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Public Space

Electricity Supply at the Druze Local Authorities in the Golan Heights – Follow-up Audit



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Background

The electricity sector is divided into several segments of activity, from the stage of electricity generation to its sale to consumers. These segments include the distribution section and the supply section. The activities of distribution and supply of electricity to residents of Israel are carried out by Israel Electric Corporation Limited (IEC). The Druze local councils in the Golan Heights distribute and supply electricity to their residents, in a manner that is unusual for typical municipal activities and different from what is customary in Israel.



Key Figures

1 of 4 local councils

Within the **Majdal Shams** Local Council, three out of four areas were transferred to the responsibility of IEC. On the other hand, the local councils of **Buk'atha**, **Mas'ada** and **Ayn Kuniya** did not advance the process of transferring electricity distribution and supply to IEC

NIS 100 million

The previous audit found that this was the extent of the investment that the **Majdal Shams** Local Council was required to make to upgrade the electricity infrastructure in its area before transferring responsibility to the electricity grid of IEC. In the follow-up audit it was found that the barrier of payment for upgrading the electricity grid prior to its transfer to the responsibility of IEC in the four councils was removed

17 transformers

The number of transformers on which the **Majdal Shams** Local Council conducted measurements in September 2019 to check the level of non-ionizing radiation. **The local councils of Buk'atha, Mas'ada and Ayn Kuniya** did not perform radiation tests on transformers in their area

Approx. NIS 30 million

Total Investment by the Four Local Councils in the years 2020–2024 designated to upgrade their electricity infrastructure: **Majdal Shams** Local Council invested approx. NIS 14 million. **Buk'atha** Local Council – approximately NIS 9 million; **Mas'ada** Local Council – approximately NIS 3.4 million and **Ayn Kuniya** Local Council – approximately NIS 3.3 million

Only 49%


Collection rates in **Buk'atha** for current electricity consumption for 2023; in **Mas'ada**, the collection rates were about 82%, in **Majdal Shams** about 95%, and in **Ayn Kuniya** about 99%

13%

Depreciation rate for electricity consumption in **Buk'atha Local Council** in 2023, in **Majdal Shams** about 6%; in **Mas'ada** about 13.7% and in **Ayn Kuniya** about 6%





Audit Actions

 In 2019, the State Comptroller office published a report on "Electricity Supply at the Druze Local Councils in the Golan Heights" (the previous report or the previous audit). Between November–December 2024, the Office of the State Comptroller conducted a follow-up examination of the activities of the four local councils: **Majdal Shams, Buk'atha, Mas'ada** and **Ayn Kuniya** designated to rectify the deficiencies and implement the recommendations indicated in the previous report and related to management of the electricity sector within their jurisdiction (the follow-up audit). In addition, in the follow-up audit, the Office of the State Comptroller examined a new issue that was not checked in the previous audit – the supply of electricity to agricultural associations by the local councils. Supplementary examinations were conducted at **Ma'ale Hermon** Local Planning and Building Committee (Local Committee), **the Israel Public Utility Authority for Electricity** (The Electricity Authority – PUA) and at IEC.

Key Findings



 **The Attempts to Regulate the Electricity Sector** – the previous audit found that the discussions between IEC and the three local councils – **Buk'atha, Mas'ada** and **Ayn Kuniya** had not matured into an agreement to transfer the electricity grid to the responsibility of IEC. The follow-up audit found that as of January 2025, the three local councils had not joined the improved outlined plan from 2022¹ pertaining to the transfer of the electricity grid and had not negotiated with IEC regarding the transfer of the electricity grid in their jurisdiction to the responsibility of IEC, despite the accommodations in the improved outlined plan compared to the previous one.

 **Attempts to Regulate the Electricity Sector** – transferring responsibility for the distribution and supply of electricity in the built-up area of **Majdal Shams** to the IEC has not yet been completed, despite the council's commitment to do so by November 2024. The follow-up audit found that the deficiency had been **significantly rectified** in **Majdal Shams** Local Council, while in the local councils of **Buk'atha, Mas'ada** and **Ayn Kuniya** the deficiency **had not been rectified**. This may affect the level of

¹ The main change compared to the previous plan from 2009 is the cancellation of the obligation of the distributing entity (the council) to improve the grid and the establishment of a simple mechanism for settling the accounts pertaining to the cost of grid components at normative prices.




maintenance and amplify the safety hazards pertaining to the electricity grid in these three councils.


