



State Comptroller and Ombudsman
Annual Report 70B | 2020

Municipality of Beitar Illit

Allocation of Land to Nonprofit Organizations in Beitar Illit

Abstract



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Background

Beitar Illit, which received city status 2001, is a city with an ultra-orthodox character located in the territory of Judea and Samaria. The city's education system is managed mostly by nonprofit organizations, such as private amutot (fellowship societies). Public buildings in the city are in high demand owing to its diversity of communities, each of which is interested in establishing education institutes such as daycare centers, kindergartens, schools, yeshivas and community institutes such as synagogues and ritual baths (mikvaot). To this end, nonprofit organizations apply to the municipality for having land or public buildings allocated to them. Allocation of land by local authorities in Judea and Samaria for more than five years requires the approval of the Commissioner of Israeli Settlements in Judea and Samaria at the Ministry of Interior (the Commissioner).

Key figures

55,000	27,000	4,300 dunam	264
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Residents

Students

Area of the city

Allocation
processes since
2009
2.5 years

have passed on average from the time of approval of an allocation agreement by the municipality until its transfer to the Commissioner or until the end of the audit (whichever was earlier). Only 22% of the allocations that have been reviewed and require approval by the Commissioner have been forwarded by the municipality for his approval

2.5 years

Time taken, on average, for the Commissioner to approve 13 out of the 43 agreements that the municipality submitted for his approval. The remaining agreements submitted to him have not yet been approved






Audit Actions



In May 2018 - March 2019 the State Comptroller intermittently reviewed the land allocation processes at the municipality and the supervision of land use. Supplementary examinations were conducted at the Ministry of Interior and the Amutot and Dedications Unit of the Corporations Authority.

The Situation Reflected in the Audit Findings



-  The municipality publishes lists of land allocations but they do not contain all the necessary details, such as the allocation period, approval for extension of the time for developing the land, if given, cancellation of allocation requests or return of the land to the municipality.
-  A check of 30 allocations indicates that most of the allocations that were examined were completed despite the municipality not having received from the NGOs all the documents proving that all threshold conditions had been fulfilled: 94% of the allocations did not show development plans or financial sources, 47% did not submit foundation documents, 37% did not submit a budget proposal, 31% did not show proof of experience in the education field, 20% did not show audited financial statements or proof of need according to the municipality's criteria.
-  Out of all the allocations made by the municipality since the Judea and Samaria allocation procedure came into effect, it transferred just 43 agreements for approval by the Commissioner. On average, it took two and a half years from the council's approval of the allocation agreements to their transfer for approval by the Commissioner (or until the end of this audit). Out of the 43 agreements that were transferred to the Commissioner, the Commissioner approved just 13. On average, it took the Commissioner more than two and a half years to process each allocation application that he approved. As of the end of the audit, the Commissioner had not yet approved the rest of the allocations.
-  Publicly elected officials and workers of the municipality did not declare their affiliation with NGOs that the city council approved land allocations to. This failure to declare is inconsistent with the binding guidelines that are intended to prevent unethical situations and strengthen public trust in the municipal council's decisions.
-  The municipality did not supervise the use of the land that it allocated, and failed to cancel agreements with NGOs that had not developed the land that they received, did not retake possession of buildings that had been allocated for a short time despite the allocation time having expired, and did not enforce the allocation agreement conditions against the NGO that rented out land it was allocated to a third party in violation of its purposes, or against an NGO that operated a banquet hall in a synagogue.



The municipality is acting to maximize the utilization of areas for public buildings, including by issuing permits for addition of stories for synagogues and batei midrash (religious study halls) on rooftops of buildings used as kindergartens and daycare centers.

97% of the allocations examined were performed in accordance with the approved program for land use. The intent to allocate land was publicized as required for all allocations that were examined.

