of NIS 223 million was added to the initial budget estimate (NIS 2.3 billion), that was earmarked in advance for deviations from the initial assessment, and a budgetary supplement of NIS 52 million was approved after the actual expenditure. The budgets were fully utilized (see the breakdown in Table 6 below)

**Approx. NIS
1.3 billion**

Round One – amount transferred from the Interior Ministry's reimbursement budget for municipal property tax discounts to 29 resilient local authorities where most business activity occurs

**Approx. NIS
150 million**

Round One – total participation from the Cleaning Fund of the Ministry of Environmental Protection in municipal property tax discounts, transferred to the local authorities that receive an equalization grant

**NIS 3.5
billion**

Round Two – the sum of discounts approved for businesses from June 2020 to June 2021

**Approx.
80,000
requests**

Round Two – the number of requests submitted from June to December 2020 (as of April 2021)

**NIS 280
million**

Round Two – total reimbursement paid by the Economy Ministry's Agency for Small and Medium Businesses to local authorities for businesses whose request was approved by it, from June to December 2020 (as of April 2020). This sum is 22% of NIS 1.3 billion allocated for that period

257

the number of local authorities included in the reimbursement agreement: 195 received an equalization grant; 29 are resilient local authorities; 33 did not receive an equalization grant and were not resilient



Audit Actions

From September to November 2020, the State Comptroller's Office audited the aid provided by the government due to the Covid-19 pandemic in the form of municipal property tax discounts for businesses. The audit included inter alia an examination of the process by which the local authorities granted municipal property tax discounts to businesses and the process of reimbursement of those local authorities from the state budget for the decrease in their revenues. The audit report deals primarily with Round One, as at the time the audit was completed, the handling of requests for discounts in Round Two had just begun. The audit was conducted at the Ministry of Interior and four local authorities: the Tel Aviv-Yafo municipality, the Kiryat Gat municipality, the Nazareth municipality, and the Nof HaGalil (formerly – Nazareth Illit) municipality. Supplementary examinations were performed at the Ministry of Finance, the Local Government Center, the Center for Regional Councils, and the Agency for Small and Medium Businesses (the Agency) in the Ministry of Economy and Industry.

Audit findings

Comparison of main parameters between Round One and Round Two		
Parameter	Round One	Round Two
type of discount	exemption from municipal property tax for the period from March to May 2020, or a 25% discount on the municipal property tax for 2020	municipal property tax discount for businesses hit by the Covid-19 pandemic, at a rate of 95% to 100% from June 2020 until June 2021
budget per round, including the amount of participation of the local authorities and the Cleaning Fund	NIS 2.8 billion for the period from March to May 2020	NIS 3.5 billion for the period from June 2020 until June 2021
budget utilization percentage (as of April 2021)	100%	22% – NIS 280 million out of NIS 1.3 billion allocated for the period from June to December 2020
discount entitlement criterion	all businesses occupying properties, according to the rules established in the regulations	businesses with a turnover of up to NIS 400 million whose turnover was significantly affected, according to the rules established in the regulations



Comparison of main parameters between Round One and Round Two		
recipients of reimbursement for the discount	all local authorities, of which 29 are resilient authorities that received NIS 1.3 billion out of the Interior Ministry's budget (57%)	local authorities with businesses located in their jurisdiction have approved a discount by the Agency. The local authority received the funds from the government and credited the businesses' accounts.
processing time for granting the discount to a business	immediate	two to three months at a minimum (excluding delays)



Round One – Grant of discounts to businesses – In Round One, eligibility for a municipal property tax discount was determined based on the type of property and its use. This method was intended to provide an immediate and rapid response for local authorities and businesses found eligible for a discount. There was no requirement to prove a decline in the business activity during the Covid-19 pandemic period (except for a property classified as "another property").

Round One – Classification of properties to determine eligibility for the discount – The Ministry of Interior had not established a uniform standard for classifying properties by which it and the local authorities determine the municipal property tax charges. The existence of multiple property classifications could affect the grant of discounts to businesses, meaning that an error in the classification of a property could result in an eligible business owner not receiving a discount and vice versa.

Round One – Records and controls for funding from the Cleaning Fund –

- In April 2020, the Cleanliness Maintenance Law was amended to provide a one-time assistance grant to treat household waste, for a total of NIS 150 million, to be paid from the waste burial levy fund (Cleaning Fund) local authorities receiving an equalization grant in 2020. The amendment stated that local authorities classed in clusters 1 to 6 in the socio-economic ranking (10 is the highest-ranking) would receive an additional grant of a total of NIS 40 million. It is apparent from the Law that the above two grants – a total of NIS 190 million that were to be transferred from the Cleaning Fund, were designated for expenses regarding household waste treatment only.
- Although the NIS 150 million in assistance money were disbursed from the Cleaning Fund and ostensibly were intended for cleaning expenses, the amount was included in the property tax discount reimbursement model.
- It emerges from reports by the Nof HaGalil and Kiryat Gat municipalities that the local authorities were not instructed to keep separate records and controls for the



amounts that were received from the Cleaning Fund, and it was unclear for what purpose these amounts were intended – whether for the decrease in municipal property tax from businesses or for cleaning expenses.

- The Interior Ministry and the Environmental Protection Ministry representatives stated that no plan was formulated to settle accounts with the local authorities regarding the additional cleaning costs arising from waste treatment.

👉 Round One – Interior Ministry controls over the reimbursement funds – The data and reports in possession of the Interior Ministry concerning three categories: government assets, other assets, and correction of discrepancies, have made it difficult for the ministry and for external control entities to distinguish between these categories and to carry out the necessary controls.

👉 Round One – Differences between estimate and discounts actually given (under- or over-reimbursement) – It was found that the reimbursement agreement does not contain any provision regarding surpluses or deficiencies between the initial reimbursement and the discounts given in respect thereof. Therefore, in cases where the local authority has accrued a surplus beyond the initial reimbursement, it can retain it. In cases where the local authority has incurred a deficiency, the Interior Ministry will not transfer funds to cover it. Additionally, the information provided by the four audited local authorities demonstrated differences in the controls over the classification of properties in the local authorities and the conformance of the category to the provisions of the First Coronavirus Regulations. Among them was the absence of a uniform standard for classifying properties for all the local authorities and reporting by the authorities according to such an agreed classification. It should be noted that these differences could result in errors in determining eligibility for discounts, in the calculation of municipal property tax, and, as a result, in the calculation of the discounts derived from the tax.

👉 Rounds One and Two – Municipal property tax discounts to lessors of properties – The First Coronavirus Regulations and the Second Coronavirus Regulations do not offer a solution for cases where the lessee of a property broke the lease over reasons having to do with the coronavirus. The lessor of the property was unable to find a new lessee in that period.

👉 Round Two – Handling of requests for municipal property tax discounts – It was found that during the audit period, there was a difference in the processing time of requests, depending on the time of the month in which the request was submitted. Thus, according to the Agency, if a business submitted a request on the 11th of the month, its request was held until the 10th of the following month. It was then forwarded to the local authorities until the 20th of that month. When the request for a business was submitted on the 9th of the month, it reached the local authority within ten days.

👉 Round Two – Percentage of utilization by businesses – It was found that the amount utilized from the assistance budget allocated under the Second Coronavirus



Regulations was NIS 280 million, which was paid out as of April 2021 for June to December 2020. For that period, the budget utilization percentage was 22% of the budget earmarked by the Finance Ministry for municipal property tax discounts in Round Two.

-  **Round Two – Collection and enforcement actions by the local authorities –** When the Second Coronavirus Regulations came into force, no mechanism existed for postponing the collection of municipal property tax payments from businesses entitled to such a postponement, including interest charges on arrears.



Round One – Mechanism for the grant of discounts – The mechanism, developed by the Interior Ministry and the Finance Ministry, was simple to apply for all businesses. The drafting of the regulations, preparing the reimbursement framework, calculating the estimated cost and budget, finalizing and signing the reimbursement agreement, and transferring the reimbursement were all accomplished within a short time after the Government decision. This provided businesses with an immediate solution and supported the budgetary stability of the local authorities. The majority of businesses were not required to submit requests, forms, and documents. Under regulations, businesses eligible for a discount received direct credit for the discount, primarily by crediting their municipal property tax account.

Round Two – Improvement in handling requests for municipal property tax discounts – At the beginning of the process, businesses requesting a municipal property tax discount were required to deal with several bodies, which placed a heavy bureaucratic burden on them and resulted in delays in the handling of requests. In the course of the audit, the Agency and the Tax Authority improved the submission and handling of the requests. In December 2020, an online interface was set up between the Agency and the Tax Authority, with businesses now submitting a request to the Agency online via the Internet, without having to provide approval from the Tax Authority.

Key recommendations

-  **Round One – Establishment of an agreed classification for properties –** It is recommended that the Interior Ministry, the Finance Ministry, and the local authorities draw up an approved list of sub-classifications for the collection of municipal property tax and rules for uniform measurement. This will lead to a more equal and transparent tax distribution among the taxpayers in all the local authorities since relying on taxpayers' requests to correct the classifications is inefficient and inadequate. It is recommended to limit the number of zones defined in the Municipal Property Tax Order of each local



authority and set fixed criteria for their allocation. This will simplify the municipal property tax imposition process, avoid uncertainty and erroneous classification of properties and contribute to a just, uniform, and transparent tax distribution among the taxpayers in all the local authorities.



Round One – Examination of the difference between the reimbursement and the discounts given – It is recommended that the Interior Ministry and the Finance Ministry examine actual results to obtain feedback at the end of the reimbursement process and grant of the discounts. It should determine the difference between the reimbursement received by each local authority and the discounts it granted (reimbursement deficiency or surplus). This will enable an evaluation of the model and its application in similar cases in the future. If other entities participate in the reimbursement, all the budgeting, recording, reporting conditions, and the purview of responsibility of the Interior Ministry and the participating entities should be determined in advance. Based on these data, the Finance Ministry and the Interior Ministry can consider returning the surplus funds and draw further conclusions.



Round Two – Unification of the assistance mechanism with other assistance mechanisms – It is recommended that the Interior Ministry and the Finance Ministry evaluate the method of operation of the assistance mechanism established in Round Two to adapt it to the needs of businesses. As part of this evaluation, it is recommended to consider unifying the municipal property tax assistance mechanism for businesses with other business assistance mechanisms to reduce the bureaucratic burden on businesses and increase the mechanism's efficiency.



Round Two – Low utilization of the municipal property tax assistance program – It is recommended that the Economy Ministry and the Finance Ministry analyze the reasons for the low utilization rate (22%) of the assistance budget and realization of the rights of businesses in Round Two. It should find ways to improve the model and operation and induce business owners entitled to a municipal property tax discount to exhaust their rights.



Round Two – Consideration of municipal property tax assistance to other entities – It is recommended that the Finance Ministry and the Agency consider a complementary mechanism for entities not defined as "businesses" that are likely to be affected by the Covid-19 pandemic. Since these entities were not included in the assistance program and its budget, it will be necessary to assess the required budgetary expenditure if it is decided to set up a state reimbursement framework.



Round One + Round Two – Consideration of municipal property tax discounts for property lessors – It is recommended that the Interior Ministry and the Finance Ministry consider, in times of crisis, providing a solution for lessors whose properties remain unoccupied following their abandonment by lessees due to the constraints of the crisis. The answer should be independent of the discount for unoccupied property, which is limited in time under the discount regulations.



Estimate of reimbursement to local authorities by groups in Round One (NIS in millions)

group of local authorities as defined in the Government decision and the agreement	receive an equalization grant	they are not resilient and do not receive an equalization grant	resilient authorities	total
number of authorities	195	33	29	257
the total population according to data of the Population Authority for 2018 (in thousands)	5,171	1,283	3,108	9,562
estimate of discounts for eligible properties	748	420	1,429	2,597
amount of participation of the local authorities	-	17	114	131
percentage of estimated reimbursement out of total funding from the state budget	30.3%	16.4%	53.3%	100%
total funding from the state budget	748	403	1,315	2,466
total funding from the Interior Ministry's budget	598	403	1,315	2,316
total funding from the Cleaning Fund	150			150



Summary

Government aid to businesses due to the Covid-19 pandemic through municipal property tax discounts was provided in two rounds. In Round One – in April 2020 – the Government decided to aid businesses whose revenue was hit by the Covid-19 pandemic by adopting a mechanism for the grant of discounts on municipal property tax payments developed by the Interior Ministry in collaboration with the Finance Ministry. The solution was immediate, with the discount granted to many businesses across the economy while supporting the local authorities' cash flow and economic resilience. In Round Two – in September 2020 – criteria were established for channeling the aid to hard-hit businesses. For this purpose, a complex mechanism was built to transfer data between three critical entities in the process – the Tax Authority, the Agency for Small and Medium Businesses, and the local authorities. In this mechanism, the bureaucratic burden imposed on the businesses was heavier, the duration of the processing of the requests was longer, and at the beginning of its operation, delays occurred in handling the submitted requests. In the course of the audit, the Agency and the Tax Authority improved the process of submission and handling of requests, and the bureaucratic burden was reduced, with businesses now submitting requests to the Agency online via the Internet, without having to provide approval from the Tax Authority.

It is recommended that the Interior Ministry and the Finance Ministry cooperate further in analyzing the needs of businesses and local authorities and do whatever is necessary to increase the realization of rights of eligible businesses. It is also recommended that they act to correct the deficiencies found by the audit and establish guidelines for future assistance programs, should they be necessary.



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Economic and Budget Topics

Financial Services, Credit and Stability of Financial Institutions during the Covid-19 Pandemic



Financial Services, Credit and Stability of Financial Institutions during the Covid-19 Pandemic

Background

The covid-19 pandemic outbreak caused a sharp downturn in the global economy and led to an economic crisis in Israel as well, reflected in a widespread liquidity shortage among households and businesses. The spread of the health crisis beyond the borders of China created panic in the financial markets, resulting in a steep drop in share prices at the end of February 2020 that undermined economic resilience. Israel's financial regulators – the Bank of Israel, the Capital Markets Authority, and the Israel Securities Authority – granted reliefs and extensive assistance to help the economy to contend with the crisis, including: the adaptation of financial services, expansion of the credit supply despite economic activity contraction, as well as steps to preserve the financial system's stability, through intervention in the financial markets to prevent market failures.



Key figures

\$15 billion

scope of the Bank of Israel's swap¹ program vis-à-vis local banks

NIS 50 billion

scope of the Bank of Israel's plan to purchase Israeli government bonds in the secondary market

NIS 73.6 billion

scope of loan applications in all state-guaranteed loan funds

NIS 265.4 billion

amount raised by the Accountant General in Israel and abroad in 2020, among other things, to fund government assistance during the Covid-19 pandemic

14.2%

percentage of loan applications submitted to state-guaranteed loan funds in the regular track and fully granted

12.4%

percentage of loan applications submitted to state-guaranteed loan funds in the amplified track, and fully granted

75.2%

percentage of loan applications approved by state-guaranteed loan funds, out of the applications recommended for approval, following a review by the coordinating bodies

113,589

total number of loan applications submitted to state-guaranteed loan funds

Audit Actions

 From March to December 2020, the State Comptroller's Office examined the financial services and credit provided to the public during the Covid-19 pandemic and the resilience of the financial bodies in the course of the crisis. The audit was conducted at the Bank of Israel, at the Capital Markets, Insurance and Savings Authority (Capital Markets Authority), at the Israel Securities Authority, and at the Accountant General Department in the Ministry of Finance. Supplementary audits were carried out at the Israel Tax Authority.

