



Report of the State Comptroller of Israel | March 2022

Israel Institute for Biological Research

Human Resources Management in the Israel Institute for Biological Research



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Background

The Israel Institute for Biological Research is a research and development institute with the status of an auxiliary unit of the Ministry of Defense. The Institute's missions regarding biological and chemical defense include research, development and testing, and development, establishment, and maintenance of national infrastructure; and managing and operating central biology and chemistry laboratories.

Key figures

330

number of employees at the Institute (August 2020)

137

researchers with a Ph.D. in biology, chemistry, physics, and mathematics

64

research fellows

123

publications connected with work plans in 2017–2019

**Approx.
73%**

of the Institute's budget in 2020 for salary and pension expenses

283

of Institution employees are ranked in the open quota¹ (about 86% of Institute employees)


310

promotion in the open quota in 2013–2020

¹ Open quota – quota of an unranked position Promotions are made according to qualitative criteria of professional achievements, contingent upon the achievements and contribution of the employee, and not on his status in the organizational hierarchy.



Audit actions

 From September 2020 to May 2021, the State Comptroller's office examined various aspects of human resources management in the Institute in 2013–2020. The audit focused on the following topics: recruitment of employees, staffing, rank promotion, organizational changes, salary increases, and the human resources composition. The audit was conducted at the Israel Institute for Biological Research. Supplementary examinations were conducted at the Defense Minister's assistant headquarter for defense (the minister assistant) and the Civil Service Commission.


This report was presented to the Prime Minister and the State Control Committee of the Knesset on December 30, 2021.


By the authority under Section 17(c) of the State Comptroller Law 1958 [Consolidated Version] and after considering the government's arguments, consulting with the protection of national security information bodies and coordination with the Chairman of the Knesset, and since the subcommittee of the State Control Committee failed to convene, it was decided to publish this report while imposing confidentiality on sections of it. These sections shall not be submitted to the Knesset, nor shall they be published.

The findings of the audit report and its recommendations are valid as of the above date of its presentation.







Key findings



 **The Human resources composition at the research and research fellows ranking** – the Institute ratio of the researchers to the research fellows is similar to an inverted pyramid. As of August 2020, 200 researchers were employed in the Institute – 137 PhDs researchers and 63 BSc or MSc research fellows in disciplines relevant to the Institute, i.e., a ratio of 2.2 researchers to every research fellow.

 **Organizational structure** – since 2015, organizational changes have been made without the Institute's defining the need for the positions created, the organizational purpose of the changes, and the problems that need to be solved; and without mapping the gaps and assessing the resources the changes required, relative to the organizational situation at that time. The changes were gradually submitted for the Civil Service Commission's approval without an overall view of the changes and their purpose. Before their implementation, the organizational changes were not submitted for the minister's assistant approval.



-  **New employees in the Institute** – 25 (approximately 61%) of the new non-research employees in the Institute in 2013–2020 had already worked there before, either through employment agencies or by service providers engaged with the Institute. Furthermore, the Institute does not fully document the stages of recruiting new employees, including a list of the candidates for the positions, documents of the preliminary screening process of the CVs or information sources regarding the candidates' location.
-  **The supreme committee for the ranking of research employees in the defense establishment (the supreme committee)** – the tenure of five of the eight committee members has already passed the maximum permissible period of six years, without the special approval required from the Civil Service Commissioner. The committee's composition does not comply with the required composition in the supreme committee's articles: the head of the Human Resources Division in the Ministry of Defense does not serve on the committee, whereas another defense-related research institute has two members in the committee, rather than just one. Contrary to the articles of the supreme committee and despite its being the only body with oversight of the activity of the institutional committees, it has not held meetings nor monitored the work of the institutional committees in the defense research bodies. Furthermore, the committee has neither explained nor documented its decisions in a protocol nor has the committee chairperson prepared any annual conclusions and statistical summary of its work. Thus, the control mechanism of the supreme committee's work is compromised.
-  **Functioning of the Institute's advisory committees²** – the Institute has not regulated the activity of the advisory committees regarding, among other things, their composition, position, authority, and their work documentation in a protocol, reflecting the positions of committee members and the mode their recommendations are presented to the institutional committee.
-  **Protocols of the institutional and advisory committees for rank promotions in the open quota** – in the vast majority of requests for rank promotion in the open quota submitted to the institutional committee, no explanations were given for the decisions, neither by the advisory committee nor by the institutional committee.
-  **Scope of promotions in rank in the open quota and their financial implications** – the minister assistant has not limited the number of ranks promotions approved at the Institute each year in the open quota nor overseen its process.
-  **Promotion of the union chairperson in the Institute** – promotion of the union chairperson in the Institute in December 2017 was not discussed, neither in the advisory committee nor in the institutional committee – the body authorized to decide the promotion of employees as part of the open quota at the Institute. The promotion was

