



State Comptroller – Special Report | April 2024

Prime Minister's Office

The Construction and Protection of the Prime Ministers' Residences and the Prime Minister's Office



Construction and Protection of the Prime Ministers' Residences and the Prime Minister's Office

Background

For about a decade now, the State of Israel has been trying to build new buildings for the Prime Minister's Office (PMO) and Residence. In 2014 the **"Almog" project** was reinitiated to provide the Prime Minister and the leadership centers with security protection and functional infrastructure to ensure their survival and continuity of operations in times of routine and emergency. The project was planned to be built on the area included in the Government Campus in Jerusalem. Tender procedures for its planning began two decades earlier, in 1995; the planning commenced in 2000, but its advancement was halted. In May 2014, the Israeli government decided to restart the project; however, in October 2018, its advancement was halted. In 2019, the Prime Minister's Office began developing an alternative plan, in another location on the Government Campus in Jerusalem, adjacent to the current Prime Minister's Office building – the **"Shira" project**. The previous audit report, published in August 2020¹ (the previous audit), recommended that due to years of delay in executing the project to establish an office and residence for the Prime Minister, the Prime Minister's Office should promptly examine alternative locations for the project and initiate their submission to the government's decision.

Additionally, it was recommended that until a new building is constructed, the Prime Minister's Office should rectify and repair safety and protection deficiencies in the present Prime Minister's Office building and the official residence on Balfour Street in Jerusalem, as required by the General Security Services, (GSS) and other professional bodies, to ensure the Prime Minister's survival and continued functioning in emergencies (**renovation of the Prime Minister's Office and the residence on Balfour Street**). It should be noted that between mid-2019 and November 2022, there were five parliamentary elections held in Israel, and from the beginning of 2020 to May 2021, the Israeli government was preoccupied with the Covid-19 pandemic. In addition, on October 7, 2023, the Simchat Torah holiday, following a terrorist attack by Hamas on Israel, a war broke out.

This report examines, among other things, the implications of the many years of attempts to construct a building for the Prime Minister's Office and residence. The report provides a detailed analysis of the financial expenditures accumulated over the years, during which the Almog Project failed to materialize, the Shira Project was not advanced, and the renovation project of the official residence on Balfour was delayed.

1 State Comptroller, **Annual Report 70C** (2020), "Construction of a New Building for the Prime Minister's Office and Residence"



Key Figures

about 10 years

have passed since the government decided to reinstate the Almog Project in 2014; and over five have passed since the project was halted in 2018, and a government decision on the future permanent Prime Minister's residence has yet to be made

6–8 years

the time required to complete the Shira Project, which is still in the planning stages

at least 32 months

the delay in the renovation of the official residence on Balfour Street between May 2018 and March 2023 due to disputes within the Prime Minister's Office on the funding of the renovation of the private residence in Caesarea (about 8 months); the failure to vacate the official residence on Balfour (about 18 months); and the late involvement of the GSS (about 6 months). As of November 2023, the renovation has not been completed

NIS 56 million

the cost of securing the private residences of successive Prime Ministers (in Caesarea, Ra'anana, Tel Aviv, and on Azza Street in Jerusalem) for their stay in them due to the ongoing renovation of the official residence on Balfour (until November 2023)

NIS 15.8 million

the products cost for securing and renovating the official residence on Balfour (the inner courtyard and kitchen). Due to the delay in the renovation of the Balfour residence, most of which have expired or destroyed

NIS 24.9 million

the cost of securing the private residence in Ra'anana of former Prime Minister Naftali Bennett during his tenure as Prime Minister. about NIS 9.5 million for renting temporary security and protection measures, including about NIS 6.2 million for renting portable toilets at about NIS 103,000 per unit per month and generators at about NIS 390,000 per unit per month for about 12.5 months



NIS 3.58 million

the cost of securing the private residence in Tel Aviv of Yair Lapid during his tenure as Prime Minister. Including about NIS 2.79 million on renting temporary security and protection measures

NIS 26.8 million

the cost of securing the private residences on Azza Street and in Caesarea of Prime Minister Benjamin Netanyahu during his tenure as Prime Minister from December 2022 to November 2023. Including about NIS 10.4 million on safety and security works on the balcony windows of the private residence on Azza Street

60%

the reduction of the GSS's specifications for securing the official residence in Balfour due to the Prime Minister's Office actions: the cost estimate was NIS 54 million; following the addition of GSS's specifications, the cost estimate was about NIS 123 million; and finally, it was reduced to about NIS 50 million

Audit Actions

From April to August 2019, the State Comptroller's Office audited the construction of a new building for the Prime Minister's Office and residence (the previous audit), and its findings were published in August 2020. The current audit (the follow-up audit) was conducted intermittently from May 2022 to March 2023 and examined the rectifications of the deficiencies raised in the previous audit, including the delay in the project's execution, the staff work for examining construction in the project's surroundings, management of the project, and the activity of the Committee for Removing Barriers. The follow-up audit also examined, two issues that were not addressed in the previous audit: protecting of private residences and adapting them to the Prime Ministers' stay, and the security arrangements for ministers' homes and the private residences of Prime Ministers in coordination with the planning authorities. The audit was conducted at the Prime Minister's Office, with complementary examinations performed at the GSS, the Ministry of Defense, the Accountant General's Department in the Ministry of Finance, and the Ministries of Justice, Environmental Protection, Health, Communications, and Foreign Affairs.