🔴 The Cost of the Electricity Grid – The previous report stated that IEC prepared a review in which it stated that if it accepts responsibility for providing electricity services to the residents of the four local councils – **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya**, it will incur heavy costs that could reach tens of millions of NIS for each of the four local councils, and this constituted an obstacle to transferring the grid in the four councils to its responsibility. The follow-up audit found that the decision of the Electricity Authority from May 2022 (the improved outlined plan) actually facilitates the process of transferring the electricity grid to IEC and lowers the barriers that existed in the previous plan. The follow-up audit found that the deficiency **had been fully rectified** by the **Electricity Authority**. Furthermore, the deficiency **had been significantly rectified** in **Majdal Shams** Local Council, following the removal of the barrier of receiving payment for the cost of the grid, due to which **Majdal Shams** local council transferred the responsibility for providing electricity services to IEC in three of the four areas within its jurisdiction; while in the local councils of **Buk'atha, Mas'ada** and **Ayn Kuniya** the deficiency **had not been rectified**.


🔴 Meeting the Requirements of the Planning and Building Law – the previous audit found that the local councils of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya** connected homes to electricity without being presented with Form 4 as required. The audit also found that the local councils had not required that the owners of the buildings present building permits issued by the **Ma'ale Hermon** Local Planning and Building Committee, in order to determine the location of the buildings, their size, and their designation, nor had they required them to submit plans of the electricity grid in the buildings. The follow-up audit found that the deficiency **had not been rectified** by the four local councils. The local councils of **Majdal Shams, Buk'atha, Mas'ada** and **Ayn Kuniya** continued to connect homes to permanent electricity connections without being presented with Form 4. Additionally, they do not require building owners to submit grid plans for those buildings.

🔴 Examining Solutions for Houses for which a Permit cannot be Issued – the previous audit showed that **Ma'ale Hermon** Local Committee and the local councils of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya** did not bring to the attention of the authorized bodies, including the Planning Administration and the Ministry of Interior, the need to find solutions to the IEC's requirement to present occupancy forms, while it is known that most houses in the Local Committee's jurisdiction do not have approval for such a form. The follow-up audit found that the deficiency **had not been rectified** in the four local councils, and that they had not acted to obtain an exemption from a certificate of completion for the purpose of connecting buildings, for which a permit cannot be issued, to the electricity grid.



 **Connection of Farm Cabins to the Electricity Grid** – this matter was first examined in the follow-up audit. The follow-up audit found that in the planning space of the agricultural areas located within the local councils of **Buk'atha, Majdal Shams** and **Mas'ada** there are agricultural cooperative associations that deal with the affairs of the farmers and represent them in the three councils (the agricultural associations). Agricultural associations in the area of the local councils of **Majdal Shams** and **Mas'ada** purchase electricity from IEC, and the associations in the area of the local council of **Buk'atha** purchase electricity from the council. The agricultural associations purchase the electricity through electricity meters and then sell it to owners of guest houses and agricultural buildings located within their jurisdiction without supervision or oversight of the councils. A tour conducted by the State Comptroller's team on February 12th, 2025, indicated that hundreds of farm cabins in the agricultural areas around Lake Ram, within the jurisdiction of the two local councils of **Majdal Shams** and **Mas'ada** and in the agricultural areas within the jurisdiction of the **Buk'atha** Local Council, are connected to electricity through pirated connections. Furthermore, it was found that in 2022, **Buk'atha** Local Council, at the discretion of the previous head of council, connected to the electricity grid, a cabin located five kilometers from the border of the council's jurisdiction, along the bank of Lake Ram. The local council, did not keep any information or documentation regarding the decision made in this matter or the funding of connection costs.

 **Compliance with the Requirements of the Non-Ionizing Radiation Law** – the previous audit found that the electrical installations in the local councils of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya** do not meet the standards and requirements set forth in the Non-ionizing Radiation Law. The follow-up audit found that the deficiency **had been significantly rectified** in **Majdal Shams** local council, **and had not been rectified** in the local councils of **Buk'atha, Mas'ada** and **Ayn Kuniya**. The follow-up audit found that the three local councils of **Buk'atha, Ayn Kuniya** and **Mas'ada** had not measured the level of radiation at the electrical installations, nor had they checked whether there was an abnormality in the levels of radiation their residents were exposed to. In September 2019, **Majdal Shams** Local Council conducted measurements on the transformers installed on electricity poles throughout the council, with the aim of obtaining approval for the radiation level. The measurement results showed that the radiation levels were within the range recommended by the Ministry of Health and the Ministry of Environmental Protection.