2 The role of the advisory committees is to examine in minute detail the degree to which the employee complies with the professional criteria required for promotion in rank and thus give the institutional ranking committee its opinion on whether to approve or reject the request for promotion. The authority to approve or reject requests for promotion in rank rests with the institutional ranking committee.



approved by a special committee, appointed for this purpose by the then³ Institute's director, although it had no authorization to do so. The then Institute's director decided to give the union chairperson the rank without a meritorious basis of professional achievement at his current rank, required as a precondition for promotion in the open quota.



Promotion of union members – on May 19, towards promotion procedures in June 2019, the then Institute's director announced: "employees may submit their promotion file independently (not at the initiative of their direct supervisor)". The decision was made without examining the implications of such a change, and it was not anchored in the Institute procedures nor approved by the Civil Service Commission. The audit raised that only union members were promoted without a recommendation from the head of their division and that the institutional ranking committee and the then Institute director approved these promotions though the employees did not meet the required professional criteria and achievements. The decision of the institutional committee documentation does not indicate whether a vote was held on the matter.



Appointing a department head, senior technician, and technical lead – in 2019 and in the first half of 2020, the then Institute director appointed 13 employees as department head and lead technician positions, with no prior written notification given to the divisions in the Institute, nor any opportunity for managers in the Institute to recommend employees, nor convening of a committee for that purpose as had been done in previous years. In addition, the Institute had not submitted criteria to the Civil Service Commissioner for the appointments of employees as department head, senior technician, and technical lead; the protocols of these appointments procedures do not include criteria, considerations weighed, or explanations for the selection of particular employees and, alternately, not selecting others.








Wage increases for appointments – from 2014 to the end of 2020, the Institute increased the scope of positions entitling wage increases of 75%. The Institute failed to examine the budget implications, and the raises were not submitted for approval by the minister's assistant.

³ The Institute director during the audit period had served in this position from June 2013 to May 2021. After his departure, the position was filled, as a substitute, by the person serving at that time as Head of Biology in the Institute. On November 28, 2021 the government approved the appointment of the substitute as director of the Institute. The appointment is valid as of December 1, 2021.