Key Findings



Management of the Almog and Shira Projects – Follow-up



Government Decision on the Future of the Permanent Prime Minister's Residence Project – the previous audit noted that about four years after the government decision to advance the Almog Project, the feasibility of establishing the project at the planned location was questioned, and an alternative location was considered. **The follow-up audit found that the deficiency was partially rectified:** at the follow-up audit end, over five years after the Almog Project 2018 was halted, the Prime Minister's Office had developed an alternative – the Shira Project, at an estimated cost of NIS 500 million. However, a government decision regarding the alternative project has yet to be made. Although the Prime Minister's Office drafted a proposal for the government regarding the Shira Project, it has neither formed a final "resolution proposal" nor submitted it for government approval. As a result, the provision of optimal security measures to the prime minister has been delayed.



Appointing One Factor to Lead the Project – the previous audit identified several weaknesses in the project's management and recommended appointing one factor to lead it. **The follow-up audit found that the deficiency was rectified to a small extent** – project management was entrusted to several bodies, including the Engineering and Construction Department in the Ministry of Defense (AHUB) and the Prime Minister's Office. AHUB failed to promote the project for almost five years and did not even advance a preliminary planning process. This was due, among other things, to the partial compliance of the Prime Minister's Office to AHUB's requests for data necessary for project planning and the lack of an agreed-upon factor to lead the project.



Establishing Coordination Among the Involved Parties – the previous audit noted a lack of coordination and poor information sharing among the professional bodies involved in the Almog Project. **The follow-up audit found that the deficiency was rectified to a small extent.** The 2023 draft resolution proposal formulated by the Prime Minister's Office stated that a steering committee would be established to plan the Shira Project. However, the draft did not specify the committee's roles or address coordination between the relevant parties during the execution phase. The draft resolution proposal has not yet been submitted to the government for approval.



Removing Obstacles in Project Management – the previous audit found that the Committee for Removing Obstacles, responsible for resolving disputes and removing barriers, had not convened. This is despite significant obstacles and considerable delays in the project management process. **The follow-up audit found that the deficiency**



was rectified to a small extent. No supervision and control mechanism has been established to manage the Shira Project during its execution phase. In addition, it has not been decided whether to approve the Prime Minister's Office's proposal to appoint the steering committee as the supervising and controlling factor.

Renovation and Securing of the Prime Minister's Office – Follow-up

Interim Securing of the Prime Minister's Office – the previous audit noted that the maintenance condition of the Prime Minister's Office building was poor, with numerous safety deficiencies identified, including in the "Prime Minister's Compound." **The follow-up audit found that the deficiency was partially rectified.** Although the Prime Minister's Office carried out security, renovation, and protection work in the compound, including in the Government Secretariat, the Cabinet Room, and the Prime Minister's Office, at NIS 14.7 million, the planned work to fix electrical and fire safety deficiencies in the rest of the office building had not been completed. Furthermore, an audit report from the Accountant General's Department noted, based partly on a check by the Prime Minister's Office, that gaps were found (in retrospect) between the materials and equipment ordered for the work by the Prime Minister's Office and what was received, in terms of quantity, usability, and quality.

Renovation and Securing of the Official Residence on Balfour – Follow-up

Interim Securing of the Official Residence on Balfour Street – the previous audit noted that in August 2015, the physical condition of the Prime Minister's official residence on Balfour Street in Jerusalem was described by professionals as follows: "It is clear that it is not practically possible to remain on Balfour. The building is small and on the verge of collapse". **The follow-up audit found that the deficiency was rectified to a small extent:** in the three years since the previous audit, the Prime Minister's Office made limited progress in securing and renovating the official residence, with numerous delays. As of the update provided by the Prime Minister's Office in February 2024, the office issued an order of about NIS 37.3 million for the project, of which only about NIS 3.4 million (9%) had been utilized and according to the Prime Minister's Office's estimate, about two years remained from May 2023 to complete the project. I.e., the renovation of the Balfour residence is expected to be completed by the end of 2025 at the earliest, about five years after the previous audit was published

Renovation of the Private Residence (Prime Minister Benjamin Netanyahu) in Caesarea to Enable Work at the Official Residence on Balfour – in 2018, the official residence on Balfour needed to be vacated immediately by its occupants to enable its renovation. In May 2018, the Prime Minister's Office decided that during the renovation, the Prime Minister would stay at his private residence in Caesarea. In June 2018, the caretaker of the official residence informed the Prime Minister's Office that for



the Prime Minister to move to the private residence in Caesarea, maintenance work must be carried out there. In this regard, it arose as follows:

1. **Delay in Renovating the Balfour Residence Due to Difficulty in Determining the Scope of Public Funding to Renovate the Private Residence in Caesarea** – from June 2018 to January 2019, the Prime Minister's Office was delayed in deciding on the scope of public funding to be allocated for work on the private residence in Caesarea, due to the difficulty in distinguishing between maintenance work and those that may improve the property's value. Consequently, there was about an eight-month delay before renovation work at the official residence on Balfour could begin.
2. **Delay in Renovating the Balfour Residence Due to Non-Vacating After Completing Renovation of the Caesarea Residence** – until November 2019, security work at NIS 795,000 and maintenance work at NIS 190,000 had been carried out at the private residence in Caesarea. The Prime Minister's Office funded NIS 165,200 of the maintenance costs, and NIS 24,800 was privately funded under the office accountant's guidance. The Prime Minister's Office paid NIS 960,000 for this work at the private residence - to enable the Prime Minister's move from the official residence on Balfour to the private residence in Caesarea for the immediate renovation of the official residence. However, the Prime Minister continued to reside at the official residence on Balfour Street for over a year and a half after the security work was completed at the private residence until July 2021, shortly after the formation of the 36th Government of Israel and the end of his term. As a result, there was a delay of about a year and a half in renovating the official residence on Balfour Street. It should be noted that three elections were held for the Knesset during this period.

 **Expiration and Destruction of Products Purchased for the Renovation of the Official Residence on Balfour** – as part of the renovation of the official residence on Balfour, the Prime Minister's Office purchased products in 2018 and 2019 for securing the inner courtyard and replacing the kitchen at the official residence on Balfour, at about NIS 11.9 million. The items included, among other things, protective surroundings, a kitchen (fabrication and assembly), and electrical appliances. Due to the delay in renovating the official residence at Balfour, the products expired or were destroyed, and most can no longer be used. In addition, repeated postponements of the renovation work led to additional costs, including storage of the products and cancellation of orders from suppliers, at about NIS 3.9 million. Thus, the total expenditure on these products was NIS 15.8 million.

 **Delay in Involving the GSS in the Project of Securing the Official Residence on Balfour** – in July 2021, the Prime Minister's Office initiated planning the "Villa Tehila" project to renovate the official residence at Balfour. About five months later, the Prime



Minister's Office involved the GSS in the project. Regarding this period, three deficiencies arose in the audit: (a) until the end of 2021, the project was managed without sufficiently addressing information security, thereby risking sensitive security information about the Prime Minister's residence; (b) only in March 2022 were the project specifications updated according to GSS guidelines, and the project cost was updated from NIS 54 million to NIS 123 million. Later, the GSS reduced its requirements for the project specifications to NIS 50 million (about 40% of the total cost). This resulted in a six-month delay in determining the project specifications; (c) the GSS stipulated the reduction of its requirements for the project specifications on the immediate advancement of the Shira project for the construction of a building for the Prime Minister's office and residence; however, the Shira project has not yet commenced.

Securing, Renovating, and Adapting the Prime Ministers' Private Residences

📌 The Cost of Adapting the Private Residences for the Use of the Prime Ministers has Increased Due to the Years-Long Delay in Renovating the Official Residence on Balfour Street. From May 2018 to November 2023, the Prime Minister's Office failed to complete the renovation of the official residence on Balfour Street. Therefore, and since during this period, three Prime Ministers served in Israel, the office was required to secure several private residences of the Prime Ministers – in Caesarea, in Ra'anana, in Tel Aviv, on Azza Street in Jerusalem, and adjust the residences to the Prime Ministers' activity. The total cost of the abovementioned works (mainly security works) was NIS 56 million. Most equipment and facilities installed as part of the works cannot be re-used elsewhere. During these years, the Prime Minister's Office did not consider alternatives for purchasing or renting another building in Jerusalem for the Prime Minister's residence.

📌 Expenses of the Prime Minister's Office on the Private Alternative Residence in Ra'anana (Prime Minister Naftali Bennett)

1. **The Expenditure on Renting Temporary Security and Protection Means** – the cost of securing Prime Minister Naftali Bennett's private alternative residence during his tenure as Prime Minister in Ra'anana was NIS 24.9 million. To secure this residence, the Prime Minister's Office rented temporary security and protection means for about 12.5 months, at about NIS 9.5 million. The equipment was rented under an agreement to supply resources for specific events. An hourly billing model was implemented for certain items, which was unsuitable for the continuous and prolonged rental of equipment for securing a Prime Minister's private residence. Consequently, the office paid for related items for security and protection purposes, such as renting portable toilets at about NIS 103,000 per item per month and renting generators at about NIS 390,000 per item per month, totaling about NIS 6.2 million, 65% of the total expenditure on rental of temporary means (at about NIS 9.5



million). I.e., thousands of percent higher than the amount required had the means been rented in advance for extended periods.

