



State Comptroller of Israel | Annual Report 72a – Part Two | 2021

Ministry of Transport and Road Safety

Public Transportation – Use of Rav-Kav Cards (Follow-up Audit) and Payment Applications



Public Transportation – Use of Rav-Kav Cards (Follow-up Audit) and Payment Applications

Background

The Rav-Kav card is a reusable rechargeable electronic card – was entered into service in 2007 to the Dan region, and its use was gradually expanded to all around Israel and to all public transportation operators. A significant portion of travel payments for public transport are made using the card. For each of the years from 2016 to 2020 there were an average of 3.5 million active Rav-Kav cards (an active card is defined as being used at least once during the recent six months of that calendar year).

The State Comptroller's Office conducted a follow-up audit regarding the rectification of the deficiencies raised in the previous audit published in 2017¹. The main deficiencies mentioned in the previous audit included among others deficiencies concerning the issuing and recharging of Rav-Kav cards, deficiencies in the recovery of Rav-Kav cards and receiving refunds, deficiencies in the validation and charging of Rav-Kav cards and deficiencies in contracting to operate a service center and in backing up its data.

1 State Comptroller, **Annual Report 68a** (2017) "Use of Rav-Kav Cards in Public Transport", pp. 425–454.



Key figures

3.5 million

The average annual number of active Rav-Kav cards in 2016–2020.

Approximately 891 million

The number of travels in all public transportation existing in 2019.

NIS 9.2 billion

The total subsidy received by public transportation operators in 2019.

770 million

The number of bus travels in 2019, which are 86% of all public transportation travels (buses, Israel Railway, light rail, etc.) for that year.

5% to 23%

Estimation of the rate of public transportation users that avoid paying for travels.

NIS 300 million

The Ministry of Finance estimate of the expected loss in the State Budget for each year following the avoidance of payment for travels.

Audit actions



From September 2020 to January 2021 the State Comptroller's Office conducted a follow-up audit regarding the rectification of the deficiencies raised in the previous audit (the follow-up audit or the current audit). The current audit examined the following subjects: the Ministry of Transport preparedness for cyber events concerning the database of Rav-Kav users, and the use of applications for public transportation services, commenced on 15.12.20. The audit was carried out mainly at the National Authority for Public Transportation. Supplementary examinations were performed at the Privacy protection Authority at the Ministry of Justice (the privacy Protection Authority), at the Ministry of Public Security and the IDF.



Key findings



Regulating supervision and enforcement authorities for unpaid or unvalidated travel – the previous audit stated that expanding the use of open systems (Rav-Kav validation systems that are not adjacent to or involve the driver) requires activating appropriate enforcement measures to ensure validation of cards as required and accuracy of the reports regarding the number of passengers. The follow-up audit indicated that although legislation procedures have begun to amend the Transportation Ordinance [new version] in 2018, the legislative regulation of supervision and enforcement powers on public transportation regarding unpaid or unvalidated travels. The follow-up audit showed that the deficiency on this subject was only slightly rectified.



Determining extended tariff for unpaid or unvalidated travels – the previous audit stated that the Ministry of Transport should examine the possibility of determining various extended tariffs, and should consider differentiating between an unpaid travel by the passenger, and a paid but unvalidated travel. The follow-up audit found that no change occurred in the extended tariff amounts imposed by all public transport operators compared to their amounts at the conclusion of the previous audit. Therefore the absence of differentiation between an unpaid travel and a paid but unvalidated travel remained. The follow-up audit further found that the Ministry of Transport has not completed the examination of this issue. The follow-up audit indicated that the deficiency regarding this issue was not rectified.



Regulating the use of Rav-Kav cards – the previous audit stated that the legislative procedure to regulate the use of Rav-Kav cards had been ongoing for many years, and therefore the Ministry of Transport should examine how to promote this procedure. The follow-up audit indicated that the legislative procedure has not been completed, including the issues of users rights, of issuers activities, and the enforcement authority and the assurance of protecting the privacy of Rav-Kav users, despite the fact that ten years have already lapsed since the bill on the subject was prepared by the Ministry of Transport (in 2010). The follow-up audit found that the deficiency regarding this issue was not rectified.