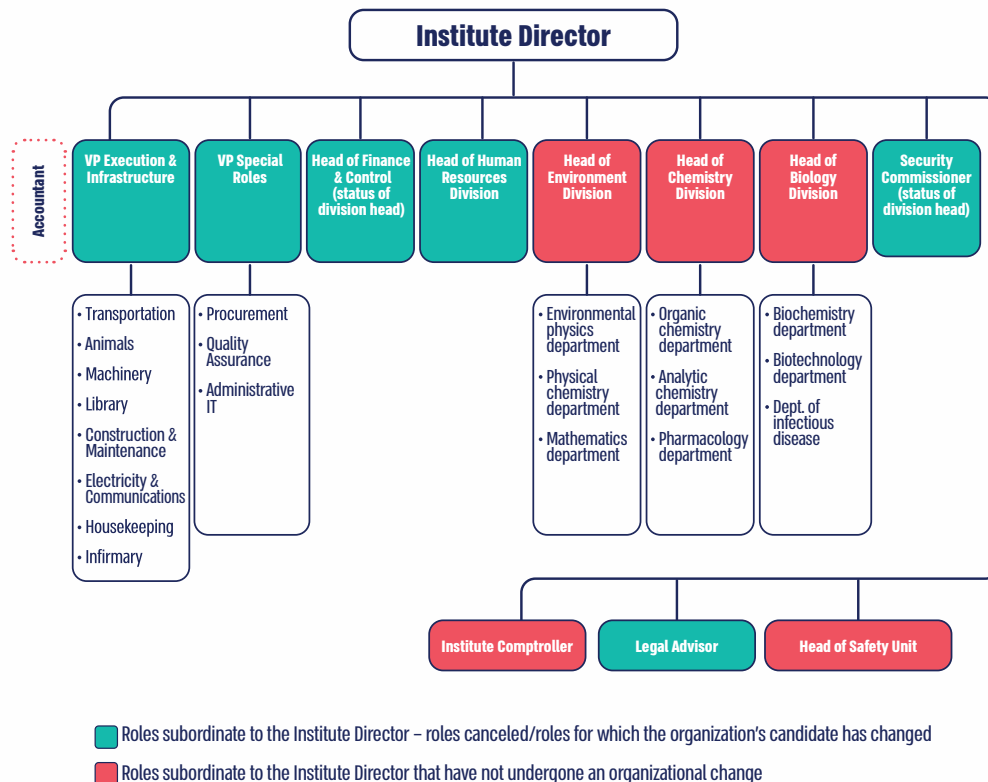


Key recommendations

-  It is recommended that the Minister of Defense verify that the committee established to conduct a comprehensive examination of the Israel Institute for Biological Research complete its work. It is recommended that the committee examine the Institute's human resources composition and the ratio that should exist between the researchers and the number of research fellows considering the work plan's needs. It is further recommended that the Civil Service Commission examine the quota ratio of researchers and research fellows in the Institute.
-  The Institute should submit organizational changes for approval by the minister's assistant before implementation. It is recommended that the desired organizational changes be presented to the minister's assistant, and his opinion be considered before decisions on the matter. It is recommended that organizational changes in the Institute be made as a complex package and not piecemeal.
-  Regarding about 130 (approximately 40%) out of 330 Institute employees working in technical professions and administrative and legal professions, it is recommended that the Civil Service Commission lead staff work in cooperation with the service committee and headquarters of the minister's assistant to examine the necessity of the tender exemption for recruitment of human resources to the Institute in these positions.
-  It is recommended that the minister's assistant oversees the promotion processes in the Institute, controls it, and considers including a representative on his behalf as a member of the institutional committee. The State Comptroller's office recommends that the Institute examine and analyze the budget implications of the promotion of employees in the open quota on an ongoing basis.
-  It is recommended that the Institute, the minister's assistant, and the Civil Service Commission examine the relevance of the Institution's procedures and determine a complete, up-to-date normative foundation.



Israel Institute for Biological Research – organizational structure for 2020

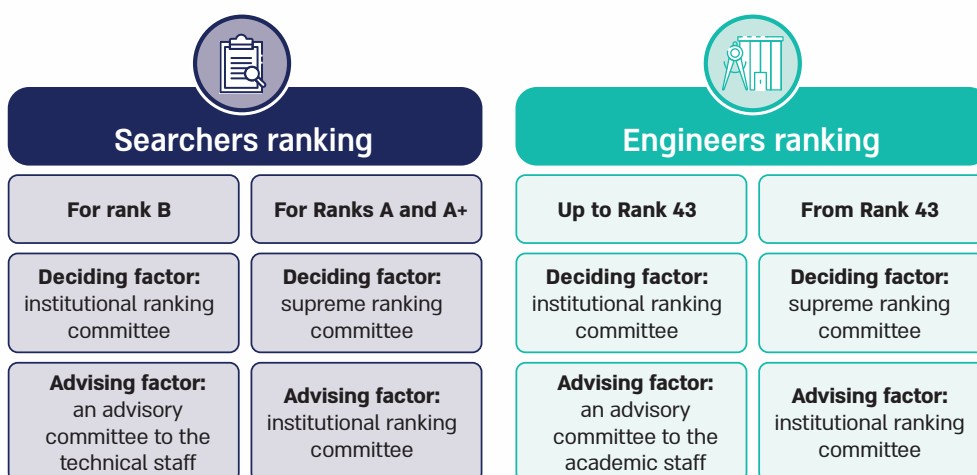


According to Institution data processed by the State Comptroller of Israel's office.

- * The accountant is administratively and professionally subordinate to the Accountant General Department in the Ministry of Finance.

