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Ministry of Foreign Affairs

Employment of Local Workers in Israeli Diplomatic Missions Abroad – Follow-Up Audit



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Background

The Ministry of Foreign Affairs (MFA) employs workers at the head office and diplomatic missions through a variety forms of employment: various ranks of permanent and temporary workers at the head office, permanent Israeli workers who are sent to the missions to fill core positions and senior administrative positions (Emissaries), as well as Israeli citizens who are employed in the missions as support staff. These support staff, who work as instructed by the Emissary in charge of them, are Israeli citizens living in the country of service with the status of temporary residents, the spouses of the Emissaries, or Israeli citizens living in Israel who are sent to fill posts in the missions and employed for a fixed period under a collective agreement to which Israeli law applies (Eitan – Israeli citizen working in a mission abroad), or local foreign citizens workers who are employed in the missions under a contract of employment to which local law applies (FLW – local foreign worker). In this report, Eitan and FLW workers, as distinguished from the Emissaries, shall be defined as local workers (Local Workers).

Key figures

108

the number of Israeli missions worldwide in 2021

86%

the rate of Local Workers from the total of MFA employees in the missions in 2021

2,181

local Workers in the missions in January 2022

NIS 242 million

the Local Workers salary budget in 2021 – 49% of the MFA's employees' salary budget in the missions

48%

the rate of Eitan workers who have not undergone appropriate training for their positions from 2018 to March 2021

44%

the rate of missions not approved requests to update the FLW salary since 2020

2/3


the rate of missions where the FLW salary committee did not examine their salary from 2019 to 2020

NIS 11 million

the Human Resources and Training Department operational budget in 2020





Audit actions


 From February to October 2021, the Office of the State Comptroller conducted a follow-up audit to its Report from 2017 concerning the employment of local workers in Israeli diplomatic missions abroad¹ (the previous audit). The follow-up audit examined the implementation of the recommendations noted in the previous audit. The audit was conducted at the head office of the Ministry of Foreign Affairs (the Ministry), and supplementary examinations were conducted at the Commissioner of Salary and Employment Agreements Department at the Ministry of Finance and the Civil Service Commission (the CSC).

Key findings



 **Local Workers manpower standard in the missions** – the previous audit found that the Human Capital and Training Department (the HR Department) had not examined the relevance of the manpower standard, and it had not formulated clear criteria for the distribution of the local positions among the missions. The follow-up audit found that the deficiency had not been rectified, and the Ministry of Foreign Affairs had not performed an individual analysis of the Local Workers manpower standard according to each mission's needs. It was also found that the Ministry does not have a standard according to the number of local positions, the distribution among the Local Workers and the Emissaries in each mission, based on the mission size, its activity scope, and its unique characteristics. Furthermore, no periodic examination is being conducted regarding the number of workers following changes in the destination countries and the Foreign Service characteristics.






 **Evaluation of Local Workers** – the previous audit found that the Local Workers' evaluation in the missions is not regulated. The follow-up audit found that the deficiency had been rectified to a small extent; in 2021, the Ministry began a pilot (trial) program to evaluate Eitan workers in 32 missions; but it does not conduct evaluation proceedings for FLW.

 **The employment of Local Workers in representative core positions** – the previous audit found that the missions had employed Eitan workers in representative

1 The State Comptroller of Israel, **Annual Report 67B** (2017), "Employment of Local Workers in Israeli Diplomatic Missions Abroad", pp. 953–1056.



core positions in political consultation, public diplomacy, and financial diplomacy, even though they had not been appropriately trained. The follow-up audit found that the deficiency had not been rectified, and the Ministry continues to place hundreds of Local Workers in core positions destined for Emissaries.