2. **Re-use of Security Equipment** – permanent security equipment was installed at the private residence in Ra'anana, according to the GSS's requirements, at about 14.5 million NIS. At the time of the decision on the security equipment, the GSS assumed it would be possible to re-use it; however, it is almost certain that this option will not be realized in practice. For example, NIS spent 6.8 million on purchasing physical security equipment, which, according to the Prime Minister's Office, is unsuitable for re-use. In addition, NIS 5.7 million was spent on purchasing technological devices, which, according to the Prime Minister's Office, can be reused; however, they are currently in storage and may become obsolete, and there is no certainty they will ever be re-used.



The Prime Minister's Office Expenditures on Securing the Private Residence in Tel Aviv (Prime Minister Yair Lapid) – the cost of securing the private residence in Tel Aviv during the tenure of Member of Knesset Yair Lapid as Prime Minister from July to December 2022 was about NIS 3.58 million, of which about NIS 2.79 million (78%) was for renting temporary security and protection equipment. During this period, a previous contract signed by the office for the supply of temporary security and protection equipment was in effect, which was not planned to meet any long-term need for securing a Prime Minister's private residence. The Prime Minister's Office examined several alternatives for renting the temporary equipment at a reduced price, ultimately renting portable toilets at a price adjusted for long-term rental and generators under the existing contract, after finding that the other options were not clearly preferable. In addition, to secure the residence in Tel Aviv, no use was made of equipment removed from different residences.



The Prime Minister's Office Expenditures on Securing the Private-Alternative Residence on Azza Street and the Additional Residence in Caesarea (Prime Minister Benjamin Netanyahu) – the cost of security and protection work on the residences on Azza Street and in Caesarea during the tenures of Benjamin Netanyahu as Prime Minister, from January 2019 to November 2023, was about NIS 27.8 million. This includes NIS 960,000 for securing and maintaining the residence in Caesarea in 2019, about NIS 19,097,000 for securing the private alternative residence on Azza Street and renting apartments for operational and security personnel in 2023, and about NIS 7,710,000 for securing additional residences in Caesarea and renting apartments for security personnel in 2023.



Safety of the Private-Alternative Residence on Azza Street (Prime Minister Benjamin Netanyahu)



1. **Safety Deficiencies at the Azza Street Residence** – as of June 2023, information held by the Prime Minister's Office indicates safety deficiencies on the balconies of the residence on Azza Street, used as an alternative to the official Prime Minister's residence since the beginning of 2023.
2. **Cost of Rectifying Safety Deficiencies at the Azza Street Residence** – the Prime Minister's Office hired two consultants to perform engineering inspections of the Azza Street residence and determine the nature of the existing deficiencies, and the scope of work required to rectify them. Engineering Consultant A, hired by the Security and Emergency Division of the Prime Minister's Office, estimated the cost of the necessary work at NIS 3–4 million. Engineering Consultant B, hired at the request of the Office's accounting and legal departments for the same purpose, performed additional engineering inspections and estimated the cost at NIS 250,000. Thus, the cost of implementing Engineering Consultant A's proposal was at least 12 times higher than that of Engineering Consultant B. It was found that the Tender Committee of the Prime Minister's Office and the Exemption Committee of the Accountant General's Division decided to approve an increase in the contract amount for securing the Azza Street residence by NIS 13 million (from NIS 12 million to NIS 25 million), provided that preference was given to the cheaper alternative, and the contract amount related to the balconies would not exceed NIS 750,000. However, the Security and Emergency Division of the Prime Minister's Office sent contractors a request for price quotes (for works' execution) based primarily on the more expensive alternative, estimated at at least NIS 3 million. Consequently, the Prime Minister's Office did not receive any price quotes for the cheaper alternative, and the two price quotes it received included the contents of works corresponding only to the expensive alternative. The lower of the two price quotes was about NIS 1.7 million, excluding VAT and overhead. In October 2023, the Tender Committee of the Prime Minister's Office and the Exemption Committee of the Accountant General's Division approved the request of the Security and Emergency Division of the Prime Minister's Office to change the cost of the structural component from up to NIS 750,000 to up to NIS 1.7 million. However, the total cost of the work at the Azza Street residence remained unchanged, and it was noted that the budget source would reduce the cost of other components. As of the audit end, shortly after receiving the Prime Minister's Office's response in February 2024, the security works at the Azza Street residence had not yet been completed.
3. **Adapting the Azza Street Residence for the Prime Minister's Stay in Wartime** – according to a security consultant's report submitted to the Prime Minister's Office in February 2023, the official alternative residence on Azza Street is not suitable for housing the Prime Minister in "war threat" scenarios, and during a "significant event," the Prime Minister and his family "are not supposed to stay in the apartment." On October 7, 2023, the Hamas organization launched a deadly attack on Israel from the Gaza Strip, including rocket fire towards the south and central regions and infiltration of terrorist squads into towns and settlements along



the Gaza border. During the first month of the war, the Prime Minister resided away from the official alternative residence on Azza Street. The duration of the war is unknown, and the Prime Minister's Office has taken measures to install a protected area in the yard of the official alternative residence, estimating the cost at NIS 474,000. In February 2024, the Prime Minister's Office stated that "the alternative residence on Azza Street, while not suitable for war threats, has been adapted to meet all other threat scenarios, regarding war threats, the risk has been reduced." I.e., the Azza Street residence is unsuitable for war threats, and the response to this threat is only partial. As of November 2023, the expected cost of securing the Azza Street residence was NIS 18 million.