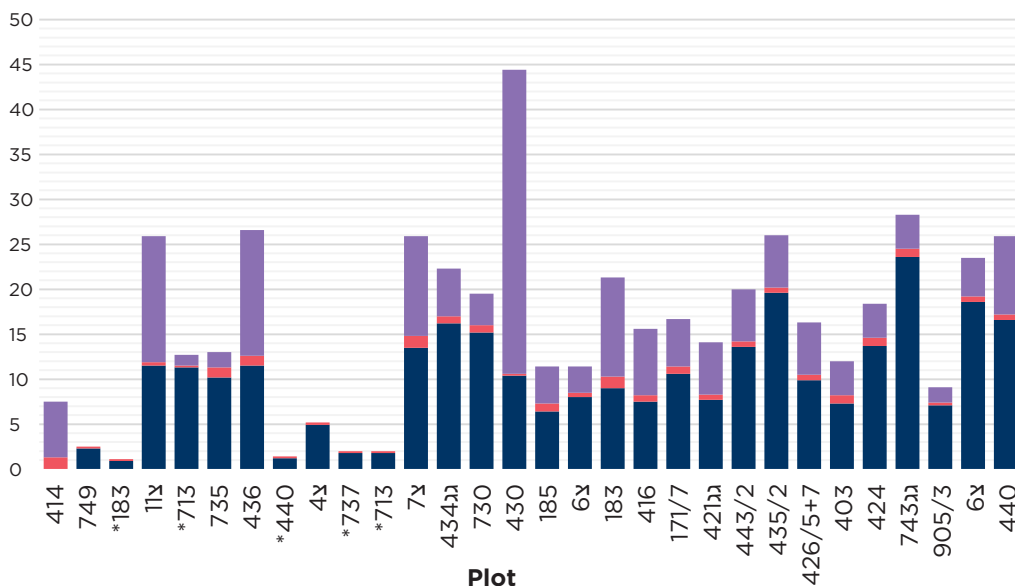
Main Audit Recommendations

- 💡 The municipality must act to have the flaws detailed in this report rectified. Inter alia, it must: prepare and publish a full, up to date allocations book; make sure that all documents that nonprofit organizations must prepare for allocation are completed; examine completion of the documentation for previously approved allocations; properly document its decision making process; act to shorten allocation processes; get Commissioner approval for land allocations; and formalize the supervision of nonprofit organizations' use of the land allocated to them.
- 💡 The municipality's legal advisor must review and renew the procedures and guidelines on affiliations and conflicts of interest and highlight the duty to make sure to follow them to the letter to prevent elected officials and municipal workers from having conflicts of interests, and to reinforce public trust in the municipality's decisions.
- 💡 Two decades have passed since the Ministry of Interior's allocations procedure was established, from which the procedure for allocations in Judea and Samaria was derived; owing to the lengthy allocation approval processes, there is room for the Ministry to examine and evaluate the requirements and guidelines to improve the service it provides the public on the subject of land allocations, including by making the service accessible online. At the same time, it is suggested that the Ministry examine its form of review, as a regulator, of the propriety of the allocation process and its supervision at the local authorities. It is also suggested that the Ministry of Interior examine the requirements of the procedure; inter alia, it should examine, jointly with the Registrar of Amutot if necessary, the requirement that even new NGOs must provide good governance confirmation from the Registrar of Amutot as part of the procedure.
- 💡 The Ministry of Interior must establish a time frame for approval of the allocation agreements by the Commissioner. This should not be at the expense of essential services that residents need, and the principles of good governance, reasonableness and efficiency must be upheld.

Summary

The findings of this report show that the municipality deviated from the guidelines of the Ministry of Interior in its land allocation and usage supervision practices. The municipality and its head must act as mandated by their public responsibility to safeguard public assets and their fiduciary duty towards the public and correct the flaws uncovered by the audit. The Ministry of Interior must act to reduce the time it takes to process the approval of allocations.

The time it took the municipality to process the allocations



- Number of months from submission of application to allocation committee's recommendation
- Number of months from allocation committee's recommendation to council approval
- Number of months from council approval to approval of agreement by the council

* An allocation that does not require council approval for the agreement.

** The council approved an agreement for allocating plot Z4 on the day it approved its execution.

According to the municipality's documents, adapted by the State Comptroller's Office.