¹ Transaction for the purchase of a financial asset against the forward purchase of another asset at a predetermined price and date.



Key findings

-  **Cooperation between financial bodies** – There was no cooperation between the Israel Tax Authority and the Attorney General Department in identifying vulnerable areas affected by the pandemic to improve the operation of the state-guaranteed loan funds and the Israel Tax Authority. Additionally, cooperation by the Bank of Israel with the Attorney General Department in making decisions that balance between the amount of the guarantees and the credit risk could have eased achieving the programs' objectives. The cooperation may create a more beneficial correlation between the interest rate on credit extended by the Bank of Israel to local banks in the framework of the programs, with the percentage of the guarantees provided by the government on the bank credit extended to businesses through the state-guaranteed loan funds.
-  **High exposure of financial institutions to overseas derivatives** – The exposure of financial institutions to overseas derivatives affected the liquidity of the portfolios managed during the crisis. Increased exposure of an investment portfolio requires ongoing controls. However, the Capital Markets Authority in January-February 2020, with the onset of the Covid-19 pandemic, did not instruct the financial institutions to analyze the risks relevant to the emerging crisis or prepare for the crisis by taking other measures to reduce their exposure to risks arising from their activity. Moreover, during the crisis, the Capital Markets Authority did not issue written directives to the financial institutions regarding risk analysis or the performance of other actions.
-  **The low percentage of guarantees on the portfolio of state-guaranteed loans compared with similar programs around the world** – The percentage of the guarantee provided by the government on the overall portfolio (12% for large businesses, 15% for small and medium-sized businesses, and 60% in the amplified track) is low, compared with the percentage in the government assistance programs of the majority of developed countries. The low level of guarantees on the portfolio harmed the loan approval process of the loan fund for small and medium-sized businesses. The negative effect was reflected by reducing the financing bodies' will to take risks and create incentives for actions inconsistent with the fund's stated purpose, and harm its image, notwithstanding its great importance during the crisis period.
-  **Measurable criteria for the provision of loans in agreements in the regular track of the state-guaranteed loan fund** – It was noted in deliberations held in September and October 2020 by the audit team with the fund managers in the commercial banks, that as the agreements did not set measurable criteria for the provision of loans, the credit that was granted in the regular track was used by some of the businesses to reduce their finance costs rather than to bridge cash flow gaps due to the crisis.



-  **Application processing times in state-guaranteed loan funds** – The agreement stipulated that the financing bodies must complete the processing of applications within seven business days led applicants to believe that this would be the case. However, it was found that the processing times in all the tracks (an average of 15 days) were significantly longer than the stipulated times. Following a change in the information transfer mechanism in the funds required the financing bodies to input the data again, which delayed responding to the businesses' loan applications.
-  **Rapid response by the regulators** – The Israel Securities Authority is not flexible enough in times of crisis to provide a quick and appropriate response to market fluctuations that enables efficient and effective supervision. In the course of the audit, the Israel Securities Authority advanced a law memorandum designed to expand its existing powers and allow it to issue directives on certain matters independently and promptly. The draft law memorandum was published on the Ministry of Justice website and the internet for public comments by July 23, 2020. Still, as of the audit completion date (December 2020), the process had not advanced further.
-  **The vital importance of activity by the financial regulators in an emergency** – Despite the essence inherent in the Israel Securities Authority (ISA) activities in its capacity as a financial regulator, this is not reflected in emergency regulations. The ISA has not been granted any easing of the restriction on the number of employees allowed in the workplace. The issue's importance takes effect given the sharp fluctuations in the financial markets, the intensification of the economic crisis, and the exclusion of the financial sector from the regulations. It was found that the scope of employment in the public sector in an emergency has not been methodically executed as part of early preparedness and by reference scenarios and the needs that arise from the crisis.
-  **Utilization of the state-guaranteed loan funds** – It was found that the category of businesses with a sales turnover of NIS 200–400 million preferred to submit applications for loans in the regular track, in the framework of the loan fund for small and medium-sized businesses, rather than submitting applications to the fund for large businesses. A high percentage of applications were canceled in both funds, especially in the fund for large businesses in which at least 33% of the applications were canceled in most of the months of its activity. Additionally, disparities were found in the regular track between Jewish and non-Jewish communities, in favor of the Jewish communities, both in the percentage of approved applications (3.1%) and the average percentage of approved (6.7%). Disparities were also found in the percentage of approved applications (estimated at 42%-67%) divided by economic sectors. Thus, according to the Israel Tax Authority data, in the three economic sectors, whose turnover was hardest hit (hospitality and food, art and entertainment, and education); the percentage of approved applications was lower than the average. Moreover, it was found that applications of micro-businesses were denied at a higher rate than applications in other categories of businesses (4%-11% higher rate of refusals) and that applications of larger businesses were denied the full amount required by them to contend with the crisis (the

average amount approved was 6%-22% lower than for the category of micro-businesses).



Publication of the easing and directives – The Bank of Israel and the Capital Markets Authority rapidly notified the public about the regulatory easing and the directives for expanding the scope of assistance during the crisis (among them: honoring charges beyond the customer's credit line, lowering of the minimum age for a "senior citizen" that entitles the customer to priority in the phone answering queue, freezing of insurance policies and automatic renewal of insurance policies without any charge), while maintaining the required balance to ensure the resilience of the supervised bodies.

Funding of the Government's activities – The Accountant General Department issued debt in 2020 on a scope of NIS 265 billion, among other things, to fund government assistance during the Covid-19 pandemic period.

Key recommendations

-  It is recommended to optimize cooperation by the Accountant General Department with the Bank of Israel and the Israel Tax Authority to examine the overall assistance package granted to the public concerning the interrelationship between credit and grants given to sectors that were hit and the severity of the hit.
-  It is recommended that the Capital Markets Authority charged with "protecting and safeguarding the interest of policyholders, fund members and clients of the supervised bodies," ensure that the actors in the financial markets understand the risks inherent in their activity. This understanding should be reflected in the risk management policies of the financial institutions, both concerning the Nostro investment portfolios, to ensure their stability, and concerning the managed portfolios, to secure the members' funds, especially ahead of an emerging crisis based on a forward-looking perspective. It is further recommended that the Capital Markets Authority issue written directives to the financial institutions to analyze risks associated with a crisis or take other actions to mitigate those risks.
-  It is recommended that the Minister of Finance review the definition of the number of personnel of the financial regulators who are allowed to attend work in an emergency before submitting his recommendations to the Government, based on reference scenarios and the regulators' needs. This definition should be included in any future enactment of emergency regulations by the Government, thus ensuring the regular and orderly functioning of the regulators to maintain financial stability and deal effectively with the economic challenges posed by the emergency.



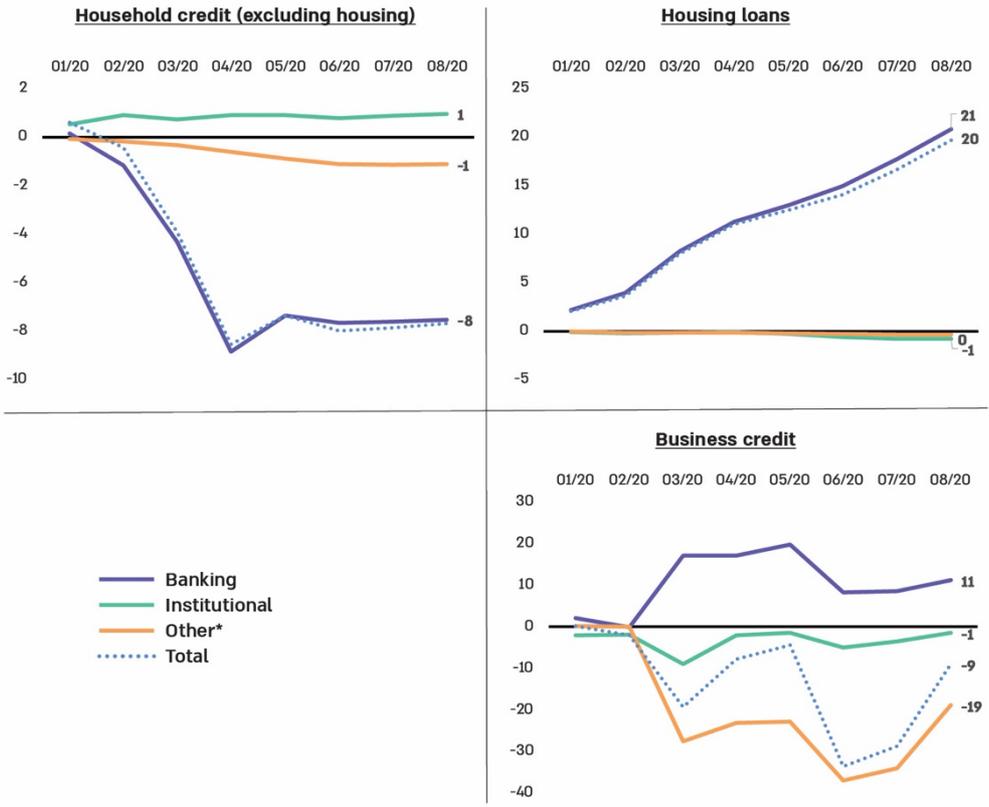
It is recommended that the Accountant General present to the Government in future discussions on the budgeting of one-time amounts ("boxes") for any off-budget expenses that require funding, all the implications of this mechanism for funding those expenses, including the expected impact on the deficit, on the level of government debt and Israel's credit rating.



It is recommended that the Accountant General examine together with the financing bodies the processing times of the loan applications submitted to the state-guaranteed loan funds, the various barriers created in the process, and possible ways of reducing the timeframes. The public should also be informed about the timeframes for dealing with the applications not to avoid frustration by the protracted process. Given the desire to expand the supply of credit to high-risk businesses, as reflected in the establishment of the amplified track, and considering its limited utilization along with the potential solution offered by nonbank entities, it is recommended that the Accountant General consider granting a state guarantee to nonbank entities at commercial terms defined between the parties. It is further recommended that the Accountant General analyze the mode of operation of the fund for large businesses and the high rate of cancellations in the funds to improve their function and the provision of assistance to the business sector.



Change in credit balances in the central economic sectors, January-August 2020 (NIS in billions)



Bank of Israel data, as processed by the State Comptroller's Office.

* Including credit from credit card companies, foreign residents, households, and the Government (directed credit).



Summary

The audit found that Israel's financial regulators quickly assisted and supported the economy's resilience. In this context, they adapted the financial services provided to the public during the crisis, expanded the credit supply, and monitored the Israeli economy's financial activity risks. Nevertheless, deficiencies were found, among others, in the cooperation by all the relevant entities, in defining the vital importance of the financial regulators' activity in times of emergency, in dealing with the high exposure of the financial institutions to overseas derivatives, in defining measurable criteria for the provision of loans and in setting timeframes for the processing of loan applications. Furthermore, based on an international comparison, the guarantee amount on the portfolio of state-guaranteed loans is below international levels. Accordingly, it is recommended to examine the assistance mechanisms offered to increase efficiency and effective use of the credit provided to businesses for bridging the cash flow gap caused by the crisis and enable them to get back on track and resume growth once the crisis has passed.



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Chapter Three

Welfare, Education, Health and Employment Topics



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Welfare, Education, Health and
Employment Topics

Government Handling of the Unemployed during the Covid-19 Pandemic

Government Handling of the Unemployed during the Covid-19 Pandemic

Background

The coronavirus, which spread across the world in 2019, caused widespread infection in Israel and triggered one of the worst employment crises in the country's history. Israel's employment rates fell significantly at the onset of the crisis, with hundreds of thousands of workers sent on unpaid leave or laid off. According to data from the Central Bureau of Statistics (CBS), GDP in 2020 declined by 2.6%. The government provided help to unemployed workers in two main ways: payment of unemployment benefits to an unemployed worker meeting the eligibility criteria established in the National Insurance Law [Consolidated Version] 1995 (the NII Law); assistance to unemployed workers in reintegrating into the job market. Under an Emergency Order from July 7, 2020, the period of entitlement to unemployment benefits was extended until June 2021. After completing the audit in February 2021, the Government decided, in July 2021, to extend the period of entitlement for persons aged 45 and over until December 2021¹.

1 The National Insurance Law (Amendment No. 225 and Emergency Order) 2021.



Key figures

NIS 23.6 billion

total unemployment benefits paid in 2020, more than six times the total in 2019

880,000

recipients of unemployment benefits in April 2020, more than 11 times the number of recipients in January of the same year

80%

of unemployed workers were satisfied to very satisfied with the service they received from the NII – according to a telephone survey conducted by the State Comptroller's Office in collaboration with the NII in September 2020, about half a year after the first lockdown

Approx. 110 million

number of visits to the NII's website in 2020, an increase of more than eight times over 2015

NIS 923 million

total cumulative debt of ineligible individuals who were overpaid unemployment benefits, from the start of the crisis until January 2021

51%

percentage of unemployed workers who reported to the Employment Service that they have no computer skills or only basic computer skills

34%

percentage of unemployed workers from the Arab community who reported to the Employment Service that they have only basic knowledge of Hebrew or have knowledge of languages other than Hebrew

37%

decline rate in the participants in vocational training programs funded or subsidized by the government, from 2019 to 2020 (from 11,000 to 7,000 participants)



Audit Actions

 From May 2020 to February 2021, the State Comptroller's Office audited the Government's handling of the unemployed during the Covid-19 pandemic. The audit examined the service provided to claimants of unemployment benefits and steps to reintegrate them into the job market. The audit was conducted at the National Insurance Institute, at the Employment Service, at the Labor Branch of the Ministry of Labor, Social Affairs and Social Services², and the Ministry of Finance. Supplementary audits were carried out at the Prime Minister's Office and the CBS. The interim findings of this report were published in September 2020³. As with every audit report issued by the State Comptroller's Office, this report was prepared using standard audit tools and based on information and documents collected from all the sources relevant to the audit topic. However, since this topic is of personal relevance to a large proportion of the public, the State Comptroller's Office saw fit to add to the standard audit tools two other tools that indicated public perceptions during the Covid-19 pandemic period: an analysis of the discourse on social media⁴, and a telephone survey conducted in September 2020 among unemployment claimants⁵.

Key findings



 **Negative incentive to return to work** – Among some unemployed, a negative incentive has been created to accept jobs offered to them. The high unemployment rate, coupled with the limited number of job vacancies in the economy, may cause many unemployed workers, including those who are not interested in returning to work due to the negative incentive, to remain unemployed for an extended period also after the

- 2 In July 2021, the Government decided (Decision No. 133) to transfer the Labor Branch to the Ministry of Economy and to change the name of the Ministry of Labor, Social Welfare and Social Services to the Ministry of Welfare and Social Affairs.
- 3 Special report – interim findings (2020), "Government handling of the unemployed and job seekers during the Covid-19 pandemic: receipt of reliable monthly data from employers on employee wages."
- 4 An examination and analysis of the discourse on social media about the service experience provided by the NII and the Employment Service in connection with unpaid leave and unemployment during the crisis period, comparing between the period prior to the Covid-19 outbreak (15.12.19-15.3.20) and the initial period of the crisis (15.3.20-15.6.20).
- 5 1,412 unemployment claimants responded to the survey out of a random sample of 2,366 claimants whose claims were handled during March 15-May 15, 2020, broken down into wage quintiles based on the wages reported in the unemployment claims. The survey was initiated by the State Comptroller's Office, which formulated the questions, and was carried out in Hebrew by the NII's Research Department.



unpaid leave arrangement has ended in June 2021 and perhaps even to become "chronic unemployed." This situation may hinder their reintegration into the job market.