 Determining the Contents of the Security Works and Approving the Expenditure on Them

– the security and protection needs of the private residences of Prime Ministers and the extent of the equipment required to meet these needs are proposed by the Prime Minister's Office based on GSS requirements and approved by it, based on professional security considerations, without systematic addressing of economic considerations for cost savings. In two cases highlighted in the audit – the Almog Project and the renovation project at the official residence on Balfour Street – the Prime Minister's Office first examined the security measures based on GSS's requirements and security considerations and only later considered economic factors for cost savings. For instance, in the Almog Project, the estimated cost for security measures was about NIS 270 million, which was reduced to about NIS 55 million after economic considerations. Similarly, the renovation at the official residence on Balfour was initially estimated at NIS 54 million; after GSS defined the security contents, the estimate rose to about NIS 123 million and was then reduced to about NIS 50 million following economic considerations. In other cases, such as the private alternative residence in Ra'anana, the Office did not follow this approach.

 Security Arrangements at the Prime Ministers' Private Residences

– at times, installation of security measures and security construction in and around the private residences of Prime Ministers requires approval from planning authorities, according to planning and building laws. Due to the construction's security characteristics, the Prime Minister's Office is authorized to initiate an expedited planning process for such construction by applying to the Committee for Security Installations (VALMAB). In a meeting at the Ministry of Justice in May 2021, it was proposed that upon the need to install security measures adjacent to the residence of a minister whose security is under the charge of the Prime Minister's Office, the Office should initially place temporary security measures and obtain a temporary permit from the VALMAB for their installation. Following the completion of a formal process with the VALMAB, a permanent permit would be granted, allowing the installation of permanent security measures.

1. **The Private-Alternative Residence in Ra'anana** – in June 2021, former Prime Minister Naftali Bennett assumed office. In August 2021, the Prime Minister's Office



applied to the Ministry of Defense to initiate a planning process with the VALMAB regarding the residence in Ra'anana; however, the application was not advanced because all the necessary documents did not accompany it. The Prime Minister's Office carried out security construction work around the residence until April 2022 without verifying that its application to the Ministry of Defense regarding the appeal to the VALMAB was addressed. It only actually advanced the construction's regulation in terms of planning and building in April 2022, after the permanent security measures had already been installed around the residence. Due to the professional authorities' approach above, permanent security measures were installed at the residence in Ra'anana in a manner that did not comply with planning and building laws. This included not granting those who might have been adversely affected by the works the right to object to them.

2. **The Private Residence in Caesarea** – Prime Minister Benjamin Netanyahu assumed office in December 2022. Shortly after assuming office, the Security Department at the Prime Minister's Office requested the placement of security measures adjacent to his private residence in Caesarea. It was found that some of the security measures installed around the private residence in Caesarea between 2003 and 2019 were placed unlawfully. During the audit, the Prime Minister's Office began working to obtain approval from the relevant authorities to install these measures.

Security of Ministers' Residences

 **The Arrangement of Security for Ministers' Residences vis-à-vis Planning Authorities was Discussed in the Ministry of Justice in 2021.** It was noted that guard posts are placed at ministers' homes for security reasons immediately upon the minister's swearing-in. At the same time, the required planning procedures are often complex and lengthy. It was agreed that the Prime Minister's Office and the Ministry of Justice would deliberate, and if no solution is found, it will be referred to senior professional echelons in the Ministry of Defense and the Prime Minister's Office, and even to the senior political level, to decide on the matter.

1. Two years later, at the audit end, the Ministry of Justice and the Prime Minister's Office have not yet addressed the issue or progressed towards reaching a solution. No legal framework exists to allow government ministries to immediately install guard posts near ministers' residences while adhering to security needs, planning, and construction laws in any planning or property situation.
2. In May 2023, the audit examined the actual arrangement to place security structures near ministers' residences of four government ministries: the Ministry of Environmental Protection, the Ministry of Health, the Ministry of Communications, and the Ministry of Foreign Affairs, during the 35th, 36th, and 37th governments. In ten cases examined, the local authority approved the placement of the structures



within one day to three months, depending, among other things, on the characteristics of the minister's residence and the complexity of its security. In five of the ten cases, a planning review was required; in four, the review was not conducted as required.



Security Arrangements at the Private Residence in Tel Aviv (Prime Minister Yair Lapid) – the state comptroller's office commends the Prime Minister's Office for obtaining the necessary legal permits in advance as part of the installation of security measures near the private residence in Tel Aviv.

