



Report of the State Comptroller of Israel | April 2025

The Defense Agencies

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# **Work Processes and Interfaces in the Defense Agencies in Israel and Abroad**





# Work Processes and Interfaces in the Defense Agencies in Israel and Abroad

## Audit Actions

 Between December 2022 and August 2023<sup>1</sup>, the Office of the State Comptroller conducted an examination of the defense establishment within a specific context. This included an analysis of the policy governing the aforementioned activities and the methodology behind its formulation; the interfaces between the IDF (Israel Defense Forces) and the Ministry of Defense (MoD), as well as among IDF entities regarding this matter; the defense establishment's stance on a particular issue related to said activities; and the regulations outlined in MoD directives and military orders. The audit was carried out within both the MoD and the IDF, supplemented by additional inspections conducted within government defense industries.

The Knesset State Audit Committee sub-committee decided not to bring this report in its entirety before the Knesset, but to publish only parts thereof, to protect the state's security, in accordance with Section 17 of the State Comptroller's Law, 1958 [Consolidated Version].

## Key Findings



### Policy Regarding a Specific Area

- Contrary to the recommendations of the "Defense Industries Team" from May 2021, which were endorsed by the Director General of the Ministry of Defense, the MoD did not establish an annual target for a specific area. This lapse may undermine the focus and efforts pertaining to this subject and its supervision.
- Despite the critical role of a senior forum within the Ministry of Defense that addresses complex security-political issues, there is no directive or procedure within the MoD defining the purpose and functions of this forum. This absence may hinder

<sup>1</sup> Supplemental inspections were carried out until October 2023.



the forum's effectiveness and create ambiguity regarding its responsibilities and authority.

- Despite directives from the then Director General of the Ministry of Defense issued in December 2021 and June 2022, as of the audit end date in August 2023, two divisions within the Ministry had not established in a directive the criteria for advancing activities in the area under examination.



**Approval of Activities in a Specific Area by the Relevant Ministerial Committee**

– Approximately 65% of all activities presented to the relevant ministerial committee between 2018 and 2022 were approved without a formal session, without a discussion or dialogue among committee members.



**The IDF's Involvement in a Specific Area** – There is no organized mechanism within the Israel Defense Forces' Planning Directorate (AGAT) and the MoD pertaining to the promotion and formulation of activities in the relevant field and their oversight. This deficiency hampers the Planning Directorate's capacity to exert influence over these activities. Furthermore, the Planning Directorate has not yet finalized the necessary steps to optimize its engagement in the activities between the MoD and the various branches and entities of the IDF, particularly with respect to oversight. Additionally, there is no established routine that coordinates the cooperation efforts in the field between the Planning Directorate and these entities. Consequently, there is no comprehensive management of this activity within the IDF.







**Certain Issues in Connection with Activities in a Specific Field** – The MoD assumes various roles in its relations with government defense industries, acting both as a sovereign entity and as a material customer. In specific areas of activity, the MoD has unilaterally determined its operational approach on certain issues.



**The Normative Regulation of the Examined Field** – The MoD's activities in this area have historically taken place without being regulated in directives. A process initiated in 2016 by three MoD divisions to formulate a directive remains incomplete as of the audit end date in August 2023. Additionally, the IDF lacks General Staff orders, Supreme Command directives, or standing orders from the Planning Directorate addressing this field, despite the involvement of various General Staff elements and branches in related processes.



## Key Recommendations

-  The Policy Pertaining to a Specific Area – It is recommended that the Director General of the Ministry of Defense establish criteria for promoting activities within the examined domain, taking into consideration all pertinent factors relevant to the defense establishment and associated industries, in consultation with these stakeholders.
-  The IDF's Involvement in a Specific Area of Activity – It is recommended that the Planning Directorate collaborate with the MoD in institutionalizing working interfaces in said area of activity and in enhancing the effectiveness of the IDF's engagement and augmenting its influence in this area. Within this framework, it is advisable for the Planning Directorate and the MoD to develop mechanisms for supervision and control of the process. Additionally, the Planning Directorate should establish working routines with the various IDF branches and entities relevant to this activity, while institutionalizing the process of intra-IDF cooperation, including mechanisms for control by the General Staff.
-  Certain Issues Related to Activities in a Specified Field – It is recommended that the Minister of Defense appoint an independent professional committee to examine these issues. The committee should formulate recommendations concerning clear standards and operational rules related to the subject matter, while considering all relevant factors, in cooperation with pertinent parties within the Ministry of Defense and the defense industries. Furthermore, until the committee's work is concluded, the Minister of Defense should direct the relevant division within the MoD on how to address these issues, encompassing all related aspects, and further instruct the Director General of the Ministry of Defense and the Deputy Chief of Staff accordingly.
-  Normative Regulation Within a Specific Field of Activity – It is imperative that the relevant departments of the Ministry of Defense act expeditiously to finalize the normative framework governing the management of the activity in question, including the updating of relevant instructions. It is also recommended that the Planning Directorate facilitate comprehensive staff work to complete the necessary orders within the IDF to regulate the aforementioned activity, while coordinating with the stakeholders of the Ministry of Defense involved in the revision or creation of corresponding instructions.



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## Summary

A specific field of activity significantly contributes to the security, economic growth, and national resilience of the State of Israel. The audit identified substantial deficiencies regarding the management of this field within the defense establishment. This encompasses, inter alia, the formulation of policy related to this subject by the Ministry of Defense; the establishment of criteria for the promotion of this activity; the operational interfaces between the Ministry of Defense and the IDF's Planning Directorate, as well as among IDF entities concerning matters relevant to the aforementioned activity; the normative framework that governs the interfaces between the parties involved and the delineation of responsibilities and authorities for each entity; the implementation of explicit guidelines pertaining to issues associated with this activity; the inaccurate documentation of such issues in the defense budget and in the Ministry of Defense financial statements; and the lack of a mechanism for oversight and control over certain aspects pertaining to it.

All entities involved in this activity must undertake corrective measures in response to the deficiencies identified in the report and its recommendations to enhance the efficiency of the activity and optimize its benefits to the defense establishment and defense industries in Israel, while maintaining a balance among all national interests.