📌 Recommendations of the Public Committee for the Promotion of Employment in Israel by 2030 (the 2030 Committee) and the Task Force to Encourage Employment

–The 2030 Committee⁶ and the Task Force to Encourage Employment⁷ dealt with core issues, emerging from the employment crisis, crucial for bolstering the job market, but as of the audit completion date the recommendations of both forums had not been submitted to the Government for discussion. Additionally, it was found that by the audit conclusion date, no national strategic plan had been formulated for reintegrating unemployed workers into the workforce.

📌 Government activity in the field of employment

– In 2020, during the severe employment crisis, the activity of the two central bodies dealing with the unemployed – the Labor Branch and the Employment Service – contracted their actions, in terms of the number of participants in the programs of these bodies as well as the monetary scope. Thus, the number of participants in government funded or subsidized vocational training programs supervised by the Senior Department for Vocational Training and Manpower Development decreased by 37% between 2019 and 2020. Between these years, the number of participants in courses and vocational training programs of the Employment Service decreased by 40%. Considering that hundreds of thousands of unemployed persons are likely to remain out of work for an extended time, and given the disparities in skills discussed in this report, the reduction in activity in the field of employment may enormously diminish the chances of the unemployed rejoining the workforce.

📌 Availability of the NII's telephone service during the Covid-19 pandemic period

– The NII's call center did not provide callers with quality service. The service level was significantly below the relevant KPIs (abandonment rate and waiting times). It was found that despite the addition of about 200 call center representatives and increased expenditure of NIS 36 million, the call center was still unable to cope with the incoming call load eight months into the Covid-19 pandemic. In October 2020, the average waiting time was 12 minutes – four times the time stipulated in the service agreement. In May 2020, the abandoned call rate was 37% of incoming calls. Between June and October 2020, the abandonment rate "stabilized" at 22%, exceeding by a significant four times the target rate of 5% set in the tender. An analysis of the discourse

6 The 2030 Committee operated in the years 2017-2019 and was tasked with formulating recommendations for increasing employment among populations that are underrepresented in the labor market and promoting those populations, improving workers' qualifications and market skills and strengthening the Government's preparedness for the changing labor market.

7 The Task Force to Encourage Employment – In July 2020, an inter-ministerial steering committee on employment was set up, headed by the then Director General of the Ministry of Finance and acting Director General of the Prime Minister's Office. The task force's summary report dealt with several topics, among them the "collection and cleansing of employment market data."

on social media showed a negative sentiment⁸ towards the NII call center in 100% of the posts.

-  **Double registration procedure for unemployment benefits** – Claimants of unemployment benefits were required to register twice, both at the NII and Employment Service. Double registration can delay payments and create problems in transferring information between the Employment Service and the NII. The audit found that up to December 2020, the NII and the Employment Service did not have a unified form for unemployment claims.
-  **Central online apps suitable for unemployment claimants in the Covid-19 pandemic period** – Online apps, such as forums and chatbots⁹, that could help improve the NII's online service for unemployment claimants in particular, and benefit claimants in general, are not included in the service provided by the NII to the public. Moreover, certain apps (such as the Personal Area¹⁰, which was visited about 47 million times in 2020) are not accessible in other languages.
-  **Control over unemployment benefit payments** – The percentage of those receiving unemployment benefits without the NII knowing whether they returned to work (individuals with whom contact has been lost) declined between November and December 2020 (from 29% to 15%), but their number remains high – more than 90,000 individuals. The NII paid unemployment benefits totaling NIS 380 million without knowing whether or not they are employed. The audit found that the Employment Service does not systematically contact all unemployed persons once a month to check whether they are still unemployed. Since the start of the Covid-19 pandemic until January 2021, the cumulative debt of ineligible individuals who were overpaid unemployment benefits has reached close to a billion shekels, averaging NIS 84 million a month. The rate of investigations by the NII declined from 0.8% in 2019 to 0.1% in 2020.
-  **The NII's service strategy in the post-Covid-19 pandemic period** – The use of services simultaneously in several channels results in a waste of the organization's resources and harms the quality of the service. It was found that NII customers who perform activities in the Personal Area use parallel service channels unnecessarily since the information they want already appears in their Personal Area. These customers create a load on other channels, adversely affecting the service for customers who cannot perform activities in the Personal Area for various reasons, such as lack of digital skills or language difficulties. Thus, according to NII data provided to the State

8 The discourse sentiment is derived from a qualitative analysis of the discourse on social media and expresses the degree of discourse positivity or negativity.

9 Chatbot – A person contacting a call center can converse or correspond with it, while actually communicating with an automated smart system (robot) rather than a human call center representative.

10 The Personal Area on the website can be used to obtain a wide range of information, as well as for submitting claims, including for unemployment benefits, and tracking their status.



Comptroller's Office in December 2020, in 2020, about 391,000 unemployment claimants contacted the call centers, of which about 331,000 (84%) visited their Personal Area in parallel.

 **Transfer of information held by the Employment Service on unemployed persons** – As of the audit completion date, there is no mechanism for the regular transfer of data between the Employment Service, which has the most up-to-date database on the characteristics of unemployed persons, and the Labor Branch, which is the primary entity dealing with labor market planning.

 **Betterment of the Employment Service's database on unemployed persons** – The information collected on unemployed persons in March – April 2020 – hundreds of thousands of people signed up with the Employment Service – was incomplete and did not include all the relevant details, such as education and previous employment history. This made it difficult to obtain a reliable picture of the characteristics of those signing up with the Employment Service, placing them in new positions or offering them vocational training. By November 2020, the Employment Service had not completed all the required information about the people who signed up for its services, and it does not have relevant information.

 **Upgrading the skills of unemployed persons** – Approximately 335,000 unemployed persons reported to the Employment Service that they have no computer skills or only basic computer skills. However, between 2019 and 2020, the number of participants in courses for improving computer skills decreased from 2,283 to 1,888 (a drop of 17%). Furthermore, it was found that 34% of the 144,000 unemployed in the Arab sector reported that they have only basic knowledge or no knowledge (approximately 50,000), and 44% reported a high level of proficiency or native proficiency in Hebrew. However, in 2020 there were only 66 participants in the Employment Service's occupational Hebrew course, even less than in 2019, in which there were 98 participants.



Degree of satisfaction with the NII's handling of unemployment claims, as indicated by the telephone survey – In September 2020, about half a year after the first lockdown, 80% of unemployed workers were satisfied to very satisfied with the service they received from the NII (54% specified "satisfied" and 26% "very satisfied").

Employers' reports to the NII – Further to the recommendations by the State Comptroller in the interim report and by the Task Force to Encourage Employment, the NII and the Ministry of Finance acted during the Covid-19 pandemic to promote legislative processes. On November 19, 2020, some two months after the publication of the interim findings, an amendment was enacted to the National Insurance Law [Consolidated Version] 1995 requiring employers to submit to the NII a monthly online report as set out in the amendment, including the wage, job percentage, and classification of each employee. The amendment is effective by April 2021 for employers

with more than 180 employees and as of October 2021 for employers having up to 180 employees.

The Employment Service – In June 2020, after the Employment Service set up an outsourced call center and increased the telephone exchange capacity and the number of call center representatives, there was an improvement in the call center availability.

Key recommendations

-  **Negative incentive to return to work** – It is recommended to give unemployed workers an incentive to rejoin the labor market, and upgrade the skills of recipients of unemployment benefits based on their personal characteristics, at least until they return to work.
-  **Recommendations of the 2030 Committee and the Task Force to Encourage Employment** – It is recommended that the Government study the recommendations of Task Force to Encourage Employment and the 2030 Committee and decide which recommendations to adopt and accordingly prepare a national strategic plan for the reintegration of the hundreds of thousands of unemployed into the workforce. It is recommended as a preliminary step to set up a directors-general forum to implement the recommendations, as suggested in the Task Force to Encourage Employment report, by the government decisions. The adoption and implementation of the recommendations of the 2030 Committee and the Task Force to Encourage Employment can give a significant boost to policy-making on employment and enable better management of the exit from the employment crisis and dealing in the long term with the expected changes in the employment market.
-  **The NII's service strategy in the post-Covid-19 pandemic period** – It is recommended that the NII consider its post-Covid-19 pandemic service strategy, emphasizing the integrated management of the service channels. In this context, it should reduce the number of parallel inquiries in the different channels and consider how to make as much personal information as possible accessible online – utilizing advanced apps and in other languages – to steer customers who are conversant with these means to the online service channels. This will allow the NII to focus its in-person and telephone services on customers who cannot use the online channels or did not receive a satisfactory response through these channels.
-  **Transfer of information held by the Employment Service on unemployed person** – It is recommended that the Employment Service, the Labor, Branch and the NII in collaboration with the Prime Minister's Office and the Ministry of Finance, which led the Task Force to Encourage Employment, regulate the data transfer between the relevant bodies, to enable all the entities authorized to deal with unemployed persons.



If difficulties arise in reaching agreements, the instructions of the Attorney General should be followed in this regard.



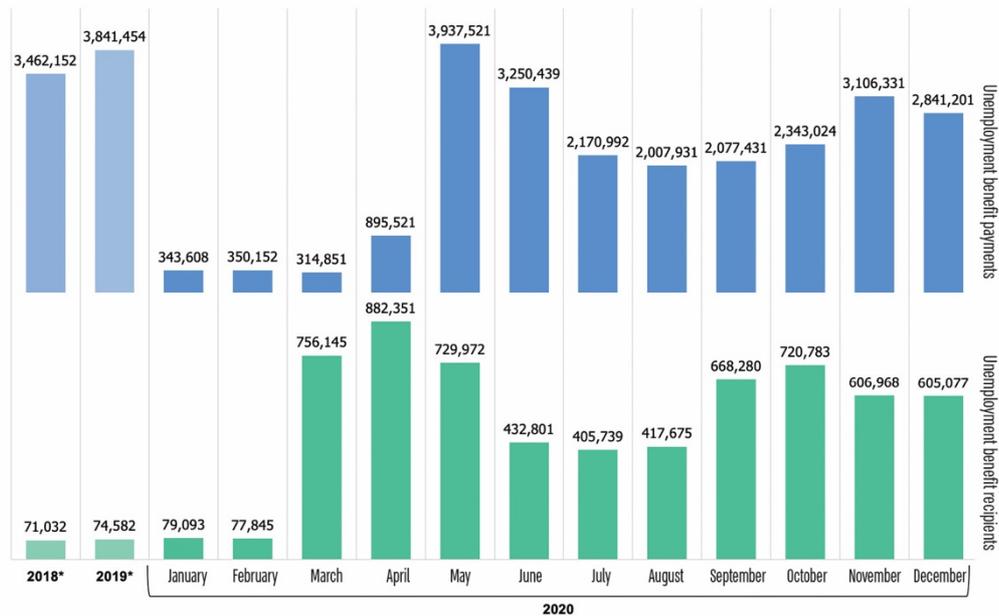
Betterment of the Employment Service's database on unemployed persons –

It is recommended that the Employment Service complete the missing information on unemployed persons, validate their answers, and consider updating the form for registering with the Employment Service to enable a more accurate employment characterization.



Upgrading the skills of unemployed persons – Given the disparities in computer skills and proficiency in the Hebrew language, and to integrate the unemployed persons with poor skills in the labor market, it is essential to give them an incentive to improve their skills during the period of entitlement to unemployment benefits. Accordingly, the Labor Branch and the Employment Service, in collaboration with the Ministry of Finance, should prepare an integrated plan, based on the data presented in the report and cross-reference of other administrative data, to provide an incentive to the population requiring immediate improvement in its computer skills and Hebrew language proficiency to do so during the period of receipt of unemployment benefits. It is appropriate that the ministries prepare the plan to consult with the local government and other relevant entities in the third sector that is familiar with the characteristics of the different populations and implement the plan in the geographical regions in which those populations live.

Development Recipients of unemployment benefits in 2020 by month compared with the monthly average for 2018–2019 and amount of unemployment benefit payments (in thousands)

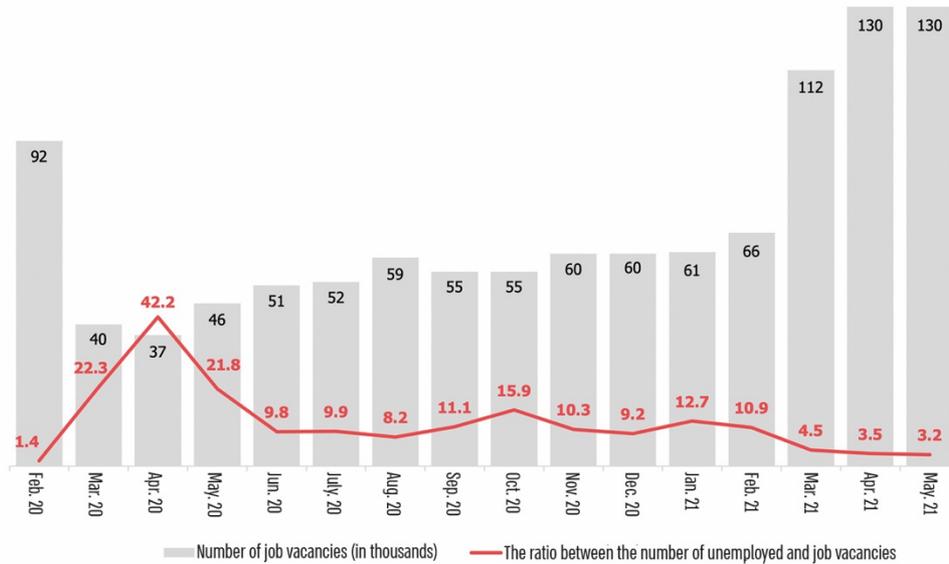


According to the National Insurance Institute data, Statistical Monthly – Unemployment, as processed by the State Comptroller's Office.

* Monthly average number of unemployment benefit recipients and amount of unemployment benefit payments.



Difference between number of unemployed and number of job vacancies, February 2020 – May 2021



According to data from CBS publications, as processed by the State Comptroller's Office.