-  **Information regarding the training of Eitan workers and the entity incorporating the training** – the previous audit found that the HR Department and the missions abroad do not update the Training Department regarding Eitan workers recruited to the missions abroad and the positions they fulfill. The follow-up audit found that the deficiency had not been rectified.
-  **The training scope of Eitan workers** – the previous audit found that a professional training array had been established for Eitan workers different from that of the Emissaries, adapted to their work at the missions. Apart from the consular field, the Ministry has not prepared any guidance and training array using educational software or other means. The follow-up audit found that the deficiency had been rectified to a small extent. From 2018 to March 2021, 605 Eitan workers were recruited and participated in training courses in various fields at the head office. However, nearly one-half of them had not undergone training at the head office before being employed at the missions.
-  **The length of service of Eitan workers** – the previous audit noted that missions find it challenging to recruit long-term Eitan workers, adversely affecting the Israeli mission's foreign activity. The follow-up audit found that the deficiency had not been rectified and that from 2018 to September 2021, about one-fifth of Eitan workers had served for over three years, and over one-half of them had left in less than two years from the date they started their employment.
-  **Different groups of ranks for FLW** – the previous audit found that the missions are interested in recruiting professional and experienced FLW and extend the employment of those who excel in their professional functioning. Still, there is no rank structure providing a solution for their needs. The follow-up audit found that the deficiency had been rectified to a small extent. Furthermore, the 2017 examination team recommended adopting a new salary scale, and in August 2021, the Ministry of Foreign Affairs decided to launch a recruitment process for 15 positions according to the conditions of this scale; as of the audit completion date, eight out of the 15 allocated positions had been filled.
-  **Supervision and control over FLW salary** – the previous audit found that the foreign committee responsible for the regulation of FLW employment had not tracked their employment nor supervised and controlled over their salary and employment conditions at the missions. The follow-up audit found that the deficiency had not been rectified.



The computerized system for information management regarding the Local Workers

– the previous audit found that it was impossible to produce segmented and precise reports about the standard and scope of the Local Workers in all the missions from the HR Department's computerized system. The follow-up audit found that the deficiency had been rectified to a large extent and that the Ministry's HR Department and ICT Department had developed a new computerized system adapted to the Ministry's unique personnel management needs, which allows the employment array to be managed. However, Merkava (an ERP system), also used by Government ministries for personnel management, had been installed in eight out of the 108 missions (7.4%), and these missions only used the system for financial management, not personnel management, since no sub-system (the module) had been installed in them.

Employment agreement for Eitan workers – the previous audit noted several deficiencies concerning Eitan workers' salary; the main ones are: A. The "Instructions regarding salary and service conditions abroad" had not been updated since May 2009 and did not include all the decisions of the foreign committee. B. The foreign increment is a central element in their salary. Yet, it has not been determined how it should be calculated and how it is affected by local or global economic phenomena. C. The salary conditions had not been adapted to the changes in the cost of living in the service countries, and this frequently led to discriminatory employment. D. The contracts did not include the changes and the updates in the conditions of their employment as approved by the foreign committee. E. There is no reference to education in the existing salary mechanism. The follow-up audit found that the deficiency had been rectified to a large extent. Eitan workers' conditions of employment were regulated under the CSC's guidance and in the employment agreement, including regarding the method of employment, rank determination and promotion in rank, service conditions (such as service difficulty increment and unique service difficulty), cost of living adjustment, contribution to accommodation and education expenses. Nevertheless, these conditions were not integrated into the Ministry's statute, and consequently, the Ministry of Foreign Affairs founding document does not thoroughly reflect the actual state of affairs.

Recruitment and selection processes for Eitan workers – the previous audit found that locating potential candidates for filling Eitan workers' positions in the missions – other than security positions – was carried out by random and discriminatory methods, including word of mouth publication among the Ministry of Foreign Affairs' employees and their circle of friends, or based on prior personal acquaintance. The follow-up audit found that the deficiency had been rectified to a large extent. The Ministry has formulated an inbuilt process for recruiting Eitan workers, including: publication of a public tender, preliminary filtering of the resumes, convening an acceptance committee at the missions or the head office, and selecting one preferred candidate and selection tests. Nevertheless, it was found that the selection tests held for recruiting Eitan workers held by an external company were performed after the




acceptance committee had selected the preferred candidate and that the external company approved 100% of the candidates who were selected for the position.

Locating and recruiting FLW – the previous audit found that the Ministry of Foreign Affairs does not have any procedure for FLW recruitment, nor have any special instructions been prescribed in this matter in the foreign service regulations. Every mission recruits FLW by its considerations, which is liable to adversely affect the selection of the most suitable candidates for the position. The follow-up audit found that the deficiency had been rectified to a large extent. The regulations were updated, and rules concerning the acceptance of FLW were anchored in them. Nevertheless, the regulations do not prescribe rules regarding the method of advertising the vacant positions, including publication of the threshold conditions and the dates for submitting candidacy.

Definition of the FLW positions in the employment contract – the previous audit noted that there is no job description in the employment contracts, even though there is a definition of the position for FLW in the regulations, the contracts do not refer to it, and the worker is not given clear written information concerning the mission's expectations from him. The follow-up audit found that the deficiency had been fully rectified. The Ministry circulated to the missions principles for the FLW employment contract. Accordingly, sections regulating the position that the FLW would perform in the mission, the conditions of employment, and social security rights by the local law were added to the new agreements.

