

State Comptroller Report

A Collection of Special Reports

March 2023

A b s t r a c t s



State of Israel

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Table of contents

Abstracts

Foreword	7
Local Authorities' Preparedness for Earthquakes	13
Developing Vaccine & Antibodies for Covid-19 at the Israel Institute for Biological Research	25
Special Aid to the Tourism Industry During Covid-19 Pandemic	35
Interim Report: Children's Hospitalization – State Comptroller Visit to Tel Aviv Souraski Medical Center (Ichilov) and Barzilai Medical Center in Ashkelon	53



Foreword

This special audit reports collection, submitted to the Knesset and made public, presents the findings of four audits, as detailed below:

1. The local authorities' preparedness for earthquakes

The State of Israel lies near the Syrian-African rift valley, increasing the risk of a high-magnitude earthquake occurring therein. By common assumption, it is highly probable that a major earthquake will occur within the next fifty years in the region between southern Lebanon and the south of the Dead Sea.

This report, in addition to the State Comptroller's previous reports about the State of Israel's preparedness for earthquakes presents a perennial failure in the state's preparedness for an earthquake event, in particular in the peripheral communities located along the Syrian-African rift valley. The report's findings highlight the necessity of extensive activity incorporating long-term vision to optimize the country's preparedness for a high-magnitude earthquake.

At the beginning of February 2023, we experienced concrete warning of the devastating results that may befall the State of Israel the day a high-magnitude earthquake occurs. Earthquakes of such magnitude, whose epicenter was in southern Turkey, at the northern end of the Syrian-African rift valley, resulted in the death of tens of thousands of people and the injury of tens of thousands more, to the collapse of more than 12,000 buildings and to over 500,000 destitute and homeless people. Since then, aftershocks, well felt in the State of Israel, continue to hit our region with high frequency.

The audit raised that the municipalities of Beit She'an, Tiberias, Safed and Kiryat Shmona and Hatzor HaGlilit Local Council did not implement the National Outline Plan (NOP) 38, even though they are all prone to be severely affected by an earthquake, and even though NOP 38 was the primary plan to implement the government's policy to reinforce buildings. It was further found that at the audit time, 1,124 (93%) of the buildings determined as requiring reinforcement in these local authorities, when the cost of their reinforcement with the addition of protection is NIS 2.34 billion, have not yet been reinforced. The audit also raised that about 70% of the schools determined as requiring reinforcement have not yet been reinforced. Hence, 38 of the 54 schools determined as requiring reinforcement, were not reinforced. Furthermore, by the Home Front Command audits, the readiness level of Beit She'an Municipality and Hatzor HaGlilit Local Council contending with emergency incidents is low, the level of readiness of the municipalities of Tiberias and Safed is good, and only the municipality of Kiryat Shmona's level of readiness is very good. By these audits there is no mandatory standard regarding the



emergency equipment that the local authorities must hold and maintain in their emergency warehouses as part of their preparedness to contend with emergency events, including an earthquake event.

International experience indicates that early investment in preparing for an earthquake significantly reduces loss of life and property damage upon its occurrence; hence, the best way to mitigate harm and prevent the occurrence of a major disaster due to an earthquake is to improve the robustness of buildings – residential buildings, public buildings and infrastructure – vis-à-vis earthquakes.

The Prime Minister, the Minister of Defense, the Minister of Construction and Housing, the Minister of Interior, the Minister of Finance, and the Inter-Ministerial Earthquake Preparedness Steering Committee, should promote the State of Israel's and the local government's preparedness, to contend with earthquakes, particularly the peripheral local authorities located along the Syrian-African rift valley.

The State Comptroller's Office recommends that the relevant government ministries – the Ministry of Finance, the Ministry of Defense, the Ministry of Interior, the Ministry of Construction and Housing – and the Inter-Ministerial Earthquake Preparedness Steering Committee, coordinate with the municipalities of Beit She'an, Tiberias, Safed and Kiryat Shmona and Hatzor HaGlilit Local Council, and with peripheral local authorities located along the Syrian-African rift valley, to formulate a mechanism to reinforce the structures in those authorities and locate the necessary resources for the said purpose. Given the significant budgetary resources required to reinforce the buildings and infrastructures in the peripheral communities, most of which of low socio-economic status, this requires the dedication of all professional parties and the appropriate allocation of resources.

The government and the local government should act quickly and decisively to address the issue, sooner rather than later.

2. The development of a vaccine and antibodies against the Covid-19 virus at the Israel Institute for Biological Research

The Covid-19 pandemic broke out in Israel in March 2020. Following the Prime Minister's directive from February 2020, the Institute began the developing process of a vaccine and antibodies against the new Covid-19 virus, including, among other things, the qualification of a production line for the vaccine, pre-clinical trials on animals and human clinical trials.

The audit raised that the Institute's Director's proposal to the Prime Minister to initiate this project, followed by the Prime Minister's directive, did not coincide with the Institute's limited production capabilities before the outbreak of the Covid-19 pandemic, and that the National Security Council (NSC) allowed to discuss the vaccine and present it to the Prime Minister, even though it was aware that the Assistant Minister of Defense Special Staff had no prior knowledge of the Institute's Director's letter and did not control the



process. Moreover, the project was not executed under the Institute's procedures in force, and the Assistant Minister of Defense Special Staff allowed conducting the project without the required control processes being carried out. The expected schedule for the execution of the project was extended from approximately 11 months to approximately 36 months, and the budgetary additions were presented in segments and not as a complete picture (increase from approximately NIS 63 million to approximately NIS 1.4 billion). Thus, preventing a full presentation of the expected schedule.

