



Report of the State Comptroller of Israel | May 2023

Systemic Topics

The Civil Service Internal Audit



The Civil Service Internal Audit

Background

The internal audit in public bodies is regulated in Israel under the Internal Audit Law 1992. By the Internal Audit Law, every public body should conduct an internal audit to examine the proper operation of the audited body, its compliance with the provisions of the law, good governance, integrity, savings, efficiency and the effectiveness of the organization's actions. The law established general instructions regarding the appointment of the internal auditor and the termination of his employment; His integration into the public body (his subordination, the areas of activity he is allowed to engage in); And his work procedures (the reports he must submit and the discussion thereof, his access to documents and databases and his office employees).

The internal audit is a management resource of the organization in which it operates, which helps to promote its goals and improve its work while protecting public interests. The larger and more complex the scope of activity in a body, the greater the administrative and professional functions and the broader the interrelationships between the body performing the activity and other bodies, and the greater the need to examine the appropriateness of the body's activity.

This audit report examined various aspects of the internal audit carried out in the civil service in Israel. The civil service includes 62 bodies – government ministries and their auxiliary units (the Ministries), as well as 22 government medical centers.



Key Figures

**in 28%
of the
ministries**

(17 of 61¹) no internal audit reports were prepared in 2016–2021

**about
36% of
internal
auditors**

(16 out of 44) noted in the State Comptroller's Office questionnaire difficulties in conducting an internal audit independently and objectively due to working conditions and work procedures

**about NIS
12.5
billion**

the annual budget allocated by the government to 32 ministries with no internal audit or with minimal audit (less than one audit report per year on average)

**56% of
internal
auditors**

(18 out of 32) noted in the State Comptroller's Office questionnaire, they are in conflict between their duty to perform an objective and independent audit and their desire to be promoted to another position in the civil service

**89% of
the
management**

of the ministries where the subject of standardization was examined in the internal audit unit (24 out of 27) did not provide their audit unit with the minimum number of positions set by the Civil Service Commission

**in 93%
of the
ministries**

in which audit reports were prepared (41 out of 44 ministries) the provision of the law requiring a management discussion of the findings of the audit reports within 45 days from the date of their submission is not fully performed

all 13

mental health centers and the geriatric medical centers were subject to an extremely limited internal audit: less than one audit report on average per year (in all 13 centers together)


2

of the largest medical centers did not appoint an internal auditor: the Sheba Medical Center in Tel Hashomer and the Tel Aviv Sourasky Medical Center (Ichilov)

¹ The Ministry of Culture and Sports and the Ministry of Innovation, Science and Technology have a common headquarters, including a common unit for internal auditing, and the reference to them in this report will be done jointly.



Audit Actions

 From November 2021 to July 2022, the State Comptroller's Office examined the internal audit system in the civil service – government ministries and auxiliary units; The independence, the inputs, and the products of the internal audit units; The existence of guidelines for conducting internal audits in government ministries; As well as the internal audit in the government medical centers. The audit was carried out at the Civil Service Commission. Completion examinations were conducted at the Ministry of Justice, Ministry of Health, Finance, and the Tax Authority.

Furthermore, relevant data and information were collected from 84 bodies in the civil service: 29 government ministries, 33 auxiliary units, and 22 government medical centers (of which 9 are general centers, 8 are mental health centers, and 5 are geriatric centers). The data and information were collected through two audit tools: questionnaires that dealt, among other things, with the resources available to the internal audit units, the degree of independence of the internal auditors, and the compliance of the ministries and medical centers with the provisions of the Internal Audit Law and the Internal Audit Procedure. In total, responses to questionnaires were received from 83 directors and managers and 39 internal auditors, And an examination of about 900 internal audit reports prepared in the civil service in 2016–2021.

