

Real Time Audit

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Types of Audit



Financial Audit
(Non-Disclosure)



Performance Audit
(Efficiency or Efficacy)



Compliance Audit
(According to
Relevant Norms)



Intentional + Unintentional

Real-Time Audit:
Limiting Mistakes
&
Stopping Some of Them
BEFORE They Happen



Power & Corruption



**“Power tends to corrupt
And absolute power Corrupts absolutely”**
(Lord Acton)



**“Power doesn't corrupt people,
people corrupt power”**
(William Gaddis)



International Standards of Supreme Audit Institutions ISSAI 100 (2013), sec. 23

SAls may carry out audits or other engagements on any subject of relevance to the responsibilities of management and those charged with governance and the appropriate use of public resources.

These engagements may include reporting on the quantitative outputs and outcomes of the entity's service delivery activities, sustainability reports, future resource requirements, adherence to internal control standards, **real-time audits of projects or other matters.**

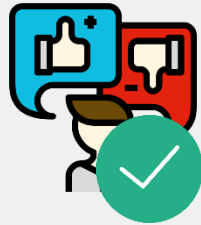


Basic Law: State Comptroller

2(b): “The State Comptroller shall examine the legality, moral integrity, orderly management, efficiency and economy of the audited bodies, and any other matter which he deems necessary.”



Areas of Jurisdiction



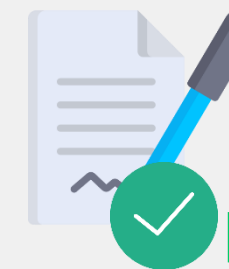
Ombudsman
Real Time



Conflict of Interest
Committee
Real Time



Whistleblower Protection
Real Time



Audit
Real Time



Political Financing
Real Time

Yitzhak Tunic

State Comptroller 1982-1987

“An unsteady **boulder** [massive rock] is ready to break off from the top of the mountain, speed down and hurt the people standing at its feet. Should the Comptroller, observing this scene, wait until the boulder drops and cause harm to the public or should he sound an alert and act to get rid of the boulder ahead of time, and thus prevent the coming disaster?”



Miriam Ben-Porat State Comptroller 1988-1998

“Before he decides whether to perform an audit at an early stage, the Comptroller must consider... whether there exists in a certain case, a real risk that completion of the matter will cause severe and irreparable damage, and, therefore, the audit must be performed already in the early stages (which we call ‘real time’).”



Micha Lindenstrauss State Comptroller 2005-2012

“Obviously, examining special matters in ‘real time’, while they are happening, is preferable in many cases over ‘historical examination’, which is done a long time after the performance of the activity ... This is the new policy of the Office of the State Comptroller.”



Yosef Chaim Shapira

State Comptroller 2012-2019

“Real-time audits are performed ... only in special cases in which the public interest requires an audit to be done in a certain matter as it is happening – to prevent a defect continuing or to fix it quickly. When the audit institution receives information from the public, or when it identifies, as an onlooker from the side, ‘Red Lights’, there is no option but to perform a real-time audit. In this way, the Comptroller can prevent harm to people, significant harm to the public treasury and harm to the rule of law.”





Real Time Audit

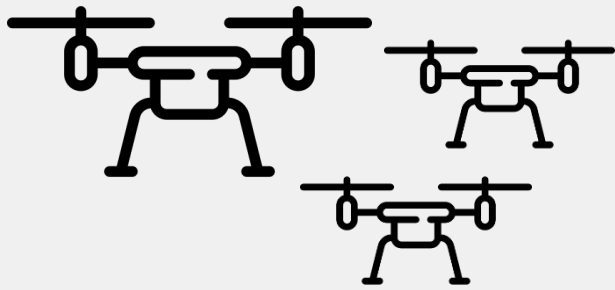
An example



Drones



The threat arising from drones



The improvement of the drones' capabilities and the increasing use of drones



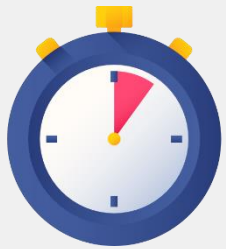
Growing danger that the drones will be abused to harm human life and national security

Danger around the corner

A drone attack on President Nicolás Maduro in Venezuela during a speech at a military parade on Aug. 4 2018



The instruction to carry out an audit regarding the National readiness against the drone threat

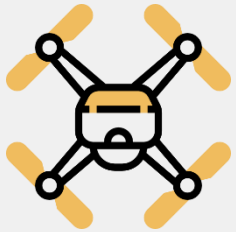


The instruction was to carry out an audit **as quickly as possible.**



This instruction was given based on the experience with earlier audits of this kind, that have indicated that the **handling** of developing threats does not always match the **pace** of the threats' development.