Summary

The restrictions imposed by the Government in the wake of the covid-19 pandemic outbreak and the placement of employees on unpaid leave plunged Israel into one of the worst employment crises of its history. According to CBS data, in October 2020, about 16 unemployed individuals "competed" over each job vacancy in the employment market, 11 times more than in February 2020, on the eve of the crisis. This ratio began to decline in February 2021, with the economy's return to normal, reaching 3.2 in May 2021. However, at the same time, the number of job vacancies climbed to a record high of 130,000. In practice, the Covid-19 pandemic was a "pressure test" of sorts. In this sense, it exposed deficiencies in the quality of the NII's service to unemployment claimants and government actions to reintegrate the unemployed into the labor market, particularly in the cooperation between the three primary bodies: the NII, the Employment Service, and the Labor Branch. In this context, it was found that there are no mechanisms for the regular transfer of information between the different bodies dealing with employment. It further emerged that the issue of coordination between the Labor Branch and the Employment Service was the subject of disagreements already before the Covid-19 pandemic, and this situation worsened during the crisis. It is recommended to pool the bodies' resources dealing with the employment market under one organizational roof, thereby reducing the existing organizational fragmentation, which lessens the effectiveness of government activity. The importance of this step is highlighted given the contraction in the Labor Branch activity and the Employment Service in 2020, and given the negative incentive for unemployed workers to return to work or at least improve their skills due to the extension of the period of entitlement unemployment benefits.



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Welfare, Education, Health and
Employment Topics

Caring for Senior Citizens during the Covid-19 Pandemic

Caring for Senior Citizens during the Covid-19 Pandemic

Background

In January 2020, the World Health Organization declared the outbreak of the Covid-19 pandemic a public health emergency event with global implications. At the end of February 2020, the first Covid-19 infected person was diagnosed in Israel. The population of senior citizens¹ in Israel, numbering over one million people or 12% of the general population, was identified as the group most at risk for death and health complications from the disease, with the risk increasing with age. Functioning level varies significantly across this population, ranging from full functioning with no medical limitations to considerable medical and functional limitations.

To prevent the spread of the Covid-19 pandemic, the government imposed restrictions that considerably reduced the spaces in which the general population was allowed to stay, including the population of senior citizens. The restrictions affected senior citizens health-wise, mentally and financially.

The Ministry of Welfare and Social Affairs (Ministry of Social Affairs) operates, via the social services departments of the local authorities, a range of community frameworks intended to help senior citizens improve their personal and social functioning. The Ministry for Social Equality serves as an administrative body of the government for handling senior citizens' affairs, including promoting active aging, full utilization of and accessibility to rights and employment. Aside from the one million senior citizens living in the community, there were around 29,500 senior citizens in geriatric hospitals supervised by the Ministry of Health and in retirement homes run by the Ministry of Social Affairs (the geriatric hospitals and retirement homes will be referred to as the institutions).

¹ According to the Senior Citizens Law, 1989, a senior citizen is a resident of Israel who has reached retirement age, according to the Population Registry: 62 for women and 67 for men (according to the Retirement Age Law, 2004).



Key figures

**1,1
million**

the number of senior citizens in Israel. About 7% of them reside in institutions, housing clusters, and protected living residences

**Approx.
92%**

of all persons who died of Covid-19 pandemic were 60 and older by April 2021

**Approx.
264,000**

the discrepancy between the number of senior citizens in Israel according to the Population and Immigration Authority and their number according to the Central Bureau of Statistics

**NIS 140
million**

budget of the Magen Zahav ("Gold Shield") program for protecting the population of senior citizens living in the community against exposure to the covid-19 pandemic

38%

percentage of senior citizens who reported a high or medium degree of loneliness and isolation in the framework of the Magen Zahav program

40%

percentage of senior citizens whom the Ministry of Social Affairs did not succeed in contacting, out of the target population is defined in the framework of the Magen Zahav program

66%

by July 2021, the percentage of senior citizens whose needs the Ministry for Social Equality has not yet mapped, out of the target population as defined in the framework of the Magen Zahav program

2,500

number of auxiliary healthcare workers needed in the institutions according to the estimates of the Ministry of Health and Ministry of Social Affairs

Audit Actions

 From May 2020 to July 2021, the State Comptroller's Office examined several topics concerning the care for senior citizens in the community and institutions since the outbreak of the Covid-19 pandemic. As regards the senior citizens in the community, the audit examined the actions of the state and local authorities to locate and map the senior citizens and their needs and the assistance provided to them for alleviating loneliness and isolation and maintaining an active life routine. Regarding senior citizens in institutions, the audit examined the shortage of workers at the institutions and maintaining contact between residents and their loved ones. In addition, as regards the

senior citizens in institutions, the interim report, from October 2020 examined: tests for identifying Covid-19 pandemic carriers in the institutions, provision of protective equipment for the institutions, solutions for senior citizens who are Covid-19 pandemic carriers, and building processes of the Magen Avot Ve'Imahot ("Fathers and Mothers Shield") program. The examination in this report is based on the State Comptroller's questionnaire distributed to a sample of local authorities; on the State Comptroller's questionnaire handed out to senior citizens in two age groups (67–75 and 76 and older); and on public involvement processes of senior citizens, directors of elderly day centers (Ofek) and directors of institutions, through focus groups.

Key findings

-  **Information on senior citizens at local authorities and in national and general databases** – Although senior citizens are a population that is likely to need assistance, especially in a time of emergency, by the audit end date, there is still no single body in Israel that centralizes basic information on them, and facilitates using an orderly mechanism, for the collection of data and its transfer to bodies involved in the care of senior citizens. Local authorities lacked information on senior citizens in need of assistance and their contact details, which delayed the provision of the aid, particularly at the time of the pandemic outbreak and during the first lockdown. Before the outbreak of the Covid-19 pandemic, there was no entity in the local authorities that centralized complete and updated information on senior citizens and their characteristics, which would have enabled offering assistance to this population with the outbreak of the crisis. The central database, which centralizes general information on the residents of the State of Israel – the Population Registry, did not contain at the time of the Covid-19 pandemic optimal information, including contact details, to enable the local authorities, government ministries, and other support organizations to locate and map the elderly population and approach them swiftly to extend assistance. Central Bureau of Statistics (CBS) data, though they are more updated and contain the phone numbers of senior citizens, were not used by the support organizations. Likewise, a discrepancy was found between the Population Authority and CBS databases, on the scale of 264,000 senior citizens (a disparity of 23%) – primarily due to senior citizens registered in the Population Registry and residing abroad.
-  **Gathering information on senior citizens and mapping their needs** – The Ministry of Social Affairs and the Ministry for Social Equality set a target, in the framework of the "Magen Zahav" ("Gold Shield") program, to map the needs of all the senior citizens (around a million people), without prioritizing support requirements. They achieved low mapping rates – the Ministry of Social Affairs about 30%, by February 2021, and the Ministry for Social Equality about 34%, by July 2021; they did not do a



follow up with the local authorities to which the information on senior citizens was transferred; and split the actions they carried out for mapping the needs of senior citizens, among other things, in terms of timing. Some local authorities expressed satisfaction with the mapping process, while others cited difficulties stemming from the multiplicity of entities approaching senior citizens, the double work entailed in identifying their needs, and inaccurate information they were given.

📌 A national repository of information on senior citizens to be used in states of emergency – It was found that the proposal put to the government by the Ministry for Social Equality in 2018 in the matter of "Assistance to Senior Citizens in a Time of Emergency," that includes the Ministry's responsibility for establishing a database on senior citizens for times of emergency, was not presented to the government, due to lack of agreement with the Ministry of Social Affairs. However, from March 2020, the Ministry for Social Equality established a database on senior citizens for the dual purposes of providing support for them during the period of the Covid-19 pandemic and preparing for future emergencies. To this purpose, the Ministry for Social Equality requested information on senior citizens from six central bodies holding information. In the lack of a norm mandating this, three of the bodies mentioned above did not give their approval to transfer the information – the Ministry of Social Affairs, the National Insurance Institute, and the Ministry of Aliyah and Integration. The local authorities, too, did not transfer the information it requested to the Ministry for Social Equality. This harmed the information infrastructure needed to support senior citizens during the Covid-19 pandemic and the infrastructure for setting up a database for future emergencies.

📌 Actions by the Ministry of Social Affairs and Ministry for Social Equality to alleviate loneliness and isolation of senior citizens in the community – The Ministry of Social Affairs recognized the importance of day centers² (Ofek) during this period and allowed them to open during the second wave of the pandemic, subject to the Purple Badge restrictions, by increasing rates and indemnifying the day centers for the non-arrival of senior citizens. However, the Ministry of Social Affairs provides a partial solution for the budgetary distress of day centers during routine times, directly affecting their ability to provide adequate services to senior citizens both in times of routine and emergency. A day center director said, for example, "to obtain a tablet for the elderly, I had to write a request in a Facebook group, here in the community, though it was unpleasant for me to make a request. I received an old tablet without a charger, and I am still looking for a suitable charger." Further, despite the vital need for supportive

² A social therapeutic framework intended for senior citizens living in their own homes but in need of personal care and interested in social activities with their peers.

communities³, the Ministry of Social Affairs budgets 285 supportive communities in 148 out of 256 local authorities, where 60,000–70,000 senior citizens are registered.

-  **Providing access to information for senior citizens** – The Ministry of Social Affairs and Ministry for Social Equality did not inform the senior citizens they contacted about the solutions offered by the other ministry and render them accessible. Thus, information was kept from many senior citizens regarding various activities that could have helped them and improved their quality of life.
-  **Senior citizens in the community – use of digital means** – The Ministry of Social Affairs and Ministry for Social Equality acted to make digital means accessible to senior citizens, but they are in the initial stages of this activity. In the Ministry of Social Affairs estimation, the number of participants in the programs designated for this purpose is expected to be around 10,000 by the end of 2021.
-  **Use of digital means to maintain contact between institutional residents and their loved ones** – The Ministry of Health and Ministry of Social Affairs recognized the importance of preserving the residents' connection with their loved ones via digital means, mainly through remote visual communication, during the Covid-19 pandemic period, and even directed the institutions to act in the matter. However, holding such standards is not a condition for receiving a license to operate a geriatric hospital or an old-age home, and the ministries did not allocate funding from their budget to purchase or use them. Additionally, the ministries partially checked within the framework of their control process of the institutions (in the Ministry of Health in 54% of the control reports and the Ministry of Social Affairs in 27% of the reports) that they are indeed placing at the disposal of the residents the digital means for maintaining remote visual communication.
-  **Auxiliary healthcare workforce shortage in institutions** – Notwithstanding the shortage in auxiliary healthcare workers in the institutions, estimated at 2,500, with the problem being more severe during the Covid-19 pandemic, and despite the government's decision from July 2020 to bring from abroad up to 2,500 foreign workers, by July 2021, foreign auxiliary healthcare workers had not yet been brought to Israel to work at the institutions. It further emerged that by April 2021, the Geriatrics Division at the Ministry of Health, in coordination with the Ministry of Social Affairs, the National Insurance Institute, the Prime Minister's Office, and the Ministry of Finance, had not yet completed drawing up a program for expanding caregivers' functions, which according to the government's decision from May 2020, was supposed to have been submitted to the Health Ministry's Director-General in March 2021.

³ A framework that serves as a safety net for senior citizens residing in the community, which is provided in the senior citizen's home. The services included in the program are: an emergency call center and accompanying medical services, a community parent acting as an intermediary, social and cultural activities, providing access to services, etc.



Special support projects and programs sponsored by government ministries –

During the crisis, government ministries operated, in cooperation with third sector organizations, special support projects, and programs, among them: in March-April 2020, the Ministry of Social Affairs distributed over 6 million meals to the homes of 127 thousand senior citizens, with a budget investment of NIS 260 million, as well as distress buttons and fall sensors to some 18,000 senior citizens; in July 2020, amid the crisis, the Ministry of Social Affairs drew up, in collaboration with the Ministry for Social Equality and other bodies⁴, a national program for the protection of the third age population living in the community – the "Magen Zahav" (Gold Shield) program; additionally, the Ministry for Social Equality acted in a range of ways to assist the independent senior citizen, especially in the alleviation of loneliness and isolation, the entire exercise of rights and digital literacy. Concerning institutions, the State has acted on various aspects of the issue and invested resources in dealing with the pandemic in an attempt to continue providing the residents with appropriate care and maintain their life routine, as described in the State Comptroller's report from October 2020 on the topic "Caring for Senior Citizens Residing in Institutions during the Covid-19 pandemic – Interim Findings".

Key recommendations



Information on senior citizens at local authorities and in national and general databases – According to the Senior Citizens Law, the local authority must appoint a senior citizens adviser to serve as an integrator for the senior citizens' domain; and to be in charge of centralizing the information on this population, updating it in a routine time, and carrying out controls aimed at optimizing it, including the seniors' contact details; so that the local authority can make contact with them and assist them also in an emergency. It is recommended that the Ministry of Social Affairs and Ministry for Social Equality jointly draw up, in consultation with the Ministry of Justice – the Attorney General, a mechanism for setting up an online database, or any other effective mechanism, for obtaining information on senior citizens in a time of emergency. It is further recommended that the National Digital System in the Ministry of Economy complete the regulatory process for adding the digital communication details of public bodies, including the Population and Immigration Authority and the Central Bureau of Statistics, for contacting the residents; that the Population Authority examine additional ways to optimize the information in its possession in times of routine, so that it will be prepared for times of emergency as well; and that the Population Authority and Central

⁴ The Ministry of Health, National Emergency Authority, Ministry of Defense, National Insurance Institute, Digital Israel Headquarters, Ministry for Community Empowerment and Advancement, Ministry of Interior, Ministry of Aliyah and Integration, Ministry of Construction and Housing, local authorities, HMOs, civil societies and volunteer organizations.

Bureau of Statistics increase the cooperation between them, including the regulatory process this would require, reduce the discrepancies between their respective databases, to optimize the database to assist the entire population in Israel in a time of emergency, particularly the senior population. In addition, the Ministry of Social Affairs and Ministry for Social Equality should arrange for shared work mechanisms between the two ministries, at the same time determine the purview and boundaries of responsibility, to enable the pooling of resources and transparency of information between them, subject to the protection of senior citizens' privacy by law.



Alleviating the loneliness and isolation of senior citizens in the community – actions by the Ministry of Social Affairs and Ministry for Social Equality – It is recommended that the Ministry of Social Affairs complete reviewing the operation model for day centers, including the budgeting mechanism, to enable the continued provision of this vital service to senior citizens, in times of routine in general, and in times of emergency in particular, including the consolidation of solutions under a single roof and pooling of public resources. Likewise, the Ministry of Social Affairs should publicize nationally, inform all senior citizens about supportive communities, and assess the need to set up additional supportive communities, particularly in the 108 local authorities that lack such frameworks. In addition, the State Comptroller's Office recommends that the Ministry of Social Affairs and Ministry for Social Equality draw up an outline for sharing information, pooling resources, and coordinating between themselves and with the local authorities, concerning all the activities, solutions, and programs offered to senior citizens in the community. It is also recommended that the ministries focus their efforts on alleviating the loneliness and isolation of senior citizens, who have suffered severely from this, according to age bracket, sector, or another characteristic.



Senior citizens in the community – alleviating loneliness and isolation by digital means – It is recommended that the Ministry of Social Affairs and Ministry for Social Equality cooperate with the local authorities to map the senior citizens in need of assistance in the digital infrastructures field, and accordingly expand the services offered and considerably increase the number of seniors using them. Likewise, the ministries involved should examine options to develop digital means for senior citizens with low digital literacy, such as a dedicated TV channel for the senior population, in collaborations with existing operators.