Key Findings



The Internal Audit System in Government Ministries and Auxiliary Units

- **The Performance Formats of the Internal Audit in the Ministries** – in 25² out of 61 ministries (41%), there is no internal auditor position, and no independent internal audit units operate. These ministries are supposed to receive internal audit services through an audit unit operating in another ministry or from the audit unit

2 Ministries that do not have an internal auditor, including Ministries that are supposed to receive internal audit services from a unit operating in another ministry: the Ministry of Settlements, the Ministry of Diaspora, the Ministry of Jerusalem and Heritage, the Ministry for the Development of the Periphery, the Negev and the Galilee, the Ministry for Social Equality and Senior Citizens, the Ministry for Regional Cooperation, the Ministry for Intelligence, the Tax Authorities' Computerized Processing System (SHAAM), the Residential Settlement Education And Youth Aliyah Administration, the Planning Administration, the Veterinary Services, Survey of Israel, the Water Authority, the Capital Market, Insurance and Savings Authority, the Civil Aviation Authority, the Geological Survey of Israel, the Governmental Printer, the Meteorological Service, the Authority for Development and Settlement of the Bedouin in the Negev, the Chief Rabbinate, the Urban Renewal Authority, the National Security Council, the Government Advertising Agency, the National Cyber Directorate and the Authority for National-Civic Service.



of the "parent ministry,"³ and 3 ministries (4.9%) purchase internal audit services via outsourcing. The audit raised that in the ministries where an audit function was employed through the "parent ministry" or the Audit Unit of the Prime Minister's Office, the number of audits that were conducted was limited: only in 9 of these 25 ministries audit reports were prepared (in 8 ministries 1–2 reports were prepared in the 6 years examined, and in one – 9 reports). In the other 16 ministries, no reports were prepared during the 6 years.


- **Conducting an Internal Audit at the Competition Authority, the Electricity Authority and the Consumer Protection and Fair-Trade Authority, Which Relied on Outsourced Internal Audit Services** – at the Competition Authority, which was supposed to receive outsourced internal audit services, there was no internal audit from 2018. In 2020–2021, the decision to not receive outsourced internal audit services was based on budget considerations. The Competition Authority, therefore, does not comply with the provisions of the Internal Audit Law, at least since 2018. The Electricity Authority and the Consumer Protection Authority also requested an outsourced internal audit. Still, over two years, until the end of April 2021, the Electricity Authority operated without an internal audit as required by the Internal Audit Law. During the entire period examined, no internal audit reports were prepared by the Consumer Protection Authority, and it, therefore, does not comply with the provisions of the Internal Audit Law.

The Independence of the Internal Audit

- The audit findings, raised from the internal auditors' responses to the questionnaires indicate a series of factors that weaken or may weaken their independence in the performance of their duties: in 16 of the 44 ministries (36%) the internal auditors indicated difficulties in conducting an internal audit independently and objectively, due to the working conditions and work procedures; In 27 out of 42 ministries (64%) the internal auditors reported on actions that prevented them from examining issues that they believed deserved to be audited; The auditors in 8 of the 39 ministries that responded (21%) reported difficulties in accessing databases.
- According to the functional structure set by the law, the internal auditor is subordinate to the body's director general. This structure poses challenges; hence it is important to ensure the independence and objectivity of the internal auditor. Arrangements that ensure optimal implementation of the structure outlined in the law are necessary as the director general determines the work plan and allocates resources to the internal auditor, who is also required to audit the actions of the director general, there is a concern of conflict of interests, even if only ostensibly,

³ Auxiliary units of ministries that do not have an internal auditor and receive internal audit services from those ministries, as well as some ministries where the number of positions is limited and there is no internal auditor, and they receive internal audit services from the Prime Minister's Office.

both of the director general (between being in charge of the internal auditor and being audited by him), and of the internal auditor (between being subordinate to the director general and his professional duty to audit the director general's actions). Furthermore, the fact that the supervisor's evaluation of the employee's performance affects the possibilities of promotion and rewards given to the employee creates a structured dependence on the employee's part on the supervisor. This situation may lead to a violation of the principle of independence. According to the audit findings, in more than half of the examined ministries (56%) the internal auditors are in a conflict between their desire to be promoted to another position and their obligation to conduct an objective and independent audit, among other things, of the ministry's management or the body that evaluates them.