Key Recommendations



Government Decision Regarding the Future of the Project – it is recommended that the Prime Minister's Office present a draft resolution proposal to the government as soon as possible to decide about the Almog Project and the Shira Project; that the Prime Minister's Office appoint one factor responsible for advancing and implementing the decision on the project; that the professional staff at the Prime Minister's Office coordinate and cooperate with the professionals involved in the project, among other things through meetings and the provision of necessary information to advance the project; and that the Prime Minister's Office detail in the decision proposal the roles of the steering committee as well as the coordination procedures among the bodies involved in the project. Furthermore, the proposal should include a mechanism for coordination among the relevant bodies at various stages. This will ensure appropriate information is communicated to all of the above, considering their roles.



Securing the Prime Minister's Office Building – it is recommended that the Prime Minister's Office complete as soon as possible the necessary works to secure the building in which the Office is located. The Office should conduct ongoing monitoring of equipment supplied as part of the projects under its charge, document the findings, and verify, as close to the delivery date as possible, that the equipment provided matches the order. If gaps are found, the Prime Minister's Office should ensure that the supplier provides the missing equipment or refund payments for undelivered or non-compliant equipment. In addition, it is recommended that the office check for supply gaps in similar projects and take appropriate measures if significant gaps are found.



Completing Works at the Prime Minister's Official Residence on Balfour Street – it is recommended that the Prime Minister's Office, in collaboration with the GSS, implement the planned solution to secure the official residence as soon as possible. This



should include strict budgetary monitoring and tracking of the project's progress according to the planned schedule.



Involvement of the GSS in Projects – it is recommended that the Prime Minister's Office involve the GSS in security-related projects – from the early stages and in advance, under the organization's roles and responsibility to guide the Office. The Prime Minister's Office should verify that external service providers implement the information security guidelines and that the Office adheres to GSS guidelines regarding information security.



Examination of Alternatives for the Official Residence – it is recommended that the Prime Minister's Office and the Assets Division of the Accountant General's Department consider other options for the official residence, such as purchasing or renting another building in Jerusalem that would serve as the Prime Minister's official residence. This new residence should meet the Prime Minister's needs and allow for security measures following the security authorities' requirements. The examination should consider a "war threat" scenario, given the ongoing state of war since October 2023 and the risk of similar threats materializing in the future. Considering the Prime Minister's Office's response, according to which the alternative official residence on Azza Street is not suitable for war threats (although the risk to the Prime Minister residing there has been mitigated), a decision should be made regarding the Prime Minister's continued residence at this location. In this matter, it is essential that the GSS be integrated into the evaluation and decision-making process, as its professional opinion on the risk should be central to this procedure.



Expenditure on Temporary Security Measures and Supplier Contracts – the Prime Minister's Office accountant should examine the procurement processes through which the office acquires products to ensure that prices set for short-term use are not applied to long-term purchases. If necessary, the Office should make the required adjustments. It is recommended that representatives of the Prime Minister's Office verify that the office is purchasing services and products according to appropriate agreements to secure prices that are not higher than market rates. In addition, it is recommended that the Accountant General conduct a comprehensive review across government ministries to determine whether they are paying for long-term rental of products at rates appropriate for short-term use. If so, the Accountant General should adjust the rates to match the periods of use.



Determining the Contents of Security Works and Approving the Expenditure on Them – it is recommended that when defining the scope of security measures for the Prime Minister's residences, the GSS and the Prime Minister's Office collaborate to develop alternatives for the contents and calculate their costs. This is to balance security needs with the conservation of public resources and maximize cost savings. In this context, it is recommended that the Office's accounting department supervise the costs of the various alternatives before any decision is made concerning them. If necessary, as highlighted while discussing the scope of works at the official residence on Balfour Street, the issue should be presented to senior officials in the GSS and the Prime



Minister's Office for resolution. In addition, it is recommended that the GSS examine the circumstances of the assumption that the security measures installed at the residence in Ra'anana can be re-used. When the GSS decision on security measures for the Prime Minister's residence is based on the assumption of re-use, the GSS should verify that it is well-founded and feasible.

Furthermore, it is recommended that the Prime Minister's Office assess the economic and operational implications of rectifying safety deficiencies at the residence on Azza Street and implement the findings of this assessment. The Prime Minister's Office should also adhere to the guidelines set by the tender committee and ensure a balanced presentation of alternatives for execution to potential bidders. Moreover, the Prime Minister's Office should ensure that, in addition to meeting security and protection requirements, any building intended to serve as an alternative official residence for the Prime Minister is also suitable from the safety aspect.

Furthermore, it is recommended that the Prime Minister's Office establish a central procurement unit. When procuring, the Office should distinguish between the professional unit that orders the goods or services and the unit that approves and executes the procurement. This separation should also apply to the procurement of security and protection measures.