Upon the audit completion, July 2022, the vaccine and antibody project at the Institute, defined as a national mission at the investment of approximately NIS 230 million, was shut down, without completion of the development and production of the vaccines and antibodies and without them being approved for human use.

Crisis management, especially unexpected ones, requires quick decision-making and execution of actions under stress and uncertain conditions. However, the urgency prevailing upon the outbreak of the pandemic cannot serve as justification for the deficiencies accrued since the task of developing a vaccine was imposed on the Institute – February 2020. From a forward-looking perspective, the State Comptroller's Office recommends that the Assistant Minister of Defense Special Staff and the Institute draw conclusions from the Institute's vaccine development procedure, particularly to refine its control mechanisms in the development and production processes. It is also recommended that the Assistant Minister of Defense Special Staff examine whether the Institute can possibly contribute to the State of Israel's coping with a pandemic in the future, regarding the various stages of development of medical preparations, including the production and regulation required within them.

3. Special aid to the tourism industry during the Covid-19 crisis

Following the outbreak of the Covid-19 pandemic in Israel in March 2020, the government took steps to reduce morbidity and mortality, in practically – imposing restrictions on movement and gathering in the country and closing off the skies to foreign tourists. These restrictions severely affected the tourism industry at a relatively early stage of the pandemic, and from approximately 4.5 million tourists in 2019, it dropped unprecedentedly to approximately 832,000 tourists in 2020. The revenue of the Israeli economy from tourism in 2021 was approximately NIS 14 billion, compared to pre Covid-19 crisis revenues in 2019, approximately NIS 43 billion.

This report presented the examination of the unique aid given to the tourism industry on two levels: one, the Ministry of Tourism's preparedness for emergency events during routine times, and especially the collection of information necessary for the implementation of aid during emergencies and the definition of the aid subjects; And the second, an examination of the unique aid given in 2021 and 2022 to the tourism industry and its implementation.



The audit indicated disparities in the Ministry of Tourism's routine activities regarding the collection of information of the tourism industry and its updating, the Ministry's preparedness for emergency situations and the Ministry's addressing of only some of the tourism sectors. These disparities adversely affected the usefulness and effectiveness of the aid to the tourism industry during the Covid-19 crisis, as they restricted the Ministry's ability to assess the damage caused to various sectors that make up the tourism industry and to assess the scope and type of aid required to contend with the crisis. Regarding the unique aid given in 2021 and 2022 to several sectors of the tourism industry and its implementation – the audit raised findings that require examination and conclusions, including the establishment of benchmarks for identifying tourism businesses, their characteristics and needs; examining the operational capability of the Ministry of Tourism to operate an aid system; the need to present a complete financial situation report about the results of the aid and the financial situation of the objects of the aid; and establishing control mechanisms for the provision of aid to various sectors in the tourism industry.

Given the limited funds the State of Israel can designate for aid, and that unique aid requires a high level of justification compared to the economy-wide aid, it is recommended during the aid formulation phase to form an infrastructure to increase the probability that the aid will be given in an efficient and beneficial manner, to fulfill its purpose both in the speed of its distribution and in the identity of the entities receiving assistance.

The implementation of the recommendations by the Ministry of Tourism and the other relevant factors will enable to utilize the crisis as an opportunity and achieve two significant goals: increasing the readiness and capability of the tourism industry in Israel to contend with emergency situations in the future, and ensure that aid funds are granted to industries that need it for economic survival; and maximizing the tourism industry's contribution to the Israeli economy.

4. Interim report: hospitalization of children in hospitals – the State Comptroller's visit to the Tel Aviv Sourasky Medical Center (Ichilov) and the Barzilai Medical Center in Ashkelon

In December 2022, together with the Office's Director General and the audit teams, I paid a visit to Ichilov – Dana Duwek Children's Hospital and Barzilai Hospital in Ashkelon. We toured the various children's wards and the inpatient rooms, the common areas, the intensive care units, the Children's Emergency Medicine Department, the Hematology-Oncology Department and the children's study rooms. The hospitalization conditions and the infrastructure in the wards were reviewed, and discussions were held with the parents and their hospitalized children to understand the course of the hospitalization and its conditions, as they experienced them. The teams also met with the hospital administrations, with the medical and nursing staff and with the paramedical staff – a social worker and teachers.



The administrators and the medical and nursing staff raised material issues, including the lack of a multi-year plan detailing the beds required for the various wings in the hospitalization array, including the children's departments, the desired occupancy rate in the hospitals and the significant lack of medical, nursing and paramedical personnel. Thus, for example, the Director of Ichilov – Dana Hospital stated that about 20% of the children suffering from malignant diseases hospitalized in the children's Hematology-Oncology Department require palliative care, but the shortage of nursing staff and the lack of dedicated headcounts prevent the provision of such care; The lack of headcounts for paramedical personnel may result in the hospitals inability to employ such professional staff, which may adversely affect the treatment of children and their families. The State Comptroller's Office notes that it is evident that the medical, nursing and other staff are making efforts to improve the hospitalization experience of children and make it easier for their families. The parents also positively noted the hospitalization experience in the children's wards, although they pointed out long waiting times in the Children's Emergency Medicine Department. It is recommended that the Ministry of Health, Ichilov-Dana and Barzilai Hospitals examine and rectify what requires correction.

The audited entities have the duty to quickly and efficiently rectify the deficiencies raised in this special reports collection.

Finally, I have the pleasant duty of thanking the employees of the State Comptroller's Office, who work with dedication in conducting audits in a professional, in-depth, thorough and fair manner and publish objective, effective and relevant audit reports.

Matanyahu Englman
State Comptroller and
Ombudsman of Israel

Jerusalem, March 2023