 **Establishment of a Professional Committee for Internal Audit** – the Ministry of Justice has not begun the establishment of a professional committee for internal audit, even though over six years have passed since it resolved to adopt the recommendations of a public committee regarding the establishment of a professional committee for internal audit – a committee that will serve as an advisory body in the internal audit and will provide professional recommendations to create uniformity in the audit work in the government sector and provide advisory opinions for internal auditors and ministry managers.

 **The Internal Audit Units – Personnel, Salary and Tasks**

- **Workforce Standards and Staffing of Positions in the Internal Audit Unit** – the management of 89% of the ministries examined in this regard (24 of the 27 ministries) did not provide their internal audit units the required number of positions according to the minimum scope of positions set by the Civil Service Commission; An examination of the audit units in which the number of staffed positions is lower than the minimum standard set by the Civil Service Commission indicates that the number of staffed positions therein (86) is 106 less than the number of positions required according to the Civil Service Commission (192 positions); In 19 ministries (70%) the actual staffing rate, compared to the workforce standard's goal, was about half of the necessary manpower and even less than that.
- **Follow-up by the Civil Service Commission on the Implementation of the Workforce Standard Goals it Set** – it was found that the Civil Service Commission did not monitor the ministries' compliance with the workforce standard goals it set in 2016 and did not ensure compliance with its mandatory goals. of Having audit units where the scope of their personnel is less than the minimum required may adhere the ability to conduct an adequate internal audit.



- **Using the Audit Unit's Resources for Additional Tasks** – 5 out of 26 internal auditors⁴ (19%) reported the allocation of only 25%–35% of the audit unit's inputs for conducting an audit; And 14 auditors (about 54%) reported that at most 70% of the unit's inputs were allocated to handling the audit itself, and the rest of the inputs were spent on handling complaints or other tasks. Investing a significant part of the audit unit's inputs in matters other than the audit work itself is inconsistent with the provision of the law that allows engagement in additional occupations defined by law only if these do not harm the work of the internal audit. This harm intensifies at a time when the scope of the manpower resources that the management of the ministries makes available to the internal audit units is lower than the minimum required by the Civil Service Commission.

- **The Extent of the Resources Allocated to Conduct Audits in the Following Ministries**
 - In the Ministry of Energy, 0.5 positions were allocated in practice to perform internal audit – 7% of the number of positions required in the unit.
 - In the Ministry of Science and Technology and the Ministry of Culture and Sports, only 0.35 positions were allocated in practice to perform internal audit – 7% of the number of positions required in the unit.
 - In the Ministry of Education, 1.2 positions were allocated in practice to perform internal audit – 12% of the number of positions required in the unit.
 - In the Population and Immigration Authority – 1.05 positions, 13% of the required positions.
 - In the Courts Administration – 2.1 positions, 21% of the required positions.

- **Compilation of Responses to Draft Reports of the State Comptroller** – the Civil Service Commission's Audit Procedure states that one of the functions of the internal auditor is to coordinate the ministry's response to draft reports of the State Comptroller and the results of investigation of complaints by the Ombudsman, including the compilation of the responses of the various officials in the ministry and the preparing of comprehensive addressing of the matter. The audit raised that the Civil Service Commission set in the procedure this duty of an internal auditor, which is not one of his duties according to the Internal Audit Law, and without guarantee that this does not interfere with fulfilling his main duty, as required by law. It was found that in 17 audit units that responded, the unit's employees are also required to engage in formulating the response to the draft reports of the State Comptroller's

4 In the Ministry of Science and Technology, the Ministry of Culture and Sports, the Population and Immigration Authority, the Ministry of Education, the Courts Administration and the Ministry of Energy.

Office, and 3 internal auditors even stated that handling inquiries from the State Comptroller's Office requires the investment of considerable resources.

- **Salary of the Employees of the Internal Audit Unit** – 75% of the internal auditors noted in the questionnaires the difficulty in recruiting quality personnel to their units and in retaining them, and stated that the salary conditions are a deep-rooted problem; It appears that the existing salary arrangements create a real difficulty in recruiting professionals from the fields of law, accounting and economics to the internal audit units, since the salary paid to them in the audit units is based on the ranking of the Association of Academics in the Social Sciences and Humanities; Hence it is expected to be about 40% lower, with respect to lawyers, and about 25% lower, with respect to economists, compared to the salary they receive in other units in the government system. This may create a "negative incentive" for integrating employees from these fields into the internal audit units.

