



State Comptroller and Ombudsman
Annual Report 70B | 2020

Prime Minister's Office

Administrative Issues in Regard to the Prime Minister's Office

Abstract

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Background

The Prime Minister's Office functions as a central coordinating body, providing assistance for the Prime Minister's activities and coordinating inter-ministerial activities in various fields, according to the Government's decisions and priorities set by the Prime Minister. The Head of the Office of the Prime Minister's Office is the Deputy Director General for Administration and Human Resources (the VP for Administration) who is responsible for the activities of several divisions and units.

Key figures

1,000 employees

In the Prime Minister's Office in 2019

NIS **1.7** billion

Budget of the Prime Minister's Office (including changes) in 2018

NIS **793** million

The cost of goods and services purchased by the Prime Minister's Office in 2018

44%

Of the procurement in the Office in 2018 was exempted from public tender pursuant to the law, mostly by virtue of these transactions being subsequent to existing transactions and contracts or contracts with funds operated by the Jewish Agency


25%

Of the office procurement in 2018 was carried out through transactions with government bodies

12%





Of the office procurement in 2018 was carried out through a tender

Audit Actions

 From February until September 2019, the State Comptroller's Office examined several issues related to the administration of the Prime Minister's Office: leaving senior positions vacant, the procurement process and decisions regarding exemption of procurement from the need for a public tender. The audit was conducted at the Prime Minister's Office. Supplementary examinations were conducted at the Civil Service Commission and the Ministry of Finance - at the Government Procurement Administration of the Accountant General.

The Situation Reflected in the Audit Findings



-  **VP of Administration** - For about three years, the Prime Minister's Office did not fill - even temporarily - the position of VP of Administration, which is a vital position for the full and efficient functioning of the office. Failure to staff the position for a prolonged period of time prevents the Prime Minister's Office from obtaining from the Civil Service Commission executive and management powers in the field of human capital management as part of the human capital management reform in the civil service.
-  **VP (Operations and Assets)** - The employee who filled the position was suspended, and for three years until his retirement, the office did not staff the position, even temporarily. In December 2018, a VP (Assets) was appointed, but only as a temporary substitute rather than as a permanent appointment.
-  **Central Procurement Unit** - Although difficulties were recognized already in 2016 in regard to procurement management in the Prime Minister's Office and the then-Director General took the decision to establish a central procurement unit, it was only in 2019 that the Office presented the Civil Service Commission with the organizational structure of the central procurement unit, including the job description for the head of the unit and his or her powers, and only in February 2020, did the Prime Minister's Office issue a tender to staff the position.
-  **Concentration of Powers in the Procurement** - Over the years, the Directors of the Office imposed various responsibilities related to the procurement process at the Prime Minister's Office upon the Director of the Budget Department, who became responsible for the management of the Office's budget, for management of various projects and for management of the procurement unit itself; she also served as the chairperson of the Office Tender Committee and the authorized signatory. In this respect, the Prime Minister's Office is unique. These powers were in the hands of the Director of the Budget Department, inter alia, during periods when the VP positions were not staffed. Under these circumstances, the residence control procedure was not fully implemented: the Budget Department manager served both in an operational capacity, directly in coordination with the manager of the residence, and in an oversight capacity, becoming responsible as well (due to her being assigned additional responsibilities) for the field of procurement; all of this was not in accordance with the relevant administrative procedure. Also, no alternative supervision was established.







In-depth Examination of Procurement Processes in the Office - The State Comptroller's Office commends the in-depth examination currently being undertaken by the Prime Minister's Office in regard to the procurement process.

The Work of the Exemption Committee - The State Comptroller's Office commends the change made by the Prime Minister's Office in the committee's work in light of the audit findings - in January 2020, the committee began to convene joint discussions in accordance with the provisions of the financial and economic policies unit.



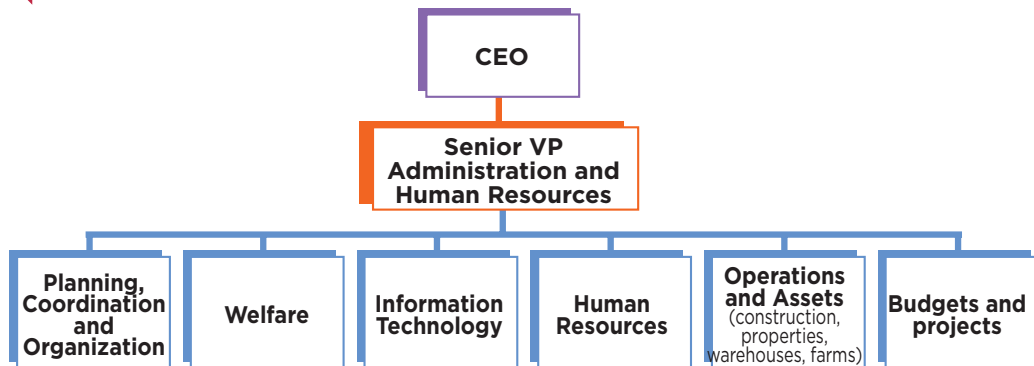
Main Audit Recommendations

-  The Prime Minister's Office must act to staff the position of VP of Administration, in accordance with the Civil Service Commission guidelines. After the appointment, the Civil Service Commission should consider the possibility of delegating powers to the Office in accordance with the outline of human capital management reform in the civil service.
-  The Deputy Director General of the Prime Minister's Office must work with the Civil Service Commission to update the job description and the position of Vice President (Assets), if required, so that the office can regularly staff the position.
-  The Office of the Prime Minister and the Civil Service Commission must complete the staffing procedures of the Head of Procurement Division and the establishment of the Central Procurement Unit, in order to provide a proper response to the Ministry's work in this field.
-  Regarding the concentration of powers in procurement as stated, until the staffing of VP of Administration and Head of Procurement Division positions, the Prime Minister's Office must examine alternatives for control and separations of the duties, in accordance with the decision of the Civil Service Commissioner regarding the responsibility for procurement. Full implementation of the residence control procedure should also be implemented. It is advisable to consider developing a set of relevant rates of outlays within the residence control procedure.

Summary

The Prime Minister's Office functions as a central coordinating body that is responsible for managing government activities, for major socio-economic issues, for important projects and for assisting government ministries. To this end, the State employs about 1,000 employees in the office and purchases services and products totaling NIS 800 million a year. For several years, the Prime Minister's Office did not fill two key executive positions at the headquarters of the Ministry, including the Deputy Director of Administration and Human Resources. It is appropriate that the deficiencies raised in this report be first and foremost corrected through the filling of key positions in the administrative system of the office and through the implementation of the decision to establish a central purchasing unit, to remove difficulties that may arise due to concentration of powers by one party.

The organizational structure of the Administration in the Office of the Prime Minister



Source: Prime Minister's Office.