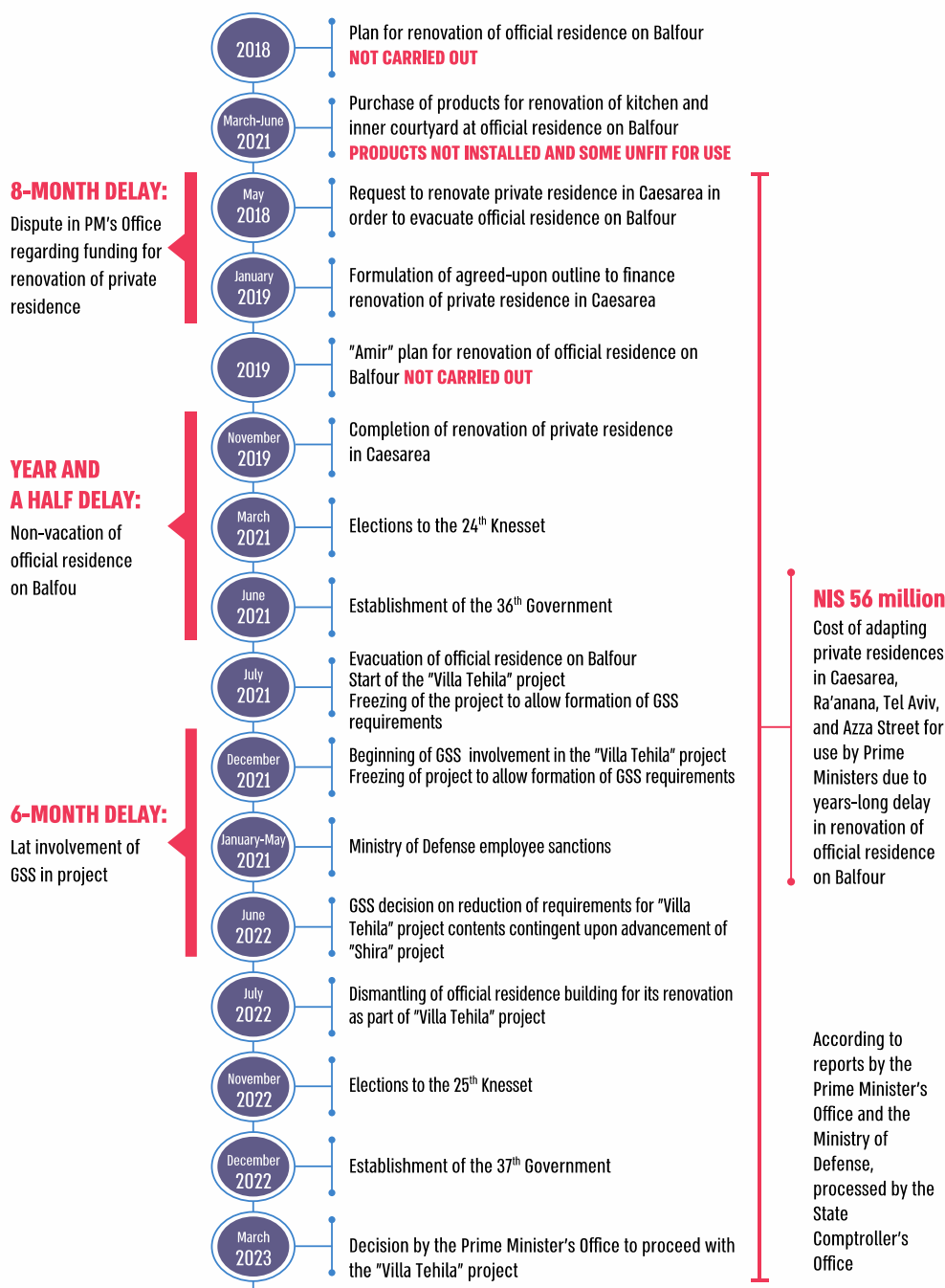
Planning Framework for the Placement of Security Measures at the Prime Minister's Private Residences – it is upon the Prime Minister's Office to complete the planning framework for placing security infrastructures around the residence in Caesarea. In addition, the Office should check whether security infrastructures that do not comply with the Planning and Building Law of 1965 and its regulations installed in other facilities under its jurisdiction, rectify their placement, and obtain the necessary approvals for their installation by law.



Planning Framework for the Placement of Security Measures to Secure Ministers' Residences – government ministries are in charge of placing security infrastructures at ministers' residences under planning and building laws and regulations after obtaining the required permits. It is recommended that the Ministry of Justice and the Planning Administration in the Ministry of the Interior, in consultation with the Ministry of Defense, whose representative is a member of the security committee (VALMAB), set the procedures for approving the placement of security infrastructures at ministers' residences, while addressing both security needs and the need for compliance with planning and building regulations.



Continuation of the Renovation Project of the Official Residence on Balfour – Key Points



According to reports by the Prime Minister's Office and the Ministry of Defense, processed by the State Comptroller's Office.