The Outcome of the Internal Audit Units

- **Ministries Where Audits are not Conducted or are Limitedly Conducted** – in 32 of the 61 ministries (52%), for which the government allocated about NIS 12.5 billion per year, the provisions of the Internal Audit Law requiring an internal audit in a public body are not complied with, or they are limitedly audited, castings doubts on the achievement of the purpose of the law. In these ministries, no internal audit was conducted for 6 years, or the audit was limited to less than one report per year.
- **Basing the Work Plans on Risk Surveys** – according to the Internal Audit Procedure and Professional standards, the work plan will be based, among other things, on a ministry risk survey. It was found that only 5 of the 40 auditors who responded (12%) base their internal audit on a risk survey when formulating the work plan; 16 of the 40 auditors (40%) base their internal audit on a risk survey when formulating the plan "in some cases," and 19 of the 40 (48%) do not base their internal audit on a risk survey at all.
- **The Subjects of the Audit Carried Out in the Ministries** – in 2016–2021 the provisions of the Internal Audit Law according to which other areas of the ministry's operations will be examined were not fully implemented in different ministries to achieve the law's objectives: **in the Ministry of Internal Security** only 11 reports were prepared (8% of all the reports prepared in the Ministry, and on average about 2 reports per year), mainly dealt with the management of human capital in the Israel Police or the Prison Service or the Fire and Rescue Services, and only 2 reports (1% of all reports prepared in the Ministry, and on average less than 0.5 reports per year) dealt with budget and procurement management. This is at a time when the bodies under the responsibility of the Ministry of Internal Security had a workforce of about 47,000 positions in 2021 and whose budget was NIS 20 billion;




The Courts Administration had about 4,300 positions in 2021, and no internal audit report, was prepared about the management of human capital and wages, in those years; **In the Ministry of Welfare**⁵, no internal audit reports were prepared about computing, information and knowledge; **In the Ministry of Defense** there were about 2,150 positions in 2021, and only one report was prepared, dealing mainly with the management of human capital and wages, as well as one report on computing, information management and knowledge; **In the Ministry of Education** no internal audit reports were prepared about the activity of management and staff or computing, information and knowledge; No internal audit reports were prepared in the **Ministry of Finance** about the activity of management and staff or the management of human capital and wages; The internal audit reports in the **Ministry of Foreign Affairs** hardly dealt with the Ministry's activities in Israel, and focused on the audit of its missions abroad, and in general did not deal with the activities of the Ministry's management and headquarters, with key units in the Ministry charged with managing the areas of diplomacy, with the Ministry's human resources management and with the management of the Ministry's budget, procurement and assets. At the **Ministry of Interior**, 8 reports were prepared, and 3 of them (38%) dealt with the same department (the Department for Non-Jewish Communities). In the **Tax Authority**, which had over 6,000 employees, only one audit report was prepared during 6 years, mainly dealing with human capital and salary management.

- **Management Discussions on the Audit Reports** – the provision of the law requires a management discussion of the audit reports findings within 45 days from the date of their submission is not fully implemented in most of the ministries where audit reports were prepared in the years reviewed (41 out of 44, 93%). Without a timely management discussion and executive decision-making following the internal audit findings, the ministry impairs the audit's effectiveness. It thus may send down the drain the investment of the organization's resources.
- **Addressing the Findings of the Internal Audit Reports** – according to the findings of the questionnaires, in 14 out of 43 ministries (33%) that answered the questions on the subject and in which internal audit reports were prepared during the examined period, a committee was not established to rectify deficiencies as required by the government's resolution.
- **Monitoring the Rectifying of Deficiencies** – 11 of the 40 ministries that responded to the questionnaire (27.5%) reported that the audit unit does not maintain an orderly and documented monitoring of the deficiencies rectification; And 7 ministries that responded (17.5%) reported that it performs regular and

5 Until August 2021, this ministry was called the "Ministry of Welfare and Social Services"; In government resolution 349 dated August 22, 2021, the ministry's name was changed to "Ministry of Welfare and Social Affairs".

documented monitoring only in some cases. In 19 of the 40 ministries that responded (47.5%), the internal auditor reported that the audit unit performs systematic and documented monitoring of the rectifying of all deficiencies; And 3 ministries (7.5%) reported that the audit unit performs regular and documented monitoring of significant deficiencies only.