The drones threat - the main problem



The Audit began with the IDF's need to deal with the threat of drones from **outside** of Israel's borders.



During the audit it became clear that the **biggest problem** was regarding the drones threat from **within** the Israel's territory.



No entity responsible for dealing with the threat from drones coming from **within** Israel

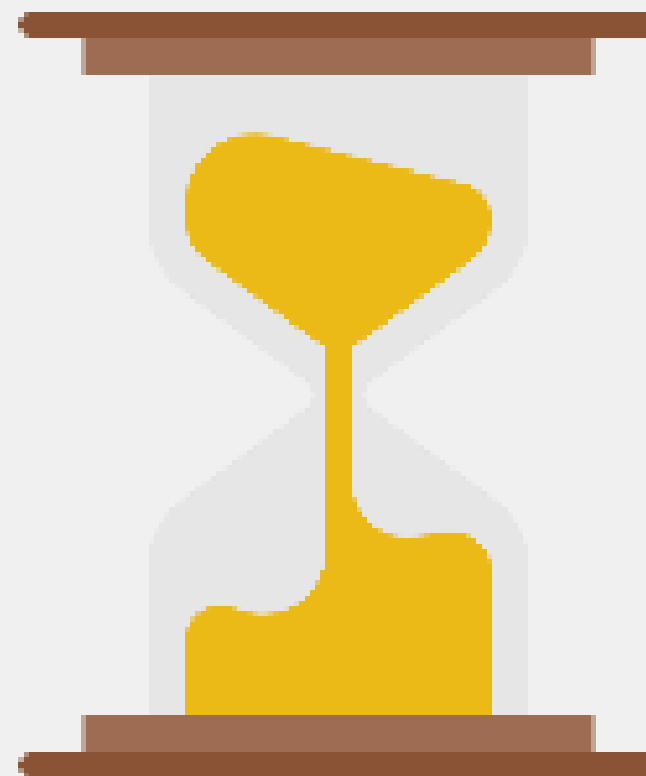


The position of the **Israel Police** was that they have **nothing to do with air defense.**



The position of the **IDF** (army) was that they are **only responsible for defending the borders** and not for dealing with those who launch drones.

The audit has indicated that even though the **National Security Council** has been working for **almost 2 ½ years** with the purpose of deciding the national responsibility for dealing with the threat of drones, the State-Security Cabinet still **hasn't managed to adopt a resolution concerning the matter, despite the urgency.**



The decision to go into Real-time audit

When It was understood that this is an issue that requires **urgent care**, the decision was to go into **Real-time audit**, and also to shorten the work and make an effort to publish the report under a **shorter deadline**.



Eventually, a special report was published on 15 November 2017 about two months before the planned date

The Outcome

A month and a half after the publication of the report **The State-Security Cabinet adopted a resolution**



The **Israeli police** will be responsible for shooting down drones coming from **within the territory of Israel**.



The **IDF** will be responsible for shooting down the drones that come from **outside of Israel's borders** and those that fly above the area of Judea and Samaria or above IDF facilities in Israel.



Real-Time Audit



Real-Time

In Favor - PRO	Against - CON



Your SAI receives information that a Government Ministry is about to hire a Security Company. Which of the following is more likely to convince your SAI to undertake a Real-Time Audit of the matter (before the contract is signed)? (0 – least likely; 10- most likely)

The Security Company is owned by the Minister's brother.	0 - 1 - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - 10
The Security Company's bid was the most expensive.	0 - 1 - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - 10
The Security Company does not vet (check the background of) its employees very well.	0 - 1 - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - 10
The Security Company was in charge of Security at another Ministry, where secret documents were published by Wikileaks.	0 - 1 - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - 10
The Ministry did not do a public tender (bid) before choosing the Security Company.	0 - 1 - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - 10
The Head of your State visits that Ministry very often.	0 - 1 - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - 10
One of the Directors of the Security Company is related to someone with ties to International terrorism.	0 - 1 - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - 10



Which of your SAIs do Real-Time

States where SAI does RTA	States where SAI does not do RTA