Use of digital means to maintain contact between institutional residents and their loved ones – It is recommended that the Ministry of Health and Ministry of Social Affairs consider assimilating the use of digital means to allow remote visual communication between the residents and their loved ones on a routine basis, as an additional tier of face-to-face meetings, particularly in times when the possibility of such meeting is likely to be limited, like the outbreak of a pandemic, war or natural disaster. Regarding the assimilation, regulatory action is recommended in the framework of licenses for operating the institutions, budgeting these means, and carrying out current controls in all institutions.



Auxiliary healthcare workforce shortage in institutions – The Ministry of Health, Ministry of Social Affairs, Ministry of Finance, Ministry of Foreign Affairs, Population and Immigration Authority, National Insurance Institute, and Prime Minister's Office should implement – each within its sphere of responsibility – the Government's decision from July 2020 to bring from abroad up to 2,500 foreign workers to work as auxiliary personnel in the institutions, and the Government's decision from May 2020 about increasing the supply of caregivers for senior citizens in the community and institutions. It is recommended that the Ministry of Health and Ministry of Social Affairs continue to monitor the workforce situation in the institutions and ensure that the required solution is being provided to the institutions in this respect.

The effects of Covid-19 pandemic on those aged 65 and over in Israel, September 2020



47%
Poor mental state



20%
Suffered economic deterioration



32%
Suffered a deterioration in health

Source: Joint Israel Eshel and the ERI Institute (September 2020).



Summary

The Covid-19 pandemic put the senior citizens' population at the risk focus and public attention, necessitating governmental and municipal bodies and third sector organizations to swiftly help the elderly. Despite the importance of a reliable database on senior citizens, no single body in Israel centralizes primary data on this entire population, including seniors' identity and updated contact details, using an organized mechanism. The lack of a unified database made it difficult for local and central government representatives to assist senior citizens.

The State Comptroller's Office recommends that the Ministry of Social Affairs, Ministry for Social Equality, and when relevant, also the Ministry of Health, draw up an outline for sharing information, pooling resources, and coordinating among themselves and with the local authorities and institutions, concerning all the activities, solutions and programs being offered to senior citizens to alleviate their loneliness and isolation, and at the same time expand the services provided in the digital domain to significantly increase the number of seniors using them.



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Welfare, Education, Health and
Employment Topics

Aspects of Regular Medical Activity during the Covid-19 Pandemic

Aspects of Regular Medical Activity during the Covid-19 Pandemic

Background

Following the Covid-19 pandemic outbreak in March 2020, the Minister of Health announced that the disease caused by the coronavirus is infections, dangerous, and poses a serious threat to the public. To prevent harm to the public's health and deterioration in patients' medical condition, it should also be ensured during extended emergencies, such as the period of the Covid-19 pandemic, that vital medical services are continuously provided to the community – through the Health Medical Organizations (HMOs). It is also essential to encourage the public to use these services, including the continued follow-up and treatment of previous ailments and ongoing preventive care, such as the required vaccinations and periodic tests for early detection of illness. The Covid-19 pandemic has changed activity patterns in the health system, including a transition to remote medical care and consideration of the possibility to provide medical care through Home Hospitalization substitute for hospitalization. The pandemic has also had a significant impact on the mental health system, facing intensifying challenges brought on by mental health complications, some of which have manifested for the first time, and others reappeared as a consequence of the pandemic.



Key figures

Approx. 830,000	Approx. 21,150	Approx. 6,400	2,474
people contracted Covid-19 pandemic in Israel from March 2020 to March 2021	infected people were hospitalized in Israel in serious condition, including ventilated patients, from March 2020 to March 2021	people died from the Covid-19 pandemic in Israel until the middle of June 2021	beds were added in Covid-19 pandemic wards in hospitals from March 2020 to the end of 2020
Approx. 17%	Approx. 2.5%	Approx. 20% to 30%	Approx. 20%; + 3%
rate of decline in colonoscopy tests ¹ in hospitals and HMOs from March to October 2020 compared with the same period in 2019	of Covid-19 pandemic patients received treatment from their HMO at home or in a recovery hotel through remote medical monitoring (8,289 out of 324,873 patients from the start of the Covid-19 pandemic outbreak to October 31, 2020)	the estimated rate of increase in levels of anxiety and depression in the population during the Covid-19 pandemic period ²	the estimated increase of 20% applications to the mental health system by new patients; according to the HMOs data, there was a slight increase of only 3% in the number of patients that received service

1 Endoscopic examination of the large bowel – an invasive medical procedure in which the lower intestinal tract, particularly the large bowel, is examined using a flexible plastic tube and imaging system.

2 Estimate of the head of the Mental Health Department from November 2020; Central Bureau of Statistics, "Civil resilience during the Covid-19 pandemic period among ages 21 and over: third-wave findings of the survey conducted in mid-July amid the pandemic," media release, July 26, 2020.



Audit Actions

 From November 2020 to February 2021, the State Comptroller's Office examined aspects of regular medical activity during the Covid-19 pandemic, including the hospitalization system, preventive medicine, seasonal flu vaccinations, home hospitalization of Covid-19 patients as a substitute for hospitalization, and the mental health services system. The audit was conducted at the Ministry of Health (MOH), at the four HMOs – Clalit Health Services, Maccabi Healthcare Services, Kupat Holim Meuhedet, and Leumit Health Care Services, and the state-owned, Clalit-owned and other general public hospitals (the hospitals).

Key findings

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-  **Conversion of hospital beds and reduction in hospital activity in favor of covid-19 patients** – On the eve of the Covid-19 pandemic outbreak, Israel's hospitalization system had no redundancy and was already overburdened. Following the pandemic outbreak, the MOH instructed hospitals to prepare beds for the hospitalization of Covid-19 patients. Hospitals were forced intermittently to close or scale back the operations of existing wards, mostly internal medicine wards, and to limit elective medical procedures (non-urgent scheduled procedures) at other wards, such as the various surgery wards. It should be noted that according to MOH data, 2,474 beds were added in the Covid-19 pandemic wards by the end of 2020.
 -  **Surplus mortality³** – Surplus mortality in Israel, as measured several times in 2020 relative to the average for 2010–2019, was higher than in several other countries (United Kingdom, Sweden, Germany, Czech Republic). By mid-June 2021, there were some 6,400 deaths from the Covid-19 pandemic in Israel. While the mortality rate for January – March 2020 was lower than in the same period of 2017–2019, in April – May 2020, it was slightly higher. From July 2020, it surged dramatically – thus in September 2020, the mortality rate was 22% higher than in September 2019, and in October 2020, it was 26% higher than the mortality rate measured in October 2019.
 -  **Intensive care beds and skilled personnel** – General and respiratory intensive care beds and specialists in this field are essential for preventing impaired quality of treatment of Covid-19 patients. The main bottleneck in treating seriously ill Covid-19 patients is the shortage of medical personnel with intensive care and ventilation expertise and

³ A term in epidemiology and in public health referring to the count of the number of deaths in a defined population beyond the expected mortality rate under normal conditions.



nursing staff skilled in caring for patients suffering from severe and complex conditions. Thus, for example, the percentage of general intensive care beds from total beds in general hospitals in Israel is 3% and lower compared to other countries – in Europe, the percentage of intensive care beds is an average of 5% of all general hospital beds, and in the United States 10%.

 **Preventive care** – The MOH did not clarify to the public that if the rules set – for example, wearing masks and following distancing rules – were followed, there was no concern to come for necessary medical tests and treatments not related to Covid-19, and did not instruct hospitals and HMOs to do so. The hospital clinics and HMOs did not methodically encourage patients to go for treatment, and there was a decline in the number of people taking medical tests. Thus, for example, the number of colonoscopy tests decreased by 17% compared to the year before.

 **Mental health services – number of patients and treatments** – Despite reports from Israel and around the world of a significant increase in levels of anxiety and depression among the general population in the wake of the Covid-19 pandemic, and notwithstanding an estimated 20% rise in demand for mental health services, the figures of the HMOS reflect only a slight rise of 3% in the number of patients that received services and 2% in the number of treatments provided compared with the same period in the previous year.

 **Mental health services – waiting treatment times** – The MOH did not define the waiting times the mental health services system must meet and did not set gradual multi-annual targets for waiting times. Reasonable waiting times are a prescribed requirement under the National Health Law and are particularly important in light of the rise in mental health complications caused by the Covid-19 pandemic.



Initiatives and strategies for reaching out to patients during the Covid-19 pandemic – Some hospitals have developed their initiative strategies for reaching out to patients and for making medical treatment accessible to patients in outpatient clinics while maintaining physical distance and limiting contact and exposure to potential infection – for example, home visits by medical personnel and the operation of "Covid safe areas".

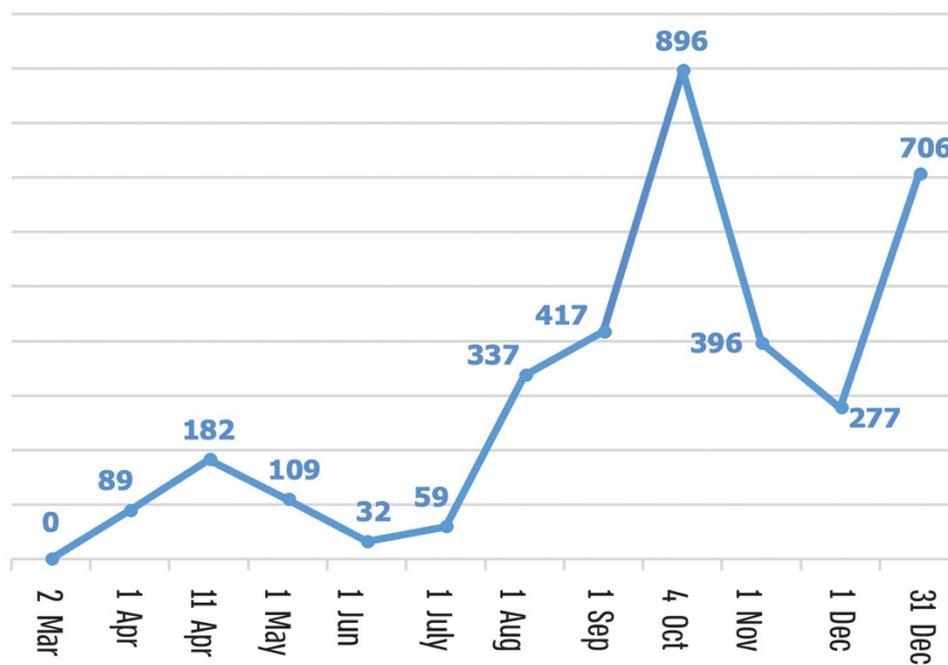


Key recommendations

-  It is recommended that the health system – the MOH and the HMOs set up a system to learn from experience gained in the Covid-19 pandemic in order to develop tactics for fighting a flu pandemic. Following this, the MOH should update the health system's fighting tactics in preparedness for a flu pandemic and other viral pathogens and submit it for approval by the relevant entities. This will allow for better coping with such situations in the future.
-  It is recommended that The MOH establish optimal work methods to ensure a safe and sterile environment for patients, so they will not be concerned about applying for medical treatment during a crisis such as the Covid-19 pandemic. This should be coupled with a public campaign assuring a safe environment in medical treatment.
-  It is recommended that the health system – the MOH and HMOS – identify the bottlenecks in the system that impair the ability to provide adequate medical care; the MOH should map the hospitals' activities during the Covid-19 pandemic and prepare a solution plan for the need to reinforce the medical personnel – nursing and other – in the internal medicine wards, other wards and in the covid-19 specialized wards.
-  It is recommended that The MOH, together with the HMOs, analyze the changes that have occurred in the medical care provision method – such as remote medical treatment and the increase in home treatment and home hospitalization – and evaluate the possibility to expand and solidify them for use in regular times. It is further recommended that they consider the activities that should be retained from this period and those that require improvement in order to maximize the advantages to be gained from these services.
-  It is recommended that the MOH and the HMOs analyze the barriers that caused only a slight rise in the mental health patients and the mental health treatments numbers provided in the Covid-19 period, despite the estimates of a higher increase in the demand for these treatments. They should also assess the reasons that many chose to forgo mental health treatment in order to provide these services to those needing them. Furthermore, as the increase in demand for mental health treatments is based on general estimates only, the MOH should instruct the HMOs, especially during a pandemic, to methodically collect data on the increased demand for these treatments and report to the MOH in order to formulate a solution to meet any future need.



Number of seriously sick patients in the Covid-19 wards in all hospitals, from March to December 2020



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



Summary

To prevent harm to the public's health and deterioration in patients' medical condition, it should also be ensured during extended emergencies, such as the period of the Covid-19 pandemic, that vital medical services are continuously provided to the community through the HMOs. It is also essential to encourage the public to use these services, including the continued follow-up and treatment of previously contracted illness and ongoing preventive medical care, such as the required vaccinations and periodic medical tests for early detection of disease.

It is recommended that the MOH, the hospitals, the HMOs, and the other medical entities draw lessons from the developments in the Covid-19 pandemic thus far and that the MOH update the health system's fighting tactics for dealing with a flu pandemic and other viral pathogens, and notably the Covid-19 pandemic, to enable better identification of the characteristics of the pandemic and to enable better coping methods with such mega-events in the future.



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Sampling and Lab Testing Setup for Diagnosing Covid-19



Sampling and Lab Testing Setup for Diagnosing Covid-19

Background

The covid-19 pandemic that started in February 2020 and continued during the audit has already claimed many victims in Israel and worldwide. The covid-19 is very infectious, and it is essential to diagnose infection with the virus as soon as possible to break the chains of transmission swiftly. Diagnosing infection is done by taking a sample from the throat and nostril of the examinee (sampling). There is of great importance to shorten the time it takes between sampling and receiving the results of the Covid-19 test since this factor dramatically influences the possibility of breaking the chains of transmission and eradicating the pandemic. Sampling and lab testing is the first stage in breaking the chains of infection.

In October 2020, the State Comptroller issued a report on the sampling and lab testing setup for diagnosing Covid-19. Since the report's release, authorities have been transferred between bodies, and specific components in operating the setup have been assigned to entities in the private sector.

The height of the pandemic was in January 2021, with daily new infections reaching 10,000 confirmed cases. However, in April – June 2021, there was a sharp decline in the infection rate, with everyday new infections dropping to tens of confirmed cases only. Towards the end of June 2021, infection was resurged, and in the second half of August 2021, daily new infections exceeded 8,000.



