



State Comptroller and Ombudsman
Annual Report 70B | 2020

Ministry of Social Equality

The National Digital Israel Program

Summary

The National Digital Israel Program

Summary

Background

The need for establishing a digital strategy for Israel was raised by the National Economic Council and was marked in May 2013 as one of six strategic issues which the government needed to address. In the same year, the government decided to establish the National 'Digital Israel' Program (henceforth also "The National Program"). In 2017, the government approved the National Digital Program for the years 2017-2020. The program presented the initiative's goals and targets and the scope of its activities.

Key figures

144

The number of projects included in the Program in 2018. 89 of them were conducted by government ministries and 55 by the Digital Israel headquarters

1.114

 billion NIS

Total budget approved in the years 2016-2018 for the Digital Israel headquarters for carrying out its responsibilities


35%

The rate of activities marked for execution in the framework of the National Program in regard to which there were one or more obstacles delaying their execution

50%

The rate of activities executed in the projects included in the Digital Program during each of the years 2016-2018






Audit Actions

 During the months of February – September 2019, The State Comptroller's Office examined the following subjects: execution of tasks in the framework of the National Program; the work of the inter-ministerial steering committee; mutual ties between Digital Israel headquarters and the government ministries executing projects in the framework of the Program; activities for adoption of indicators for the examination of the ultimate goals and the Program's strategic targets; the execution of two horizontal tasks: adaptation of the legislative infrastructure and adaptation of the government procurement procedures to the digital era. The audit was conducted in the Digital Israel headquarters based in the Ministry for Social Equality, and it included five government ministries performing projects pertaining to their range of activities in cooperation with the Digital Israel headquarters (Henceforth: "the implementing ministries"): the Ministry of Health, the Ministry of Education, the Ministry of Labor, Welfare and Social Services, the

Ministry of Economy and Industry and the Ministry of Justice. Supplementary examinations were conducted in the Prime Minister's Office – the Government and Society Division, the Attorney General's Office, the Ministry of Finance, and the Central Bureau of Statistics.

The Situation Reflected in the Audit Findings



-  **The budget approval date** - In each year between the years of 2016 – 2019, the document summarizing the budget relevant to the joint annual work plan between the implementing ministry and Digital Israel headquarters, was signed during the work year rather than before it had begun. Only after the signing of the summary document, could Digital Israel headquarters transfer to the implementing ministry its portion of the budget. As a result, the budget was transferred from the headquarters to the implementing ministries only after a number of months had passed from the beginning of the work year and, in certain cases, only during the second half of that year. In some cases, the delay in the receipt of the budget caused the postponement of the execution of work plan activities.
-  **Obstacles to execution** - In regard to about 35% of the activities set to be executed in the frame of the national Program for the year of 2018, there were one or more obstacles which delayed their execution. The main recurring obstacles confronting the implementing ministries were the lack of time allocation and the non-prioritization of Digital Israel projects on the part of the managers in those ministries. The main obstacle facing Digital Israel headquarters was lack of employees at the operational or intermediate executive levels due to recruiting delays.
-  **The steering committee activity** - In Governmental Decision No. 1046 from the year 2019, which established the Digital Israel Program, it was resolved to form a steering committee for the Program. It was found that until the end of the audit, namely, as of September 2019, the committee had been convened only three times. The committee had not examined and not approved work plans for the years 2016, 2018 and 2019.
-  **Legislative adaptation team** - In the year of 2017, the Ministry of Justice set up a team for the adaptation of the legislation infrastructure necessary for 'the National Program – Digital Era'. One of the Attorney General deputies was appointed as team chairperson. The team commenced its work the same year, but by mid-2019 it had stopped functioning, due to, inter alia, the departure of the team chairperson from his work in the Attorney General's office. Since then and up to the audit completion, namely, as of September 2019, the team work was not renewed.
-  **Activity regarding adoption of indicators for the evaluation of the national program's achievements** - There was a delay in this activity: the budgets allocated to the Central Bureau of Statistics for the task were approved only after a year; therefore the activity was begun by mid-2019.



Government ministries which were engaged in digital projects in the national program have found that the cooperation with the Digital Israel headquarters has contributed significantly to their ability to conduct a digital transformation in their work with the aim of improving it and to provide better service to the public. Some of the projects initiated have already yielded deliverables for public use.

Main Audit Recommendations

- 💡 It is desirable that each of the implementing ministries aim to have the budget summary of their joint annual work plan with Digital Israel headquarters signed as far as possible before the start of the working year or at least near the beginning of the year. This will enable the headquarters to provide the implementing ministry with the budget for the tasks set out in the work plan sooner, so that the tasks are executed according to the timetable set for them.
- 💡 The implementing ministries and the Ministry for Social Equality – which oversees the Digital Israel headquarters – must act to remove obstacles found which might delay the projects included in the National Program.
- 💡 The Ministry for Social Equality is required to act so that the inter-ministerial steering committee (chaired by the Director General of this ministry) is performing all the functions attributed to it according to the government decisions regarding its work.
- 💡 The Attorney General's Office is required to act for the reactivation of the team formed in 2017 to advance the adaptation of the legislation to the Digital Israel Program.
- 💡 The Accountant General and the headquarters are required to act for the removal of obstacles in the domain of procurement procedures, including by means of advancing the execution of procurement and tenders online and the use of innovative means, such as challenge tenders, in order to encourage suppliers to offer innovative solutions to problems which the ministries confront and in order to assist the ministries to transact with suppliers.
- 💡 It is recommended that the Central Bureau of Statistics and the headquarters, with the cooperation of the Budgets Division, set up and approve in advance the resources necessary for the future stages of the task performed by the Central Bureau of Statistics – the measurement of the National Program's achievements.



Summary

During the six years since the Government Decision from 2013 regarding the establishment of the Digital Israel Program, considerable work has been accomplished by the Digital Israel headquarters and the government ministries involved in it, in order to implement a digital transformation of the government ministries and the local authorities. The ultimate goals and the strategic targets set by the government for the Program, have a broad economic and social impact. In order to advance those goals, the state has invested a large sum of money in the Program: the budgets of the years 2016 - 2018 show that the total budget approved to the headquarters for the implementation of its undertakings, was approximately 1.114 billion NIS. The other government ministries have budgeted their activities similarly. It is desirable that the government, in the framework of an inter-ministerial forum, examines the total investment dedicated to the Program as against the results yielded by it until now and in the future. It is recommended to communicate the results of such examination to the public.

National Program core and horizontal issues (updated for 2019)

Core fields



Transversal fields



Budget in 2019 in NIS million



Number of projects in 2019

Source: Digital Israel headquarters