- **Submitting Reports for the Minister's Review** – according to the Internal Audit Law, the internal auditor must also submit his reports for review by the minister in charge. In 18 ministries (41%) the reports are not forwarded to the minister for review as required; In 10 ministries (23%) they are submitted for review only occasionally; And in 16 of the 44 ministries that responded (36%) the audit reports are forwarded to the ministers.

 **Professional Rules for Auditing** – the Ministry of Justice has not formulated a uniform set of professional rules adapted to internal audits in the civil service: less than half of the auditors who responded (14 out of 32, about 44%) rely on the professional rules of the Institute of Internal Auditors; Less than a third (10 out of 32) rely on internal procedures of the organization; and 12.5% (4 out of 32) of the respondents rely on a different set of professional rules.

The Regulation of the Internal Audits in Government Medical Centers

- **The Internal Audit Unit in the Ministry of Health** – the Commission's decision regarding the minimum scope of positions in the Internal Audit Unit in the Ministry of Health does not suit the scope of tasks and the professional coordination that the said Audit Unit is required to perform vis-a-vis the medical centers in which there are almost 30,000 positions (21 times the scope of positions in the Ministry of Health), also audited by the Internal Audit Unit of the Ministry of Health (in addition to the audit conducted by the internal auditors of the medical centers).
- **Internal Audit in Mental Health Centers and Geriatric Centers** – in the 6 years reviewed (2016–2021), the Ministry of Health conducted a limited internal audit in 13 mental health centers and geriatric centers – less than one audit report per year, on average, in all 13 centers together. It was further raised that although the geriatric medical centers and mental health centers are characterized by increased risk, due to the characteristics of their population, and even though a limited internal audit is carried out in them, the Civil Service Commission and the Ministry of Health did not appoint them auditors.
- **Conducting Internal Audits at the General Medical Centers** – in the 6 years examined, less than 2 internal audit reports on average per year were prepared in 4 general medical centers (Sheba, the Galilee Medical Center, Hillel Yaffe, and Rambam) by the centers themselves and by the Ministry of Health, in each of the centers. As a rule, fewer audit reports are prepared in the larger medical centers: 6 reports at Sheba and 11 at Rambam, compared to 12 at Ziv and 14 at Poriya.



- **The Number of Internal Auditor Positions in General Medical Centers** – as of the audit completion, there was one internal auditor position in 8 out of the 9 general medical centers, regardless of key parameters set by the Friedman Committee and implemented by the Civil Service Commission: scope of personnel and budget.
- **Internal Audit in Large Medical Centers** – as of the audit completion, July 2022, and after over 8 years since the Civil Service Commission determined that an internal auditor must be appointed in every government medical center, no internal auditor has been appointed in the largest government medical center – Sheba, holding about 1,580 inpatient beds and about 4,700 positions. For comparison, in ministries with a similar scope of personnel, the minimum basic workforce headcount is 8–11 positions. The Audit Unit at the Ministry of Health conducts some audits in the medical centers and the Sheba Medical Center. Still, it is doubtful whether it is sufficient to meet the obligation to have an internal audit at the medical center. It was also found that no internal auditor was appointed at the second largest medical center either – the Tel Aviv Sourasky Medical Center (Ichilov). At the Ziv Medical Center, as of the audit completion and for almost a year and a half, no internal audit was conducted.
- **Formulation of Audit Plans in Government Medical Centers Based on Risk Surveys** – according to the internal auditors' responses to the questionnaire, over 70% of the medical centers did not formulate work plans for the audit unit based on risk surveys.
- **The Professional Subordination of the Internal Auditors in the General Government Medical Centers to the Instructions of the Internal Auditor in the Ministry of Health** – according to the ministries' answers to the questionnaires from mid-2022, 5 of the 7 medical centers where there was an internal auditor that year⁶ do not submit audit reports to the Internal Auditor of the Ministry of Health, even after requesting the directors of the centers to receive them. Until the audit completion, an operative definition regarding the professional subordination of the medical center auditors to the Internal Auditor of the Ministry of Health had not been determined, including the involvement degree in formulating the work plans of the centers' auditors and the authority to accept their products and take part in the staffing of auditor positions.
- **Submitting the Reports of the Internal Auditors at the General Government Medical Centers for the Review of the Minister of Health and the Director General of the Ministry** – according to the questionnaires' findings