Key figures

**Approx.
820,000
people**

were confirmed as infected in Israel from the outbreak of the pandemic at the end of February 2020 until mid-March 2021

**Approx.
14 million
Covid-19
tests**

were performed in Israel from the outbreak of the pandemic at the end of February 2020 until mid-March 2021

**NIS 2.8
billion**

the sampling and testing cost estimate from the outbreak of the pandemic at the end of February 2020 until mid-March 2021

40 labs

underwent validation and were approved by the Ministry of Health for Covid-19 testing

**110,000
tests**

daily Covid-19 testing capacity of the labs in Israel by the end of the audit in March 2021

13%

the highest positive testing rate during the audit period was found in the Jerusalem District, among the ultra-orthodox (Haredi) population; also in the South and Central Districts, the highest positive testing rate was found among the Haredi population – 7% to 11%, respectively

**Approx.
6,400 people**

died of Covid-19 in Israel since the outbreak of the pandemic in February 2020 until May 12, 2021

**15.1%
and 0.1%**

15.1% was the highest positive testing rate, on September 28-29, 2020; 0.1% was the lowest positive testing rate, on May 11, 2021



Audit Actions

 From November 2020 to March 2021, the State Comptroller's Office examined the Covid-19 sampling and lab testing setup, including the state of the setup following the changes made in real-time. Among them: the periods required for sampling and testing; Health Ministry figures on waiting times (service levels) for sampling and lab testing processes; Home Front Command figures on sampling and lab testing; contracting with a private consultancy firm for the management and operation of the sampling and lab testing setup; purchase and process of rapid Covid-19 diagnostic devices; Covid-19 testing of incoming and outgoing travelers in Ben Gurion Airport and genome sequencing testing to identify mutations (variants) of the virus. Likewise, the State Comptroller's Office surveyed 525 persons tested for Covid-19, selected at random from a representative national sample, to assess waiting times at Covid-19 sampling centers from the public's perspective and satisfaction with the service experience in Covid-19 testing (the survey). The audit was carried out in the Ministry of Health, Ministry of Finance, Ministry of Defense, Magen David Adom, the Home Front Command via its center for cutting the chains of infection (Alon Coronavirus Command Center), four HMOs (health maintenance organizations), and the Israel Airport Authority. Additional clarifications were made at the private laboratories.

Key findings

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-  **Consistency between time goals and the time set by the Health and Defense Ministries and the Home Front Command** – Inconsistency was found between targeted time between sample collection and delivery of lab test results determined by the Health and Defense Ministries (as stated in the agreements with the sampling company and with the private laboratories) – up to 24 hours – and the targets presented in the Covid-19 situation assessments issued by the Covid-19 Control Center, where the same ministries delegates collaborated – up to 18 hours.
 -  **Supervision of waiting times for sampling** – From November 2020 until the audit end date, the Home Front Command, Ministry of Defense, and Ministry of Health did not supervise the waiting times for sampling; data were neither measured nor gathered and thus could not be analyzed. This signifies that the tender conditions regarding waiting times were not enforced.



 Service levels¹ at the sampling centers according to the participants of the survey conducted by the State Comptroller's Office:

1. The average waiting time for the three months covered by the audit examination (November 2020 to January 2021) as estimated by the survey's participants was 37 minutes, which is longer than the time stipulated for this process in the tender conditions – 25 minutes. At least 29% of the survey participants believed that the time exceeded 25 minutes, while 18% stated that the time was longer than an hour.
2. Some 29% of the survey participants who were tested at the "Test & Go" compounds felt that no proper distance was maintained between those waiting in the queue at the sampling compounds to prevent the continued spreading of the virus. According to the estimate of tested individuals, waiting time on weekends was longer than on weekdays (43 minutes versus 35 minutes).
3. According to the estimate of tested individuals, the waiting time at the "Test & Drive" compounds was longer than at the "Test & Go" compounds. As to prescheduling an appointment, tested individuals felt that waiting time after scheduling an appointment in advance was shorter and more reasonable.

 **Ministry of Health data on the service levels of the sampling and lab testing processes** – By the audit end date, the Health Ministry's figures for the waiting times from sample collection until delivery of test results are unreliable. Therefore, these could not be a basis for mapping and analyzing the process times and making decisions accordingly.

 **Home Front Command data on the service levels of the sampling companies, HMOs, and private laboratories** – According to Home Front Command figures, in November 2020, some 825,000 samples were collected by the HMOs, of which 59% met the target of 18 hours from the time of taking the sample until delivery of the test result. In January 2021, some 1.7 million samples were collected, of which 46% met the target. Therefore the increase in samples collected increased failure to meet the targets set.

 **Congruence between the rate of sample arrival at the laboratories and the ability to perform tests on the samples** – The agreements of the Health and Defense Ministries with the sampling companies were made without analyzing the sampling and testing process as one ongoing process. The SLA² defined in the tender for taking samples is the time between sample collection and sample arrival at the lab; however, the rate of sample arrival at the labs was not determined. This led to situations

1 Service levels are defined in the framework of the Service Level Agreement (SLA).

2 Service Level Agreement.



like heavy arrival load at the labs – a "bottleneck" that impeded finishing the tests by the prescribed time or idle lab equipment due to the non-arrival of samples.

-  **Problems with the transfer of samples** – The audit found cases of delayed sample transfer to the laboratories and sample arrival at the laboratory without documentation in the information systems. Additionally, there were cases where the HMOs took samples beyond their capacity to overcome the expected delay at their laboratories. They transferred the excess tests to private laboratories that were not supposed to test them.
-  **Automatic interface for transferring data to facilitate the management, control, and monitoring, for coordinating between the sampling process and testing process** – The audit found that as of January 10, 2021, there was no orderly interface automatically operated for continuously transferring data between the sampling system and the testing system, and that the data was transferred via Secure Virtual Safes (SVS)³. This method requires proactive actions to "push data" from one body into storage in a safe and "pull data" by the other body.
-  **Extensions of an engagement with a private consulting firm** – The Ministry of Health issued a tender for the operation of the sampling and testing system in December 2020, that is, some eight months after the date of original engagement, even though it undertook to put a tender before the Tenders Committee in the framework of the original engagement entered into in May 2020, and for which undertaking, it received approval to enter the engagement without a tender. Issuing the tender eight months after the original engagement led to four more extensions of the engagement. It should be noted that the Health and Defense Ministries put out in 2020 several other tenders for operating the sampling and testing system in shorter than four months. In addition, on one of these occasions, the Chief Accountant of the Ministry of Health approved the extension of the engagement without receiving authorization from the Senior Deputy Accountant General. It was further found that the engagement with the private consulting firm, including the extensions, was done without an agreement being signed between the firm and the Ministry of Health.
-  **SOFIA rapid covid-19 testing devices** – Out of 300 SOFIA fast testing devices acquired at the cost of USD 900,000 (around NIS 3.69 million) and arrived in Israel, some 150 were not deployed. Of the devices deployed, only some 30 are active on an ongoing basis and have provided, as of the audit end date, only 1,900 tests per day.
-  **Identification of mutations in the virus** – By the audit end date, several mutations have been identified in the world and Israel. It was found that the Ministry of Health has not yet drawn up a procedure for regulating the genome sequencing process: when should the process be performed, what samples should undergo sequencing and what size sample is needed, which laboratory will do the sequencing, what is the service level

3 Secure Virtual Safe (SVS) – An application designed to provide a secured, user-friendly way to store, access, organize and share files and information.



(SLA) for performing sequencing, how to track samples designated for sequencing, how should genome sequencing results be reported to the Ministry of Health, etc. Any appearance and identification of a mutation raise concerns over an upsurge in infection rates, the risk to particular populations, and the ineffectiveness of existing vaccines.



The increasing trend in the number of Covid-19 tests – During the Covid-19 pandemic, the number of tests performed in Israel rose from approximately 70,000 in March 2020, the first month after the virus outbreak, to a peak of 2.7 million in January 2021.

Key recommendations



It is recommended that The Ministry of Health and Home Front Command analyze the waiting times at the sampling compounds to determine the reasons for noncompliance with the requirements laid down in the tender and to draw lessons accordingly. This in order to continue the sampling system from a forward-looking perspective, and for the benefit of other operating processes where it is significant to keep timetables in general and vis-à-vis a large-scale population in particular. Likewise, the said bodies should carry out online control and monitoring procedures in such processes and assess the satisfaction of tested individuals with the service they received at the sampling compounds to optimize the service.



It is recommended that The Health Ministry regulate the interfaces between the sampling system and testing system and between them and the Ministry's systems. It should also incorporate a tracking and control mechanism into the data transferring processes between the systems to monitor the data and verify their reliability. In addition, regulation of the interfaces should be made in conjunction with the Defense Ministry and Home Front Command, which deals with the management of the sampling and testing system and with the system's engagements.



It is recommended that The Health Ministry examine, in conjunction with the Defense Ministry and Home Front Command, which part of the sampling and testing system should continue to be operated, preserved, and maintained so that it can be activated in times of need, for example – in the event of an outbreak of an epidemic or wide-scale contamination of drinking water.

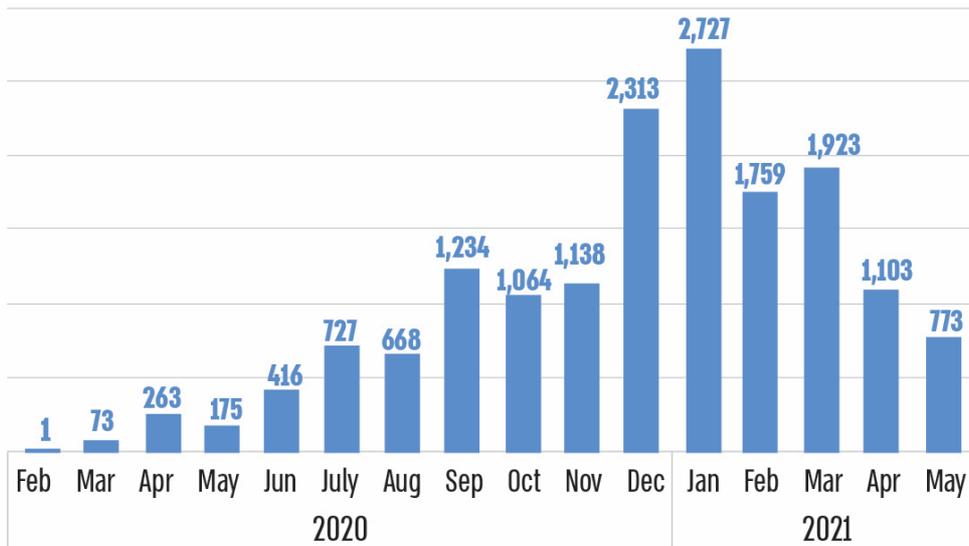


It is recommended that The Health Ministry draw lessons from going to tender for the operation of the sampling and testing system and consider putting out a public tender for operating the sampling and testing system in a routine period so that it can be activated in a time of emergency.



💡 It is recommended that The Health Ministry draw up a procedure for regulating the genome sequencing process (detection of virus mutations) and assimilate it in laboratories' work. The Ministry should also define the way for integrating the work of the central laboratory with the other public health laboratories spread throughout the country and assess the need for adapting the infrastructures of all the labs to genome sequencing. It is further recommended that the Ministry continuously monitor the development of mutations worldwide for early diagnosis and identification of their infiltration into Israel and the development of mutations in Israel.

Number of tests performed in Israel since the pandemic outbreak until May 2021 (16 months) (in thousands)





Summary

Since February 2020, the State of Israel in general and the health system, in particular, have been contending with the Covid-19 pandemic. Management and operation of the sampling and testing system, which is vital to dealing with the pandemic and breaking the chains of transmission, is being handled by bodies from various disciplines – healthcare, national security, R&D, etc. According to Health Ministry figures, from the pandemic outbreak until mid-March 2021, some 14 million Covid-19 tests have been performed in Israel, at an estimated cost of over NIS 2.8 billion.

An audit on the sampling and lab testing processes raised the following deficiencies: lack of complete data at the Health Ministry on waiting times from sample collection until receipt of test results; delay in the transfer of samples to the labs; problems with the transfer of samples from the sampling entity to the lab-testing entity; coordination problems among the various responsible bodies; irregular operation of organized automatic interfaces for intersystem data transfer; and absence of an automated mechanism for the control and monitoring of data transfer from the sampling stage to the testing stage.

The Health Ministry, Defense Ministry, and Home Front Command should act to rectify the deficiencies raised in this report and consider implementing the recommendations. In this regard, it is recommended that they consider which part of the sampling and testing system set up should continue to be operated, preserved, and maintained so that it will be possible to operate it as the pandemic persists and in times of need, for instance – in the event of an outbreak of an epidemic or wide-scale contamination of drinking water.



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Welfare, Education, Health and
Employment Topics

Distance Teaching and Learning during the Covid-19 Pandemic Period



Distance Teaching and Learning during the Covid-19 Pandemic Period

Background

Since the outbreak of the Covid-19 pandemic in the world at the end of 2019, 186 countries, including Israel (encompassing overall students of 1.5 billion), closed the schools within their borders, either fully or partially, depending on the infection rate and the local decisions made. Some transitioned to distance learning. Distance learning is an advanced method usually conducted outside the school and primarily online using various shared media tools or in another digital space. Learning is carried out accompanied and guided by the teachers and independent study (distance learning). Distance learning can be conducted using different learning methods, and it is essential to integrate them.

In the past, the Ministry of Education operated a distance learning system during periods of national security events that limited the activities of educational institutions, for example, during "Operation Cast Lead" in the south of Israel. However, those events were limited in scope regarding geographical spread, duration, and restrictions imposed on the population. Until the Covid-19 pandemic period, defined for this report only, as extending from March 2020 to August 2021 (Covid-19 pandemic period), the education system in Israel never had to operate a distance learning system for the entire student population in Israel. As part of the efforts to stem the spread of the covid-19 in Israel, educational institutions were closed starting March 13, 2020. More than 1.8 million students in Israel transitioned to a state requiring distance learning for an extended time.

Infection rates during the Covid-19 pandemic period peaked on January 18, 2021, when daily new confirmed cases exceeded 10,000. In April 2021, the pandemic receded considerably, and the school system returned to regular operation. However, in June 2021, the pandemic reemerged and started to spread, with daily new confirmed cases surpassing 6,300 on August 9, 2021, raising concerns that the 2021/22 school year will open subject to restrictions and special conditions, which will not allow regular school learning.



Key figures

**1.87
million**

students learned in schools during the 2020/21 school year

**82
days**

in complete lockdown during which the education system operated by distance learning mode only, and 128 days of mixed-mode learning – at schools and remotely (March 2020 to February 2021)

70%

of schools (excluding schools from the ultra-orthodox Jewish sector) participated in the national drill for learning in a state of emergency, held in March 2020, a few days before the Covid-19 pandemic. This versus the Ministry's targets for the participation of all schools in the drill

22%

percentage of students who did not participate during the first lockdown in most or all the synchronous sessions¹ held by the schools

**55%–
80%**

of the students did not connect regularly or at all to the digital content on the content websites of content providers

111,691

number of average daily views of lessons transmitted by the National Broadcasting System in November 2020, compared to 376,197 in March 2020 – a drop of 70% in the number of views

32%

of the students' parents who answered the first parents survey conducted by the National Authority for Measurement and Evaluation in Education (in July – August 2020), felt that their children's anxieties and fears constituted a barrier to optimal distance learning. Consequently, it was difficult for them to have a free mind for studies, to a moderate, great, or very significant degree

49%

of the teachers who answered the first teachers' survey conducted by the National Authority for Measurement and Evaluation in Education (in July – August 2020), stated that they had not undergone professional development in the field of distance teaching in the two years preceding the Covid-19 pandemic outbreak

¹ Synchronous learning enables conducting a virtual classroom session in a video space. This allows its participants, teachers and students, to speak, hear and see one another.



Audit Actions

-  From May 2020 to August 2021, the State Comptroller's Office examined the state's actions regarding distance teaching and learning at schools (primary and secondary) during the Covid-19 pandemic of March 2020 – August 2021. The examination was performed in the Ministry of Education. It should be noted that in October 2020, the State Comptroller issued an interim report on this topic, which dealt with "Computerization Infrastructures for Distance Learning and Alternative Learning Spaces during the Covid-19 Pandemic".