Protection of Privacy of Rav-Kav card users – the previous audit stated that the subject of protecting the privacy of Rav-kav cards users had not yet been specifically legislated, and therefore the directives of the Law, Technology and Data Authority at the Ministry of Justice (currently the Privacy Protection Authority) for the interim period as determined in April 2012, was still valid after five years. The follow-up audit showed that regulating the application of the Protection of Privacy Law 1981 directives on the databases storing the data on Rav-Kav card holders has not yet been completed, and



that the Law, Technology and Data Authority at the Ministry of Justice directive published in April 2012, is still valid, even though over eight years have passed since its publication. The follow-up audit showed that the deficiency regarding this issue was not rectified.



Backup of the service center – the previous audit stated that "there is no backup site for the Rav-Kav cards setup, only for the data, which increases the risk of affecting the services provided to passengers the revenues following an attack or fault at the service center". The previous audit also stated that "in the discussion held in June 2016 the Authority Manager repeated the warning of the importance of establishing backup site for the service center". The follow-up audit found that the subject is being handled by the Ministry of transport, which published a tender in January 2021 for the provision of services for public transportation users holding Rav-Kav cards. The follow-up audit indicated that the deficiency regarding this subject was only slightly rectified.



Recovery of Rav-Kav cards and receiving refunds – the previous audit stated that card holders entitled to refunds or that require recovery of their cards must sometimes wait 72 hours from the time of applying to the service station until the full recovery is possible. The follow-up audit found that passengers can recover travel arrangements immediately except for travel arrangements paid for 72 hours prior to recovery. After this time passengers can immediately recover these travel arrangements as well. The deficiency therefore has been rectified to a great extent.






Expanding service stations (service centers) – since publication of the previous audit additional service stations have been established, including two virtual stations where actions on the Rav-Kav card can be performed independently. Moreover, the layout of existing recharging stations (estimated at thousands) for Rav-Kav cards has been expanded around Israel.

Payment using cellular phones – the Ministry of Transport acted to enable payment for public transport travel using cellular phones from mid-December 2020, in addition to payment by Rav-Kav card.

Validating the travel of members of the Security Forces – the previous audit stated that members of the security forces are not required to validate their travel on public transport and therefore there is no information as to the extent of those travels. The follow-up audit found that rules have been determined for validating travels of the IDF and the Israel Police; as for the Israel Prison Service, such rules have not yet been set. The follow-up audit indicated that the deficiency regarding this subject was well rectified.



Key recommendations

-  The Ministry of Transport should act to receive segmented information on concessionaires activity service stations, to examine the trends of service station usage, and act accordingly to improve the service in compliance with objectives. Moreover, the Ministry of Transport should examine whether there is need for additional service centers, particularly for populations with mobility difficulties and for populations having trouble using existing technological means.
-  It is recommended that the Ministry of Transport complete the regulation of using Rav-Kav cards on public transport, taking into consideration the changes that have occurred in regard to payment and validation for travel on public transport since the last submission of the last bill in 2016, such as applications that have been entered into service for payment and validation for travel on public transport. Regulation is important because the applications serve as additional means of payment and validation for travel on public transportation, in addition to the existing Rav-Kav cards.
-  The Ministry of Transport, the Ministry of Justice and the Ministry of Finance should complete the regulation of the supervision and enforcement authority on public transport, Particularly in view of the situation where all public transportation users are entitled to enter the vehicle from all doors. The data presented in the proposed amendment to the Traffic Ordinance published in October 2018, whereby 5% to 23% of public transport users avoid payment for travel and do not validate their Rav-Kav cards during the travel, the data regarding the estimated loss to the State Budget following avoiding payment for travel which the Ministry of Finance evaluated at NIS 300 million annually, emphasizes the importance of supervision and enforcement in this regard.
-  It is recommended that the Ministry of transport complete examination of the monetary compensation setup (the extended tariff) including examining the matter of differentiation for imposing "fines" (the extended tariff) between unpaid travels and paid but unvalidated travels.
-  The Ministry of Transport should complete the establishment of an external backup site for the Rav-Kav cards setup, due to the various scenarios presented that illustrate the importance of establishing such a site.