Ongoing updating of the FLW salary – the previous audit found that the FLW salary committee does not update the conditions of the FLW salary at the frequency required by the salary fluctuations in the local labor market and the increase in the cost of living in the service countries. The follow-up audit found that the deficiency had been rectified to a large extent, in 2018 approximately 21% of the requests for a salary update were not approved, in 2019 about 45% requests as aforesaid were not approved, and in 2020 44% of the requests were not approved. It should be noted that a partial update was approved regarding some of the approved requests. Nevertheless, all the requests were approved in 2021.

Key recommendations

 **Standardization of the Local Workers' posts in the missions** – the management of thousands of employees dispersed in 108 missions all over the world entails the establishment of local and regional manpower Standardization considering the location of each mission and its characteristics, as well as the global changes influencing the Foreign Service. It is appropriate that the Ministry carry out strategic work for an analysis of the missions' characteristics and needs to determine the necessary ratio between the positions designed for Emissaries and the positions designed for the Local Workers. Accordingly, it should determine criteria and standard, and implement them in the Israeli



missions around the world. It is recommended that the strategic work be updated from time to time to ensure that the standard allocated to the various missions provides a suitable solution for their needs and tasks. It is appropriate that the Ministry include in the strategic work the experience accumulated in the government sector during the covid-19 period, when a remote working pattern had also been adopted by several ministries, and the effect of this pattern on the determination of the ministerial standard in the head office and the missions.



Computerized system for managing the Local Workers' information – it is recommended that the Ministry of Foreign Affairs complete, in conjunction with the CSC, the adjustment of the Merkava system to the personnel management in all the missions, in consultation with the relevant bodies, including security bodies and the CSC, and establish a computerized personal management system for all the missions, also connected to the CSC.



Evaluation of Local Workers – it is recommended that the Ministry complete the evaluation of all Eitan workers; likewise, that it consider expanding the trial, with the necessary changes, to FLW as well, and supervise and control the progress of the proceeding.



Employment agreement for Eitan workers – it is appropriate that the Ministry of Foreign Affairs update the employment conditions regulations of Eitan workers by the signed agreements and under the guidance of the CSC. It is further appropriate to regulate the placement of Eitan workers in core positions as part of the examination of the standard in the missions, train them according to the requirements of every single position, and anchor this in the regulations.



Information regarding the training of Eitan workers and the body incorporating the training – it is appropriate that the Ministry of Foreign Affairs appoint a party inclusively responsible over the proper training of all Eitan workers including the date and the content required, and that it pool all the relevant information and map out the gaps. It is further appropriate to manage the training array for Eitan workers by a designated computerized system, allowing the aforesaid party to track and control the training and the dates thereof.



Training Scope for Eitan workers – it is recommended to continue to develop the online educational software array in additional relevant subjects necessary for the training of Eitan workers and provide a proper training solution during the covid-19 period.



Eitan workers' term of service – it is appropriate that the Ministry of Foreign Affairs examine alternatives pertaining to the brief periods of employment of Eitan workers in the foreign missions.



Recruitment and selection processes for Eitan workers – it is appropriate that the Ministry of Foreign Affairs adapt the acceptance process for Eitan workers to the provisions of the CSC directives folder, and conduct the selection tests at the candidates filtering stage, before selecting the preferred candidate.



Ongoing updating of the FLW salary – it is appropriate that the Ministry, in conjunction with the Budgets Department at the Ministry of Finance and the foreign committee, complete an examination of the FLW salary in all the missions, and the effects the present salary has on the FLW positions fillings worldwide and the ability of the missions to fulfill their function optimally. It is recommended that such an examination be a part of an examination of the standard of all the personnel in the missions. Until the completion of the inclusive examination, the FLW salary committee should conduct an ongoing examination of the FLW salary every year in all the missions, as entailed by the regulations.

The Extent the main Deficiencies in the Previous audit were Rectified

Audit chapter	Previous Audit deficiency	The extent of deficiencies rectification in the follow-up audit			
		Not rectified	Rectified to a small extent	Rectified to a large extent	Fully rectified
The definition of the FLW positions in the employment contract	There is no job description in the FLW employment contracts. Even though there is a definition of the position for FLW in the regulations, the contracts do not refer to it, and the worker is not given clear written information concerning the mission's expectations from him.				
Ongoing updating of the FLW salary	The FLW salary committee does not update the conditions of the FLW salary at the frequency required according to the salary fluctuations in the local labor market and the increase in the cost of living in the service countries.				
The computerized system for managing information about the Local Workers	It was impossible to produce reports about workers' standards and scope from the HR Department's computerized system.				