Key findings

- 
 **An international comparison of distance learning during the Covid-19 Pandemic period** – Figures from UNESCO's database on the status of the school, openings in 210 countries show that during the period March 13, 2020, to January 25, 2021, in approximately two-thirds of the countries surveyed, schools were fully open significantly more days than in Israel. Likewise, out of 23 selected countries, the number of days the education system was closed in Israel (92) or partly open (96) – a total of 188 days was among the highest. The number of days the education system in Israel was fully available to all students in 2020 (45) was almost the smallest.
-  **Preparations for distance learning in a state of emergency** – Many of the challenges accompanying distance learning in the education system during the Covid-19 pandemic were disclosed in the annual emergency drills held by the Ministry since 2016 and were partially resolved over the years. The problems that arose included: under-participation of schools and students in emergency drills, a lack of focus on synchronous tools, and a shortage of end-user equipment for students. At the end of the third lockdown, there was still a shortage of end-user equipment for students and a shortage of infrastructure. These posed a barrier to distance learning. The Ministry of Education still does not have an accurate picture of the scope of the need and the identity of those students who lack end-user equipment.
-  **Ministry of Education directives during the Covid-19 Pandemic period** – During the Covid-19 pandemic, challenges arose regarding the implementation of the directives issued by the Education Ministry concerning the opening of the education system. This resulted from multiplicity's circulars and directives, their complexity, their distribution close to the time of implementation, and the necessity to customize circulars for unique populations.



📌 Synchronous learning – The Ministry of Education did not require a quantitative report from the schools regarding the extent of student participation in synchronous distance learning. Thus, it lacked data to enable monitoring implementation of its directives, analyze the data, draw conclusions, derive lessons for optimizing this learning method, and act to remove the barriers preventing the optimal performance of synchronous learning. The first parents' survey conducted by the National Authority for Measurement and Evaluation in Education indicates that 22% of students did not participate in most or all the synchronous sessions held by the schools. Among the responders whose children participated in most or all the sessions, the percentage of Arabic speakers was lower than that of Hebrew speakers (69% versus 81%). The rate of young students (grades 1–6) who participated was lower than that of students from the upper grades (7–12) in both populations. The second parents' survey indicated an 11% decline in the percentage of students who did not participate in most or all of the synchronous sessions held by the schools. The audit found that synchronous learning was not suitable for all students, for example, students who have difficulty with this type of learning, which requires excellent concentration (including students of a young age). There were too many synchronous lessons. Likewise, it was found that the Education Ministry had failed to issue a directive clarifying whether it is mandatory or optional to activate the cameras in the students' end-user equipment and, if it can be mandated, what government agency is authorized to make this requirement.

📌 Asynchronous learning² – The Ministry's tracking of e-learning assignments – The Education Ministry collects quantitative data on the number of student entries into the digital content websites of the content providers with which it has contracts. However, it does not analyze the data available to it to evaluate the benefit derived from using e-learning assignments. For example, it does not examine the website entry data by district, age bracket, or sector. The Ministry does not have qualitative data on the use made by students on entering the websites (for instance, what the students do after they enter the website, how long they stay on each page, how well they do on their e-learning assignments, etc.). It also has no quantitative data on student participation in all the e-learning assignments given by the schools.

📌 Entry into the websites of digital content providers containing e-assignments – It was found that in the period March 2020 to December 2020 (except for the months July – August when students were on summer vacation), 55%–80% of the students did not link up regularly or at all, with the digital content on the content websites of the content providers. The usage in the ultra-orthodox Jewish and Bedouin communities was proportionately lower than in the general Jewish and national-religious Jewish sectors. And the lower the socio-economic cluster, the smaller the usage of digital content sites.

2 In distance learning the main interaction is between the learner and the learning materials, for example, learning materials on the Internet. Such learning is independent and done from the student's computer at school or at home, at all hours of the day. It is available via the National Broadcasting System.



- 📌 The National Broadcasting System³** – Since the Covid-19 pandemic outbreak, the Ministry of Education invested NIS 20.2 million to expand the number of videotaped lessons. This, despite the data available to the Ministry, indicated a decline in the number of views from 376,000 in March 2020 to 112,000 in November 2020. In addition, the conclusion-drawing processes showed that a fair proportion of the teachers had not instructed their students to view the lessons. The increase in the number of videotaped lessons was not accompanied by a quality check (at both the pedagogical and technical level) during the second and third lockdowns. In this regard, a revision of the lesson plans was not considered. No consultation with teachers was performed to assess whether the need to videotape more lessons, and if so, whether the students, who were the target audience, make optimal use of the National Broadcasting System. The Ministry also failed to identify and remove the barriers facing students from specific populations such as the Bedouin population in using the National Broadcasting System.
- 📌 Parent involvement in distance learning** – The principal populations hurt by the lack of parental support in distance learning were students from the socio-economic and cultural periphery whose parents had economic difficulties, and students with parents from the ultra-orthodox Jewish (Haredi) community and Arab community, with emphasis on the Bedouin community. The achievements of students from a lower socio-economic background and Arabic-speaking students are more lacking in routine times than those of the general student population. Distance learning, one of the advanced learning tools included in the schools' learning toolbox, may deepen the divide among students of different populations.
- 📌 Student dropout during the Covid-19 Pandemic period** – Researchers in Israel and worldwide estimate that the dropout phenomenon⁴ is likely to worsen in the wake of the Covid-19 pandemic and the shift to distance learning. It will also appear in populations not previously defined as at risk for student dropout. Nevertheless, the Education Ministry did not collect the schools' monitoring data on students' attendance and active participation in distance learning lessons. It lacked complete data for the entire education system on hidden dropouts and students who ceased contact with their schools during the Covid-19 pandemic and the year preceding it.
- 📌 Study and social sessions in alternative settings during the Covid-19 Pandemic period** – Throughout the Covid-19 pandemic period, difficulties arose concerning the emotional and social state of the students, which were hard to identify

3 A system that started to operate with the outbreak of the pandemic in March 2020, in which framework lessons were videotaped for all age groups (from kindergarten children to twelfth grade students) in the Hebrew and Arabic languages, and broadcast on various platforms.

4 Overt dropout is a student who previously enrolled in an educational institution but no longer enrolled there. Hidden dropout is a student who is enrolled in an educational institution but is absent from lessons for a defined period or a student. One of the following characterizes this student is: loitering on and outside the school premises during school hours, lack of learning functioning, difficulty following the school's rules, adjustment and behavioral difficulties, low involvement in studies and other school activities.



and address. These difficulties pointed to the students' need for social meetings with classmates and frontal sessions with teachers. Problems emerged that prevented the schools from exhausting the potential inherent in learning and holding sessions in alternative settings. It was contended that the issue of learning in alternative settings had not been managed according to a well-structured doctrine. Additionally, there was difficulty in bringing the students and teaching staff to the meeting places in the alternative settings and difficulty locating suitable settings in the school or within the local authority area. The Ministry of Education recruited jobseekers and unemployment benefit recipients to work in the education system, primarily to split classes at primary schools (with emphasis on grades 3–4, conducted in-person). They were not part of the teaching staff for learning in alternative settings or working with the age brackets that spent little time in frontal instruction at school. These were mainly students of the upper grades who comprised the bulk of the students who did not arrive at the schools and had great potential for learning in alternative settings.

 **Training teachers for instruction in distance learning** – The level of teacher training for distance learning instruction before the Covid-19 pandemic constituted a barrier to the teachers' readiness for this type of instruction with the outbreak of the covid-19. From the second teachers' survey conducted by the National Authority for Measurement and Evaluation in Education (in February – March 2021), it emerged that in February 2021, 20%–25% of the teachers felt that they had acquired the necessary tools and capabilities for distance teaching to a moderate degree or more minor. 32% of the teachers stated that the professional development they had participated in during the Covid-19 pandemic period contributed to their acquisition of the necessary knowledge and skills to a moderate degree or more minor. The Ministry does not have a complete database on the training of teachers in general and on the training for distance teaching in particular. It does not centralize all the data on the teachers' training sessions, particularly the training sessions for distance teaching. Owing to technological limitations, the Ministry does not analyze the data on teachers' training according to the characteristics of the teachers trained or according to a specific school.



The Ministry of Education provided end-user equipment for the population in need of it, meeting the targets set by the Education Minister, mentioned in the Ministry's response to the State Comptroller's interim report from October 2020⁵.

With the outbreak of the Covid-19 pandemic, and before the commencement of the school year 2020/21, the Ministry of Education prepared to train teachers for instruction by the distance learning method.

5 State Comptroller and Ombudsman, Interim Report on the State of Israel Response to the Covid-19 Pandemic (2020), Chapter on "Computerization Infrastructures for Distance Learning and Alternative Learning Spaces during the Covid-19 pandemic."



During the Covid-19 pandemic period, the Education Ministry implemented actions to improve student participation in distance learning, draw lessons from its actions, and examine ways to turn the Covid-19 pandemic into an opportunity.

Key recommendations

-  **Preparations for distance learning in a state of emergency** – The State Comptroller recommends considering a multi-year format for designing emergency drills. The drills will regularly examine various in-depth scenarios determined by the Ministry of Education. Likewise, the Ministry should consider that distance learning in a time of emergency does not offer a solution or substitute only for short-term frontal education in localized national security situations but also in ongoing, extensive states of emergency. Therefore, the Ministry should also drill the type of learning that typifies such cases. In cooperation with the relevant professional bodies, it is recommended that the Ministry complete mapping the end-user equipment lacking among the students and teachers, computers and phones, and act to rectify the shortfall. Additionally, the Ministry should map end-user equipment needs yearly to identify shortfalls.
-  **Ministry of Education directives during states of emergency** – The Ministry of Education should prepare a complete and fixed format for disseminating procedures in a time of emergency. It will address all difficulties that have arisen in this matter. This may be similar to the framework of the "Learning in Safety" framework, a dedicated website that centralized all the guidelines (including health guidelines, lifestyle guidelines, pedagogical guidelines). The Ministry should continue reducing the number of circulars issued. They should be focused, and the appropriate timing for disseminating the guidelines must be determined. For example, at the start of the workday or several days before the date set for their implementation. This will enable the schools to make proper preparations. In addition, the Ministry should consider allowing the schools and local authorities to act at their discretion on some issues according to the schools' needs and their students' characteristics.
-  **Synchronous learning** – Besides issuing guidelines to school principals, the Ministry of Education should collect data on student attendance in synchronous learning to formulate a complete picture of student participation in this learning method. Providing a comprehensive view will facilitate analyzing and optimizing the synchronous distance learning method and adapting it to suit students' characteristics. This, in turn, will improve the rate of student participation in this learning method, primarily in an emergency. Likewise, the Ministry should determine the most efficient way for collecting data for analysis. Data analysis will also enable identifying a connection between students' characteristics (age, sector, geographical area, etc.) and participation rate in this learning method, identifying problematic issues, revising programs as necessary, and providing tools and assistance to schools to ensure maximum student participation in



distance learning. The Ministry should also consider the possibility of drafting a recommended format for synchronous distance learning according to student age, regarding the number of instruction hours and duration of each lesson. Following the recommended configuration, school principals would be advised to adjust the lesson schedule to suit the unique characteristics of their respective schools and students.



Asynchronous learning – E-assignments – The Ministry should track student participation rates in e-assignments over time for all existing computerized channels, draw conclusions accordingly, and create a toolbox to help boost the rate of student participation in these assignments. The Ministry should also develop systems that facilitate qualitative data collection, generate the data and analyze them. This will provide the Ministry of Education with a comprehensive picture of students' use of the e-assignments tool in distance learning during times of routine and emergency. In addition, the Education Ministry should analyze the reasons for the low participation rate in the e-assignments on the websites of the digital content providers. The analysis should emphasize the disparities among various populations and socio-economic clusters. This is despite the steps taken by the Ministry as specified in its response. The Ministry should also draw lessons in this regard and remove the barriers facing these populations.



The National Broadcasting System – The Ministry of Education should draw lessons regarding the National Broadcasting System, mainly given the decline in its viewing rates and teachers' improved distance instruction capabilities. In this regard, the Ministry should consult with Ministry headquarters officials, Ministry district offices, and the field staff – principals, teachers, and students – to get a comprehensive picture regarding the contribution of the National Broadcasting System to distance learning. This information will enable the Ministry to make decisions regarding the need for the continued activities of the system while considering its advantages and drawbacks.



Student dropout during the Covid-19 Pandemic period – The Ministry of Education should collect the hidden dropout data from all the schools, besides the overt dropout data it routinely gathered before the Covid-19 pandemic outbreak, and analyze the data. It should determine the reasons for students not participating in distance learning. Likewise, the Ministry should decide on an auxiliary tool to help it identify, as early as possible, the students at risk of dropping out and intervene to prevent this.



Study and social sessions in alternative settings during states of emergency – The Ministry of Education should complete examining the difficulties raised by the school principals concerning conducting learning in alternative settings and provide a suitable solution for them. Further, the Ministry of Education, in conjunction with the Federation of Local Authorities in Israel, the local authorities, and schools, should prepare a program to be activated when the need arises, including in a time of emergency, designating local authority alternative settings in outdoor areas and alternative school structures. The Ministry should also assess the barriers to expanding learning in alternative settings and the resources needed for this purpose. It should formulate a program for learning in alternative settings in collaboration with the Finance Ministry, Culture and Sports Ministry,



Federation of Local Authorities, and the Employment Service. They should also consider hiring, in this framework, suitable jobseekers and unemployment benefit recipients with the necessary skills to fit into the education system, at least in times of emergency. At these times, the education system shifts to distance learning, and the proportion of such employees in the system is likely to be significant.



Training teachers for instruction in distance learning: The Ministry should act to complete the characterization of the system for managing the learning processes of teaching staff and complete its development and implementation. This system should centralize the data concerning staff training sessions and create a situation report of the teachers' training and professional development. The system will facilitate constructing avenues of personal growth for each worker based on individual needs. This, in turn, will enable building a tailored training program for the worker. A complete database and computerized system will allow optimal teachers' training and development processes, including distance learning. It is further recommended that the Ministry act to have the field of distance teaching and learning incorporated into the framework of teacher training, map the skills and qualifications the teachers need to develop for distance teaching, consider the development of courseware suitable for training teachers, and encourage excellence in this field. Finally, the Ministry should continue to monitor the contribution of the training undergone by the teachers to the quality of distance teaching and improve them where needed.



Matriculation examinations – The Ministry of Education should study the recommendations of the Tirosh⁶ Committee regarding external matriculation exams, and particularly the need to limit them. The Ministry should view these recommendations in the context of its perception of the effective way to evaluate students' achievements. Since this is a fundamental issue with broad effects, it is appropriate that the Ministry consider including consultations with a spectrum of stakeholders in the domains of education and knowledge, governance, employment, and the third sector. Their input can enrich the viewpoints on this issue, as recommended by the State Comptroller in his March 2021⁷ report on the changing labor market

6 External examination committee for examining the implementation of the matriculation exams in 2020 and determining an outline for the implementation of the tests from 2021 and onward

7 State Comptroller and Ombudsman, Annual Report 71B (2021), Volume: "The Changing Labor Market," Chapter: "Preparation of the Education System for the Changing Labor Market," p. 43



Summary

The Covid-19 pandemic, which spread throughout the world at the end of 2019, has created an emergency of a scale and intensity not experienced in recent decades and has affected the education system. The Covid-19 pandemic and distance learning have exposed and increased the inequality existing in the education system. Given the data presented in this report, the Ministry of Education should ascertain that distance learning is conducted optimally in light of the concerns over the growing social and learning divide among students. This will provide an educational, social, and emotional solution for all students in the State of Israel while emphasizing special populations. It is recommended that the Ministry continue to promote efforts to turn the Covid-19 pandemic into an opportunity and create a basis for changing the education system and adapting it to the 21st century, particularly about distance learning in times of routine and emergency.