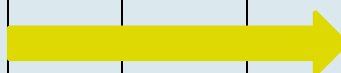


The degree of rectification of the deficiencies stated in the previous audit

Monitoring the use of Rav-Kav cards in public transportation						
Audit Chapter	The audited body	The deficiency in the previous audit	The degree of deficiency rectification as raised in the follow-up audit			
			Not rectified	slightly rectified	considerably rectified	Fully rectified
Issuing Rav-Kav cards	The Ministry of Transport	Large number of service stations is vital to provide quality service to passengers. The issue of Rav-Kav cards is performed at 118 staffed service stations in Israel.				
Recharging Rav-Kav cards	The Ministry of Transport	There is no uniformity in the monthly subscription for trains (30 days from activating the card) and in buses (according to a calendar month).				
		The number of Rav-Kav card recharges via the Internet is low, and there are no recharge stations spreaded out along the major travel routes or in the large shopping				



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		centers. Most card holders recharge on the bus, with the help of the driver, and the duration stay of the bus at the station is prolonged.				
Recovery of Rav-Kav cards and receiving refunds	The Ministry of Transport	All operators require entitlement examinations for refunds or monetary credits. Whereas the data systems of some operators do not have live data streaming, there is no complete compatibility between the various databases. Therefore a card owner entitled to a refund or requiring recovery of his card must sometime wait 72 hours from the time of applying to the				







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		service station until it is possible to recover all actions.				
Validation and charging of Rav-kav cards	The Ministry of Transport	Not all Rav-Kav card holders are aware of the fact that they are obliged to validate the tickets even on unpaid travels, for example travels using monthly subscriptions, and they might pay an extended tariff ("fine") as a result.				
	The Ministry of Transport	Expanding the use of open systems (Rav-Kav validation systems that are not adjacent to or require involvement of the driver) requires appropriate enforcement mechanisms to ensure card validation as required				




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	The Ministry of Transport	<p>and the existence of completed reports regarding passengers numbers.</p> <p>Members of the security forces are not required to validate their travels on public transportation, and therefore there is no data as to the extent of their travels.</p> <p>Complete information on the number of passengers may assist public transportation operators in planning service routes and schedules and insetting the required payment.</p>				





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	The Ministry of Transport	The Ministry of Transport should examine the possibility of determining various extended tariffs, and should consider differentiating between an unpaid travel and a paid but not validated travel.				
The service center backup	The Ministry of Transport	There is not backup site for the Rav-Kav cards setup, only for the data, which increases the risk of affecting the service provided to passengers and the revenues following an attack or fault at the service center.				



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Legislative regulation	The Ministry of Transport	The legislative procedure to regulate the use of Rav-Kav cards has been ongoing for many years. The Ministry of Transport should examine how to promote the legislative procedure.				
	The Ministry of Transport	The issue of protecting Rav-Kav users privacy has not yet been regulated by specific laws, therefore the Law, Technology and Data Authority at the Ministry of Justice (now the Privacy Protection Authority) guidelines for the interim period have been valid for five years and still valid.				



Summary

The congestion of traffic on the roads in Israel required promoting public transportation. Over recent years the Ministry of Transport is developing and improving the array of public transportation services throughout Israel. At the follow-up audit completion date, most of the payments for travels on public transportation are performed using Rav-Kav cards, which are reusable rechargeable electronic cards. From mid-December 2020 payment applications and validations for traveling in public transportation were entered into service.

In the previous audit deficiencies were raised regarding issuing and recharging of Rav-Kav cards, Rav-Kav cards recovery and receiving refunds, validation and charging of Rav-Kav cards, engagement for operating a service center and backing up the center data.

The follow-up audit found that the Ministry of Transport rectified around half of the deficiencies stated by the State Comptroller's Office in the previous audit, including adding charging cards stations, adding technological means for charging and regulating the use of cards by IDF soldiers and the Israel Police. However, some of the deficiencies mentioned in the previous audit have not been rectified. For example, the matter of protecting the privacy of Rav-Kav users has not yet been regulated, as well as the supervision and enforcement authority of inspectors.

The importance of promoting public transportation and the need for adapting the means of using it to the current technological changes require that the Ministry of Transport continue its activities to continuously improve the payment means for using public transportation, both Rav-Kav cards and new electronic applications. This should be done together with establishing supervision and control procedures by the Ministry over the way the information on users is stored in the various databases to ensure the protection of privacy of Rav-Kav cards users.