Audit chapter	Previous Audit deficiency	The extent of deficiencies rectification in the follow-up audit			
		Not rectified	Rectified to a small extent	Rectified to a large extent	Fully rectified
The employment agreement for Eitan workers	Several deficiencies were noted in the previous Audit, the main ones are: (A) Instructions regarding "salary and service conditions abroad" had not been updated since May 2009. (B) The foreign increment is a central element in the Israeli (Eitan) workers' salary, yet it had not been determined how it should be calculated. (C) The salary conditions had not been adapted to the changes in the cost of living in the service countries and did not conform to the financial changes worldwide. (D) The contracts did not include the changes and the updates in the conditions of their employment as approved by the foreign committee and there is no reference to education in the salary mechanism.				
Locating and recruiting FLW	The Ministry of Foreign Affairs does not have a procedure for FLW recruitment nor special instructions in the regulations, and each mission recruits FLW according to its considerations.				
Recruitment and selection processes for Eitan workers	Locating potential candidates for filling Eitan workers' positions in the missions – other than security positions – was carried out by random and discriminatory methods.				
Evaluation of Eitan workers	The evaluation of Eitan workers is not regulated. The directors of the missions do not hold an initiated process of annual evaluations.				
Scope of training for Eitan workers	A professional training array has been established for Eitan workers which is different from that of the Emissaries and which has been adapted to their employment in the missions, including training before and after departure abroad. The Ministry has not prepared a guidance and training array				



Audit chapter	Previous Audit deficiency	The extent of deficiencies rectification in the follow-up audit			
		Not rectified	Rectified to a small extent	Rectified to a large extent	Fully rectified
	using educational software or other resources.				
Different groups of ranks for FLW	The missions are interested in recruiting professional and experienced FLW and extend the term of employment of excellent efficient FLW workers, but they do not have the tools to do this.				
Standardization for Local Workers' positions in the missions	The HR Department did not examine the relevance of the HR standardization, did not formulate clear criteria for the distribution of the Local Workers' positions among the missions and did not perform an individual analysis of the Local Workers standard according to the needs in each mission.				
Employment of Eitan workers in representative core positions	Missions employed Local Workers in representative core positions in political consultation, public diplomacy and financial diplomacy even though they had not been appropriately trained.				
Information regarding the training of Eitan workers and the body incorporating the training	The HR Department and the missions abroad do not update the Training Department regarding Eitan workers recruited to the missions abroad, including the positions they fulfill there, and the Training Department only has information regarding Eitan workers recruited in Israel.				
Eitan workers' term of service	Some missions find it challenging to recruit long-term Eitan workers, and this adversely affects their activity.				
Supervision and control over FLW salary	The foreign committee did not track the method of employing the FLW, had not supervised, and controlled their salary and employment conditions at the missions.				



Summary

The follow-up audit findings indicate that several deficiencies have been rectified since the previous audit, including the development of a new computerized system, adapted to the Ministry's unique personnel management needs. Concerning Eitan workers – implementation of comprehensive reform in the method of their employment, and awarding them the status of civil servants, and launching a trial (pilot) for the establishment of a proceeding for selecting, recruiting and evaluating them. Concerning the FLW – regulation of the position acceptance method, contractual anchoring the position that each FLW will perform in the mission, conditions of employment, and rights.

Nevertheless, the follow-up audit findings indicate that some deficiencies have not yet been rectified: comprehensive strategic work to map out the workers' required scope in the missions, while distinguishing between the different missions and their unique characteristics, their location and the necessary ratio between the different types of workers in them; and examining all the personnel needs in the missions and the appropriate salary for the various positions. Following the strategic work, criteria, standards and salaries should be determined and implemented in the missions. Likewise, it is recommended to promote the rectification of other deficiencies in the previous audit that have not been rectified, including appointing an incorporating body for the training management and the annual evaluation for all Eitan workers. Concerning the FLW – it is recommended to maintain full regulation of their selection processes, involve the foreign committee in determining their employment conditions and control over them, adopt updated salary scales for them and update their salary as required to maintain a high-quality staff and prevent them leaving prematurely.