6 The Barzilai Medical Center, Hillel Yaffe Medical Center, Galilee Medical Center, Baruch Feida Medical Center (Poriya) and the Rambam Health Care Campus.






6 of the 7 internal auditors who served in this position at the government medical centers during the audit period did not submit the audit reports for review by the Minister of Health, as required by the Internal Audit Law; One auditor stated that he rarely submits the reports for the Minister and the Director General review.



Staffing of Positions in the Audit Unit – the State Comptroller's Office commends the actions of the Civil Service Commission in 2016 to formulate a headcount standard for the internal audit units in the government ministries and the auxiliary units.





The Work of the Internal Audit Unit in the Ministry of Health – the State Comptroller's Office commends the Internal Audit Unit in the Ministry of Health. Despite the lack of manpower resources in the Unit, compared to the required standard, the Unit performed certain audit examinations in medical centers in the 6 years reviewed and conducted regular internal audits in the Ministry itself.

Key Recommendations

-  It is recommended that the government ministries and the auxiliary units establish work plans for their internal audit units based on risk surveys. It is recommended that the internal auditors in all government ministries and auxiliary units formulate multi-year work plans, including the ministry's areas of operation, considering the risk surveys, and implement them. It is recommended that the ministry managements ensure that this is carried out.
-  The management of the ministries that rely on the internal audit services of other ministries or outsourcing for conducting an audit should ensure the conduct of a regular internal audit, as required by law.
-  It is recommended that the Commission consider to set in the Internal Audit Procedure, a prohibition to engage in other occupations in addition to the duties of the auditor according to the Internal Audit Law, and that as long as the internal audit unit's resources are lower than required according to the Commission itself, the unit will focus on internal audit.
-  The general directors of all the ministries, and in particular the general directors of the Ministry of Education, the Population and Immigration Authority, the Courts Administration, the Ministry of Energy, the Ministry of Science and Technology, and the Ministry of Culture and Sports, should ensure that tasks assigned to the internal audit units will not interfere with the fulfillment of their main function stipulated by law – execution of an internal audit.
-  It is recommended that the Ministry of Justice appoint the director of the Professional Unit in the Ministry of Justice to establish the unit and the Professional Committee for Internal Auditing and determine its powers and work procedures. It is further recommended that