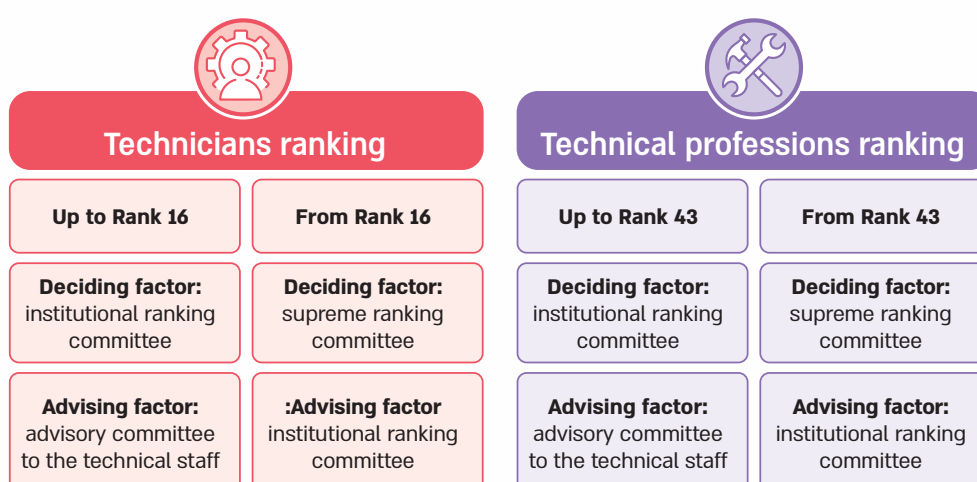


Promotion in the open quota – academic staff



According to Institution data processed by the State Comptroller of Israel's office.

Promotion in the open quota – technical staff



According to Institution data processed by the State Comptroller of Israel's office.



Summary

The report raised deficiencies in the management of human resources at the Institute, especially in: the human resources composition with the ratio of researchers to fellows resembling an inverted pyramid; the Institute failed to regulate the allocation of authority and positions, and the changes in the organizational structure; the Institute has made organizational changes without defining their need and purpose; about two-thirds of the non-research employees recruited by the Institute in the years 2013–2020 had previously worked at the Institute through employment agencies or by service providers; rank promotions were approved not according to the criteria for promotion in the open quota, with union members promoted through the intervention of the then Institute director; deficiencies were found in the work processes of the advisory committee and the institutional committee that approves rank promotions; wage increases given as an outcome of promotions exceeded the permitted quota, without examination of their budget impact, and without approval by minister's assistant. The audit has also raised function deficiencies of the supreme committee for the ranking of research workers managed at the Civil Service Commission and the oversight and control of human resource management at the Institute, performed by the Civil Service Commission and the minister's assistant headquarter.

The Institute should work according to the principles of good governance, provisions of the civil service regulations, instructions of the Ministry of Defense, its procedures, and all of the requirements that apply to it. It is recommended that the Civil Service Commission and the minister's assistant increase their supervision and control of human resources management at the Institute. It is also recommended that the Civil Service Commission examine the current procedure in place at the Institute for recruiting human resources and propose an alternative procedure to the tender exemption in relevant cases. It is recommended that the Minister of Defense verify that the committee established for a comprehensive examination of the Israel Institute for Biological Research completed its work. In addition, it should examine the Institute's human resources composition and the appropriate ratio of researchers to research fellows considering the work plan's needs. It is further recommended that the Civil Service Commission examine the ratio of researchers positions to research fellows as determined in the quota.

In his response of November 2021 to the draft audit report, the minister's assistant headquarters noted that he welcomes the audit which is an essential instrument and that he will rectify the deficiencies found. He further added that even before the draft report was published, he had already begun to tighten the control of the budget and human resources issues while balancing and preserving the principle of the independence of the auxiliary unit. The Institute director, in his response in October 2021 to the draft audit report, noted that he would "assimilate professional conduct while adhering to principles of human resources management, with emphasis on the processes raised in the report, and the necessary adjustments to the nature of the Institute's activity." The Civil Service Commission, in its



response of September 2021 to the draft audit report noted that the audit report shall serve as the "basis for a work plan" and that "the gaps presented in the unit are numerous; therefore, the Institute for Biological Research shall be a unit under focus" of the Civil Service Commission in the work year 2022.