Works Expenses at the Prime Ministers' Private Residences, from January 2019 to November 2023, Mainly on Security Measures and on the Presence of Security Personnel and Staff at the Residences, in NIS Thousands (rounded)

	Private-alternative residence in Caesarea	Private-alternative residence in Ra'anana	Private-alternative residence in Tel Aviv	Private-alternative residence on Azza Street Until November 2023 (Prime Minister Netanyahu)		Private residence in Caesarea 2023 Until November 2023 (Prime Minister Netanyahu)*	
	(then Prime Minister Netanyahu)	(then Prime Minister Bennett)	(then Prime Minister Lapid)	Cost approved by the tenders committee	Cost according to actual orders	Cost approved by the tenders committee	Cost according to actual orders
Temporary security measures	0	9,500	2,787	**189	**189	0	0
Permanent protection	795	14,485	639	18,000	***17,900	7,500	7,390
Maintenance work	165	244	0	0	0	0	0
Rental of operational apartments (per year)	0	120	0	370	370	0	0
Rental of apartments for security personnel (per year)	0	579	149	538	530	210	210
Total (rounded)	960	24,900	3,600	19,097	18,989	7,710	7,570

According to the data from the Prime Minister's Office:

- * The data do not include expenses for additional accommodations and security when the Prime Minister had to leave the private alternative residence on Azza Street.
- ** This includes NIS 29,000 for the establishment of temporary security measures, as well as NIS 32,000 for monthly rental of security equipment, for a period of five months – from January 2023 to May 2023 – the period in which the State Comptroller's Office vis-a-vis made the final examination the Prime Minister's Office.
- *** NIS 7,500 thousand – order for purchasing goods. About NIS 10,400 thousand – order for securing of windows from November 2023.



Summary

In 2014, the government decided to promote the project to construct a new building for the Prime Minister's Office and official residence to provide the leadership centers with physical security and functional infrastructure. However, nearly ten years after the decision to execute the original project (the failed Almog Project), a decision to advance the alternative project (Project Shira) has still not been made. It should be noted that most of the deficiencies raised in the previous audit, focused mainly on years-long delays in promoting the project, have not been rectified.

Given the significant delay in advancing the project and the expectation that it will only be completed in several more years, immediate and extensive construction and security measures were required at the official Prime Minister's residence on Balfour Street to ensure that it meets the security and safety requirements of the security authorities. Findings from this report indicate that this has not been achieved: the Prime Minister's Office failed to execute the 2018 renovation plan for the residence and an additional plan from 2019. In addition, as of November 2023, the office has still not adapted the official residence to security requirements. Furthermore, the slow and deficient handling of construction at the official residence on Balfour has incurred significant financial expenses to the state treasury: renovation works planned for the residence, for which equipment was purchased in NIS millions, were not carried out. The equipment was damaged due to the delays above in renovating the official residence in Balfour and became useless.

Due to the delay in renovating the official residence on Balfour, Prime Ministers were barred from entering the residence in 2021–2023, requiring the adaptation of their private residences to serve as environments for work generally done in the official residence. Consequently, the state invested about NIS 56 million from January 2019 to June 2023 to conduct security and construction works in the Prime Minister's private residences.

The audit found that decisions regarding the content of the security and construction works are generally made based on professional and security requirements. This also applies to the adaptation of buildings to accommodate the Prime Minister's residence without systematically addressing economic considerations for cost savings. In addition, it was found that the professional and security requirements were determined under the assumption that high-cost security measures could be re-used. However, in practice, security equipment that cost about 54% of the total cost of security measures (NIS 6.8 out of NIS 12.5 million) are in storage, and it is uncertain whether they can be used. These two difficulties require solutions, also given the turnover of Prime Ministers.

Ultimately, the findings of this report reflect a persistent weakness in the Prime Minister's Office over the past decade in deciding about the construction of a new office building and the renovation of the Prime Minister's official residence and in implementing them; this weakness has led to significant expenditures on security and construction in private residences of Prime Ministers, characterized by inefficiency and wasteful public spending; construction in



private properties funded by the state treasury leads to an undesirable blending of private and public interests.

The Prime Minister's Office is required to rectify the deficiencies detailed in this audit report, mainly in these components: advancing the approval of the project for the construction of a building for the Prime Minister's Office and an official Prime Minister's residence and providing a suitable residence for the Prime Minister in terms of safety, security, functional efficiency, and budgetary considerations until the official residence can be inhabited. Given the realization of the war scenario in October 2023, during which "the Prime Minister and his family are not supposed to stay in the apartment," i.e., the official alternative residence – the need to reconsider adapting the residence on Azza Street to serve as an alternative to the official residence becomes more pressing. In addition, the purchase or rental of a building for a single official residence for the Prime Minister, which would meet all needs and save significant investment in the private residences of Prime Ministers, should be considered. Furthermore, the Prime Minister's Office (including the Director-General, the Office's accountants, and its legal bureau) should conclude from the procurement processes through which the office carries out security works at the Prime Minister's residences and apply them.