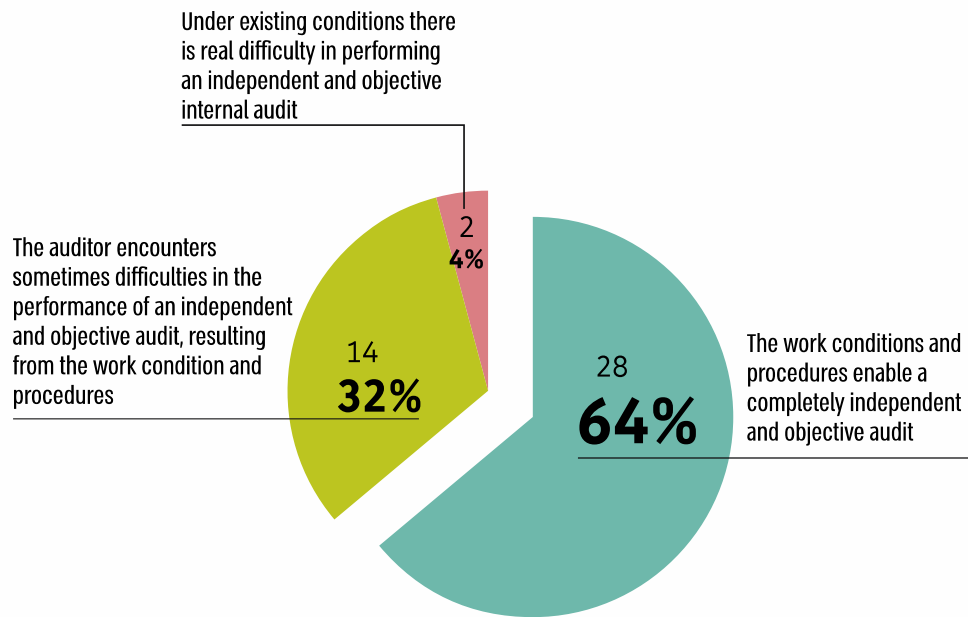


the Ministry of Justice and the Civil Service Commission strengthen the independence of the internal auditor, determine the method of the evaluation of the auditor's performance, so the execution of his duties as required will not harm his promotion. It is also recommended that the Ministry of Justice regulate the professional infrastructure for internal auditing in the civil service, including formulating detailed professional rules for the civil service audit.

-  The management of the ministries should allocate personnel resources to the internal audit units, as required by the Civil Service Commission regulations. It is recommended that the Commission monitor the ministries implementation of its instructions and ensure that the scope of jobs assigned and staffed in the internal audit units fits the established regulations. It is recommended that the Civil Service Commission and the Salary Division at the Ministry of Finance resolve the salary issue in the internal audit units.
-  The management of the 17 ministries in which no audit reports were prepared in the years reviewed and the management of the 15 ministries in which the audit was limited, as mentioned, should conduct internal audits regularly. The Ministry of National Security, the Courts Administration, the Ministry of Welfare, the Ministry of Defense, the Ministry of Education, the Ministry of Finance and the Ministry of Foreign Affairs should conduct internal audits in their key areas of operation.
-  The general directors of the government ministries and the managers of the auxiliary units should ensure compliance with the provisions of the law requiring discussing the findings of the internal audit reports and ensuring that the discussions are held within 45 days from their submission to the supervisor. It is recommended that the ministry's management and the internal audit units in all the ministries follow up on rectifying the deficiencies they raised, form a situation assessment regarding rectifying them, and present it from time to time to the ministry's director general.
-  The Civil Service Commission should regulate the internal audit in all government medical centers, and ensure that the scope of resources allocated to the internal audit units will be compatible with the tasks assigned to them. The management of the medical centers should conduct a regular and effective internal audit. It is recommended that as long as the Commission's decision regarding the subordination of the internal auditors in the medical centers to the professional instructions of the Internal Auditor in the Ministry of Health prevails, the medical centers will regularly submit internal audit reports they prepared to the Internal Auditor of the Ministry of Health. It is further recommended that the Civil Service Commission and the management of the Ministry of Health, in consultation with the medical centers and the internal audit of the Ministry of Health, thoroughly regulate the rules concerning the internal audit system in the government medical centers.



