



State of Israel  
State Comptroller and Ombudsman  
Annual Report 70A | 2020

# **Members of Workers' Committees Serving in Senior Management and Staffing Positions of Government Entities**

Abstract



# Members of Workers' Committees Serving in Senior Management and Staffing Positions of Government Entities

## Background

Anyone holding a public service position, and certainly a senior position in a government entity, must be absolutely free of any conflict of interest and ulterior motives. The Civil Service Regulations regulate in detail the issue of conflict of interest when it comes to employment in certain positions in the public service simultaneously with membership in a workers' committee (labor union).

## Key figures

**5,700**

employees at the Tax Authority in Israel

**172**

members of workers' committee in the Income Tax Department, 29 of whom have senior rankings (42-44) according to the Union of Social Sciences and Humanities Academics<sup>7</sup>

**149**

employees at the Israel Postal Company Ltd. who are subordinate to a manager who simultaneously serves as a member of the workers' committee

**46**

senior positions at the Tax Authority are staffed by substitute employees or were assigned to employees as "an additional task"


**111**

members of workers' committee in the Customs and VAT Department, 87 of whom have senior salary rankings (41 and above) according to the Union of Social Sciences and Humanities Academics, and a rank of 19 and above on the administrative ranking scale

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## Scope

 From October 2017 to February 2018, the State Comptroller's Office examined certain aspects of the tenure of managers and employees holding positions while simultaneously being members of workers' committee and government entities, as well as the staffing process of certain senior positions at these entities. The examinations were carried out at the Tax Authority, the Civil Service Commission, the Ministry of Transportation and Road Safety, the Airports Authority, and the Israel Postal Company Ltd. Supplementary examination were carried out in February and July 2019.

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## Key Findings



-  **Concerns regarding conflict of interest:** Dozens of members of workers' committees at the Tax Authority, the Israel Postal Company, and the Airports Authority serve in senior positions or in other positions that raise a concern of conflict of interest in contravention of the Civil Service Regulations.
-  **Conflict of interest settlements:** Following the start of the audit, the Tax Authority approached two serving workers' committee members - employees B and C - requesting that they sign a conflict of interest statement the Authority had formulated. The committee members declined to sign the statement and the Authority has yet to finalize the handling of the matter.
-  **Delay in the staffing of senior positions at the Tax Authority:** 46 senior positions at the Tax Authority are staffed by substitute employees or were assigned to employees as "an additional task." 21 of those positions have been "temporarily" staffed for over a year.







The deputy director of administration and personnel resources at the Tax Authority has taken the required actions to prevent conflict of interest.



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## Key recommendations

-  It behooves the Civil Service Commission comprehensively examine the implementation of its conflict of interest directives as applicable to all government ministries, examine the need to update the Civil Service Regulations on the matter, and define the positions in which a workers committee member cannot serve or for which s/he may not submit his/her candidacy as part of the civil service job standard.
-  In view of the refusal of employees B and C to sign a conflict of interest statement, the Tax Authority and the Civil Service Commission must complete their review of these cases and act in accordance with the Civil Service Regulations, the directive of the Attorney General, and previous rulings. Furthermore, we propose that the Civil Service Commission, in coordination with the New Histadrut Labor Federation, in so far as may be required, set a standard, uniform draft of a conflict of interest statement and apply it wherever relevant.
-  The Tax Authority must collect data with regard to positions that have not been staffed for a long time and regarding employees who have been charged with an “additional task” and to act with the assistance of the Civil Service Commission to staff them via tender to ensure equal opportunity and improve staffing procedures at the Tax Authority.
-  It is important to settle the issue of “dual loyalty” of workers’ committee members at statutory corporations. We recommend that every statutory corporation, in cooperation with the relevant entities, including representatives of workers’ organizations, examine the need for relevant and updated regulations, including suitable audit, supervision, and enforcement tools, to ensure a balance between the right of workers to freedom of association and the directives of the Civil Service Regulation or any other regulations.

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## Summary

As there have been many changes over the years in the definition of roles and their place in the organizational hierarchy, the State Comptroller’s Office recommends that the Civil Service Commission carry out a comprehensive examination of the implementation of its conflict of interest directives in all government ministries, examine the need to update the Civil Service Regulations on the matter, and define the positions in which a workers’ committee member cannot serve or for which s/he may



not submit his/her candidacy as part of the civil service job standard. We propose that such an examination take place from time to time, inter alia in accordance with the directives of the Attorney General and the recommendations of the inter-ministerial team on a rethinking of aspects associated with a conflict of interest.\*

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\* In this regard, see the directives of the Attorney General - report on the inter-ministerial team on a rethinking of aspects associated with a conflict of interest aspects, directives from July 29, 2019.