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Epidemiological Investigations to Break the Covid-19 Infection Chains



Epidemiological Investigations to Break the Covid-19 Infection Chains

Background

Epidemiological¹ investigations trace people who contacted a person identified as infected with the disease (an infected person or a confirmed case²). Therefore, they can catch the disease from him, thereby continuing the infection chain. The cumulative outcome of epidemiological investigations helps provide an updated assessment of the scope of infection, its dispersion, spread, and outbreak hotspots. This information is vital to decision-makers for establishing a policy to eradicate the epidemic. The investigation system operates routinely in the district health offices of the Health Ministry. Following an epidemic outbreak, this system is a significant element in containing the epidemic and breaking the infection chains before they become uncontrollable. In the first months of the Covid-19 pandemic outbreak – March to July 2020 – the Health Ministry operated the epidemiological investigations system mainly through the district health offices. In August 2020, with the spread of the pandemic, the IDF's Home Front Command (HFC), in collaboration with other bodies in the security system, the Ministry of Health, the Ministry of Education, and the local authorities, established a command center (the Alon Command Center). The Alon Command Center assisted the Health Ministry in breaking the infection chains by shortening the necessary time investigators required to identify confirmed cases, trace people with whom they came into contact (the contacts) and instruct the contacts to self-isolate.

1 Epidemiology – A branch of medicine and biology dealing with the study of diseases in populations.

2 A confirmed case is a person diagnosed as carrying the pandemic virus, i.e. the covid-19. An infected person is someone who has developed symptoms of the disease. In this audit, the word "infected person" refers also to confirmed cases.



Key figures

<p>Approx. 671,000</p> <p>epidemiological investigations were completed out of 720,000 confirmed cases between September 1, 2020, and April 15, 2021</p>	<p>Approx. 3,000</p> <p>interviewers were employed at the peak of activity of the epidemiological investigations system (November 2020)</p>	<p>Approx. 4,500</p> <p>out of 720,000 confirmed cases between September 1, 2020, and April 15, 2021, did not cooperate in the epidemiological investigation. Only one case of non-cooperation was forwarded to the police for investigation</p>	<p>5–12 hours instead of 2 hours</p> <p>by the end of January 2021, the Alon Command Center set a target of two hours on average from receiving a positive test result until commencing the epidemiological investigation. The actual time was 5 to 12 hours</p>
<p>10, 4, 50%</p> <p>the targets set by the Command Center until the end of 2021: tracing of 10 contacts; location of 4 places visited by an infected person; and identification of the source of exposure to confirmed cases in 50% of investigations</p>	<p>28% instead of 33%</p> <p>not more than 28% of infected persons in moderate or severe medical conditions were identified as close contacts by the investigators before being confirmed as Covid-19 cases. The goal was 33% of all infected persons in that condition</p>	<p>48% (287,566 confirmed cases)</p> <p>48% out of 598,207 confirmed cases were previously identified as contacts of confirmed cases in epidemiological investigations or through mobile phone tracking by the Israeli Security Agency from the start of the assistance activities until 27.1.21</p>	<p>4, 4.6, 6.4</p> <p>local authority interviewers performed approximately four investigations per day, 4.6 by IDF interviewers and 6.4 by Health Ministry interviewers (in January 2021)</p>



Audit Actions

 From November 2020 to February 2021, the State Comptroller's Office carried out a follow-up audit of the epidemiological investigations system. The audit examined the operation of the investigations system and the use of computerized systems to perform the investigations; the efficiency and effectiveness of the investigations system, including as compared with the Israeli's Security Agency assistance activities; and the roster of epidemiological interviewers. The audit was conducted at the Ministry of Health and the Alon Command Center of the Home Front Command. Supplementary audits were performed at the Ministry of Education, the Local Government Center, and several local authorities. Selected data were updated as of April 2021. This audit report is a follow-up report to the interim report issued by the State Comptroller's Office in 2020 on "Epidemiological investigations to break the chains of Covid-19 transmission – interim findings ahead of a special report to be issued in 2021".

Key findings

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 **Elapsed time from receiving a positive test result until initiating an investigation** – From November 2020 to April 2021, the time that elapsed from receiving a positive test result until commencing an investigation was (on a weekly average) between 5 to 12 hours. As for the period until February 2021, this is a deviation from the target specified until this time – 2 hours.
-  **On-line form for self-contact tracing** – The introduction of the online form for self-contact tracing was unsuccessful.
-  **Percentage of investigations completed out of all confirmed cases** – As long as the number of new confirmed cases did not exceed 3,000 per day, the percentage of completed investigations was not less than 95%. However, when the infection rate passed 3,000 new confirmed cases per day, the percentage of completed investigations began to decline, falling to 89% at the peak of infections in January 2021. After that, the percentage of completed investigations rose again with the drop in infections.
-  **The number of contacts for tracing in the epidemiological investigations** – The Alon Command Center set, until February 2021, a minimum threshold of 10 contacts to trace in the investigations. In October 2020, the investigations system met the target in 5% of cases. The rate increased to 20% by mid-December and decreased to 8% at the



end of January 2021. After reducing the target to six contacts in February 2021, the Alon Command Center adhered to the target³.

-  **Identifying exposure (infection) sources in the epidemiological investigations** – From November 2020 to mid-January 2021, the Alon Command Center did not meet the target of identifying the infection sources – in 50% of the investigations. However, the target was nearly achieved in specific periods – the investigators identified the sources of exposure in 47%–48% of the cases.
-  **Locating places visited by infected persons** – The investigators hoped to discover four sites visited by infected individuals by January 2021. From September 2020 to January 2021, the investigators located between 0.5 and 3.6 places. Thus the Alon Command Center did not achieve its target.
-  **Cooperation of confirmed individuals with the investigations** – Some 4,500 infected individuals did not cooperate with the investigation. Given the requirement to trace at least ten contacts, those 4,500 persons may have infected thousands to tens of thousands of others, thus increasing the morbidity rate. A national cabinet of experts recommended possibly requiring those investigated to affirm the accuracy of the information they provided. The Ministry of Health should give the individuals that do not cooperate with the investigation a clear explanation of the impact of incorrect responses on the morbidity among those near them. The Ministry of Health neither discussed nor decided whether to adopt the recommendation. Only in one case of non-co-operation did the Health Ministry pass the information to the police for investigation.
-  **Percentage of infected individuals hospitalized in moderate or severe condition and identified as close contacts before receiving a Covid-19 diagnosis** – During the audit period, there was an overall increase in the percentage of infected persons hospitalized in moderate or severe condition and identified as close contacts before receiving a Covid-19 diagnosis – from 8% in September 2020 to 19% in March 2021 and peaked at 28% in February 2021. The target set by Alon Command Center has not been achieved (30% in January 2021 or 33% in February 2021).
-  **Transfer of essential information about infection rates between the Health and Education Ministries** – From the pandemic outbreak until mid-March 2021, the Health Ministry did not have online access to Education Ministry data on infection rates among students and teaching staff. The main reasons for this were ensuring information security and protecting the students' and teachers' privacy. The Health Ministry thus was unable to promptly identify outbreaks at a school or several schools in the same local authority or adjacent ones.
-  **Public release of the investigation results** – The Health Ministry did not establish a policy for the public dissemination of epidemiological inquiries (investigations of

³ The figures include an analysis of 70% of the investigations performed.



significant outbreaks). Only the Alon Command Center received the inquiry results. On November 25, 2020, the cabinet of experts recommended, for the first time, that the Health Ministry keep the public regularly informed about the results of such inquiries. However, as of February 2021, no results had been released to the public.

 **Use of the Magen app** – The Magen app enables tracing of persons who were in contact with confirmed cases and are liable to be infected. The app did not meet expectations and was underutilized. The public downloaded only 976,238 copies of the app.



Investigations in which no contacts were identified – The percentage of unsuccessful investigations (no contacts were identified) decreased from 11% in mid-September 2020 to 1% at the end of November 2020. It remained at this rate until April 2021. This indicates an improvement in the ability to trace contacts.

Development of technological capacity to identify infection hotspots – The state comptroller's office commends the establishment of a special task force (special outbreak task force) for analyzing the information obtained from epidemiological investigations and the use of technological means by the Health Ministry and the Alon Command Center to gather the information on confirmed cases collected from the various systems. All this is to improve and break the Covid-19 infection chains more efficiently.

The number of epidemiological investigations by interviewers (daily average) – The daily number of investigations performed by Health Ministry interviewers exceeded those of other interviewers. From December 2020 to the middle of January 2021, there was an increase in the daily average number of investigations performed in all the investigation systems, in parallel with the number of confirmed cases. Local authority interviewers improved from 1.8 to 4 investigations daily, and Health Ministry interviewers enhanced from 2.3 to 6.4 investigations daily. IDF interviewers increased the daily average of investigations from 1.8 as of the end of December 2020 to 4.6 in mid-January 2021. After the infection rate peaked in mid-January 2021, Ministry and IDF interviewers' daily investigations decreased.



Key recommendations



It is recommended that the Ministry of Health preserve the current epidemiological investigations system now and in the future so it can be activated upon an epidemic outbreak.

Recommendations for the Home Front Command (Alon Command Center) and the Ministry of Health:

- To evaluate tools to track potential sources of exposure and infection to achieve the established target. Including considering using dedicated technological tools after they have been examined as well as from the legal aspect, in addition to enhancing the capabilities of human contact tracers. These improvements are essential not only for breaking the infection chains and protecting the public's health but also for drawing lessons and making decisions regarding the continued operation of the different sectors of the public realm – for example, the education system, fitness rooms, and mass events and gatherings such as weddings and prayer meetings.
- As epidemiological investigations have limited efficiency and effectiveness when infection rates and morbidity are high, it is recommended to examine tools that facilitate rapid quality investigations in a higher percentage of new confirmed cases.
- To complete examination of factors that prevented efficient use of the online form for self-contact tracing. The online form should be simplified and made easy to use, and a cellular phone application should be developed. In addition, to encourage using the online form, the public's views on methods to increase the incentive to use the form should be evaluated. Increased use of the form could be helpful, especially in periods with high morbidity rates, when there may be an extended delay in commencing an investigation.
- To draw lessons based on the extent to which the epidemiological investigations system has met the criterion of effectiveness, to formulate achievable targets which will serve as a basis for generating data for future decision making in the event of an epidemic outbreak, while also considering steps to increase the efficiency of the investigations system.
- The Even Yesod system's⁴ continued availability and proper functioning (or another system, if developed) must be ensured in routine times. This will enable the continued operation of the investigations system during the Covid-19 pandemic and future epidemics. Consequently, it is recommended to determine which components of the Even Yesod system should be retained, including the entity's identity, which will maintain the system and develop new capabilities. These capabilities include interfaces with other government data systems. Additionally, a

⁴ Even Yesod – a web service system developed by the Ministry of Health which is intended to configure with software systems and obtain services from such systems.



support and update system should be operated alongside the Even Yesod system to ensure its availability and suitability in the future.

- To determine the structure and scope of the epidemiological investigation systems in routine times and in times of emergency according to quantitative and qualitative performance analysis, and considering current and changing circumstances.



It is recommended that the Ministry of Health examine necessary steps in cases where confirmed individuals do not cooperate in epidemiological investigations. Including considering the recommendation of the national cabinet of experts on this subject.



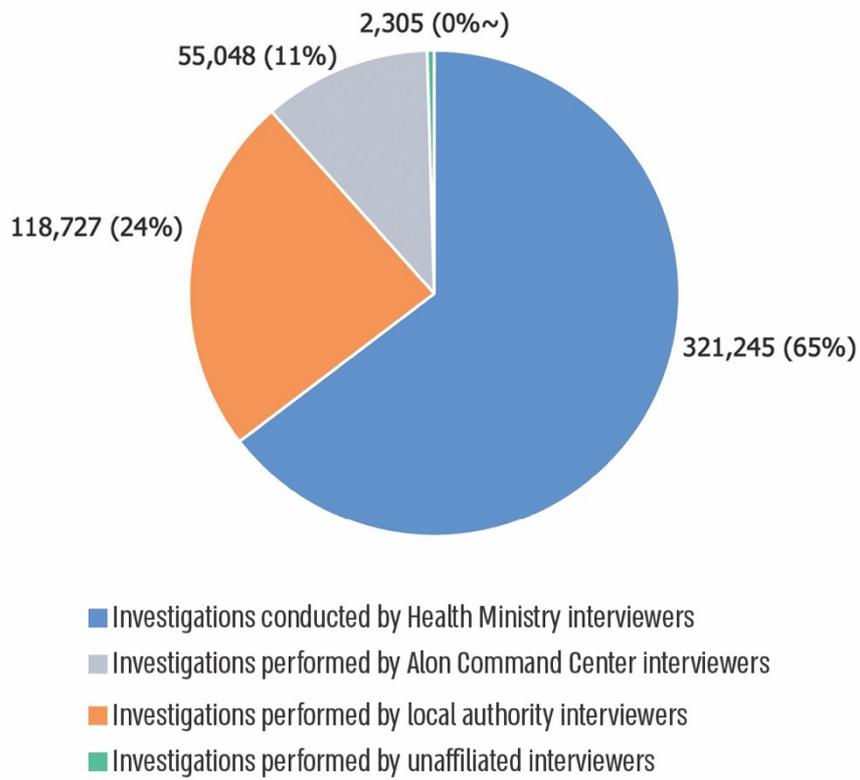
It is recommended that the Corona Cabinet decide on an enforcement policy to encourage cooperation in epidemiological investigations and instruct the Ministry of Health and the Israel Police to act by that policy.



It is recommended that the Ministry of Health and the Israeli Security Agency analyze output figures showing the number of contacts and confirmed cases identified in investigations by human contact tracers and Israeli Security Agency assistance activities. Among other things, they should consider the effect of infection rates on results achieved by human contact tracers and by Israeli Security Agency phone tracking. They can determine from this information the potential contribution of each method in tracing contacts with confirmed cases.



Number of investigations performed from November 2020 to April 2021, broken down by investigation systems (Ministry of Health, Home Front Command, and local authorities)



Health Ministry and Alon Command Center data, adapted by the State Comptroller's Office.



Summary

An epidemiological investigations system is a significant element in epidemic prevention and containment and breaking the infection chains of transmission before they become uncontrollable. To improve the efficiency of the national investigations system, both in response to the still ongoing covid-19 pandemic and to address future needs, should they arise, it is essential for the Ministry of Health, the Alon Command Center of the Home Front Command, and all other relevant bodies to work efficiently, each in its field and also to collaborate to rectify the deficiencies raised in this report.