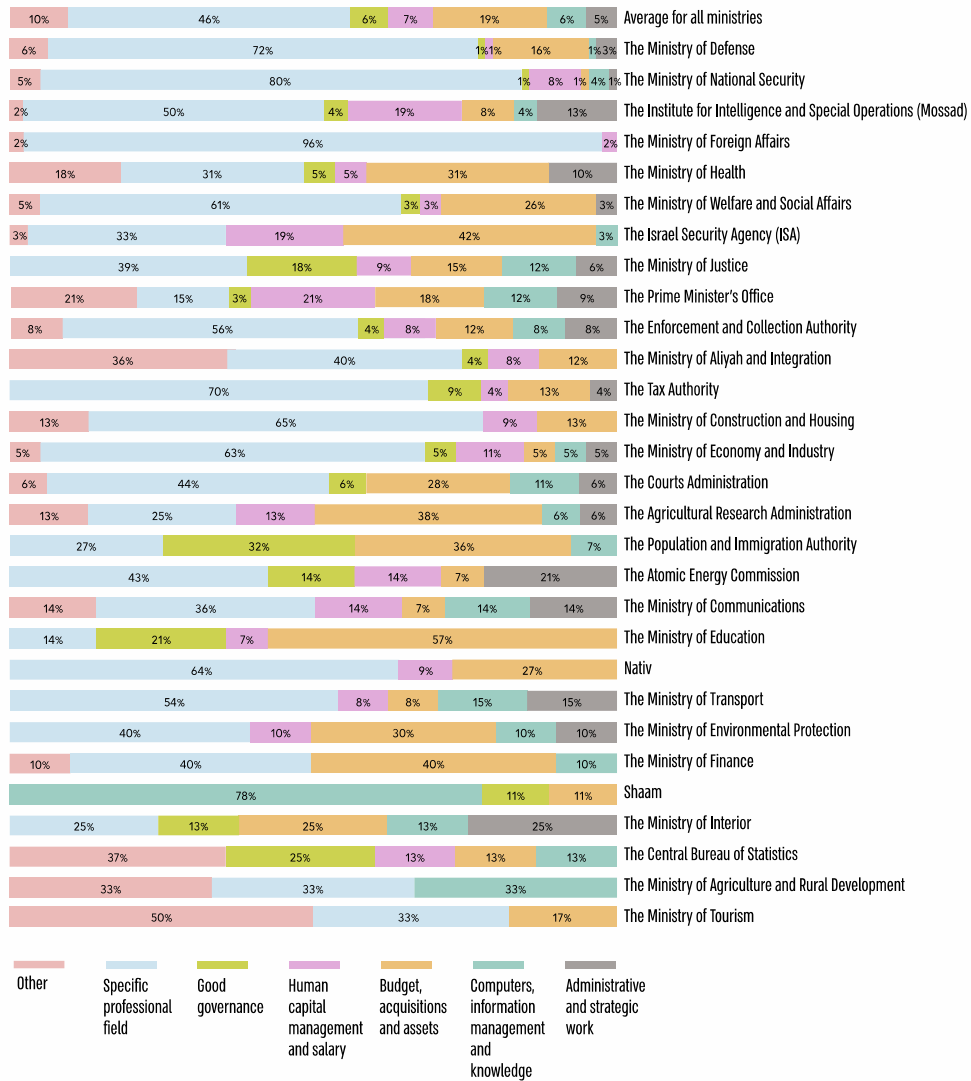
The Distribution of the Internal Auditors' Answers: "Do the Internal Auditor's Working Conditions and the Work Procedures Allow the Performance of Independent and Objective Audit Work?"



According to the findings of the questionnaires, processed by the State Comptroller's Office.



Distribution of Internal Audit Reports by Subject, 2016–2021



According to the audit reports submitted to the State Comptroller's Office, processed by the State Comptroller's Office.



Summary

The audit found gaps concerning, among other things, each of these aspects: some of the internal audit units do not operate under conditions of independence and objectivity; Some auditors' access to documentation and databases is partial or missing; No adequate arrangements were made to strengthen the independence and impartiality of the internal auditor in the civil service; The personnel resources allocated to the internal audit units in the ministries are often less than required, and in some cases, the units suffer from an acute lack of resources. The examination of the products of the internal audit units in the civil service in 2016–2021 raised that in 32 of the 61 ministries (52%), to which the government allocated a total of NIS 12.5 billion per year, do not comply with the provisions of the Internal Audit Law, or that a limited audit is being conducted in them, thus questioning the achievement of the law's objective.

The internal auditors in all government ministries and auxiliary units should formulate multi-year plans and include in them the ministry's areas of operation, considering the risk surveys, and implement them. It is recommended that the management of the government ministries and medical centers provide adequate conditions and resources for the audit units and require them to conduct professional and ongoing audits in all fields of activity. Furthermore, the Ministry of Justice should establish the Professional Committee for Internal Auditing in the Ministry of Justice and determine its roles and powers as a significant body in forming an effective internal audit system in the civil service. In addition, it is recommended that the Civil Service Commission verify that, according to the standard of each ministry, sufficient resources have been allocated to the internal audit unit and that the ministries comply with its instructions.