 **Carrying out Inspections to Verify Proper Function of the Electricity Grid Prior to Connecting Houses to it** – the previous audit found that in the four local councils of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya** there was no documentation indicating that prior inspections were carried out to verify proper function of the electrical system in the buildings or that the connection works were supervised, in order to ensure that they were carried out in accordance with accepted rules and standards and that the electrical systems did not pose any safety hazard to the residents and the general public. The follow-up audit found that this deficiency **had been significantly rectified** at the



four local councils. In most cases, the four local councils connected the houses to the electricity grid only after they received the results of the preliminary inspections conducted by a certified electrician regarding the proper function of the electricity system in those buildings.

Condition and Protection of Electric Poles – the previous audit found that the four local councils of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya** did not install spiked pole collars on the metal posts placed within their jurisdiction. It should be noted that the electric poles are made of barred metal ribs, which may serve as a ladder for climbing to the top of the pole and may increase the risk to the climber's life and safety. The follow-up audit found that the deficiency **had been significantly rectified** in Majdal **Shams** and **Mas'ada** Local Councils. In the local councils of **Buk'atha** and **Ayn Kuniya** the deficiency **had not been rectified**. It was shown that the local councils of **Majdal Shams** and **Mas'ada** had taken actions to protect most of the poles within their jurisdiction against climbing and placed warning signs. As Aforementioned, the local councils of **Buk'atha** and **Ayn Kuniya** had not protected all the electricity poles in their jurisdiction.

The Proximity Between Electricity Grids and Nearby Houses – the previous audit found many cases where the electricity grids in the local councils of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya** were located near buildings, contrary to the standard set forth in the Electricity Law and the Overhead Electricity Grids Regulations. The follow-up audit found that this deficiency **had been significantly rectified** at the four local councils. They addressed the issue of electricity cables that were adjacent to houses, and there has been a significant improvement in the matter. However, there are still a few cases where the electricity grids in the local councils are close to buildings, contrary to the standard set forth in the Electricity Law and the Overhead Electricity Grids regulations.

Managing the Electricity Sector as a Closed Economy – the previous audit found that the local councils of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya** had not managed their electricity sector as a closed economy in a way that would allow them to plan the electricity infrastructures and invest in them for the long term, and in fact, they used part of their revenues for their current budget. Moreover, the local councils did not invest in the electricity infrastructure, its maintenance and its upgrade. The follow-up audit found that the deficiency **had not been rectified** in the local councils of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya**, Contrary to the response of the local councils of Majdal Shams and Ayn Kuniya to the previous report. The local council of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya** still do not manage their electricity sector as a closed and separate economy as specified in the Ministry of Interior's guidelines. The follow-up audit further found that in July 2020, the **Majdal Shams** Local Council received approval from the Ministry of Interior to include surplus



revenues from the electricity sector in its current budget, and not to manage the electricity sector as a closed economy.

Collection Rates for Electricity Consumption – the previous audit showed that the collection in the local councils of **Buk'atha, Majdal Shams** and **Mas'ada** is incomplete and is carried out inefficiently. Moreover, significant arrears and bad debts that cannot be collected were also evident. The follow-up audit found that in **Mas'ada** Local Council the deficiency was **slightly rectified** and that in the **Buk'atha** Local Council the deficiency **had not been rectified**. It was found that collection rates at **Buk'atha** Local Council decreased by approximately 20% in 2021–2023, compared to their rate in 2020, and were only about 51% on average. Regarding the local council of **Mas'ada**, in 2020 the council recorded a collection rate of 84.6%, and in 2021, there was a significant increase in the council's collection rate that reached 114%.² In 2022–2023, there was a decrease in the collection rate, which reached 81.6% in 2023.

Depreciation of Electricity – the previous audit showed that the depreciation pertaining to electricity consumption at the local councils of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya** had been high, compared to the depreciation of IEC. For example, it was found that the depreciation for 2015–2017 at **Majdal Shams** Local Council amounted to an average of about 15%; at **Buk'atha** Local Council, it amounted to 30%; and at **Mas'ada** Local Council, it amounted to about 16%. The follow-up audit found that the deficiency **had not been rectified** at the local council of **Buk'atha**. Compared to the depreciation data in the previous audit, there was a significant decrease in electricity depreciation, from 30% in 2015–2017 to 7% in 2021. However, in the course of 2022–2023, there was an increase in depreciation, amounting to 13% in each of the years.



Attempts to Regulate the Electricity Sector at the Druze Local Councils in the Golan Heights – the Office of the State Comptroller commends the Electricity Authority's decision from May 2022, which established a methodological mechanism for assessing the value of the grid and for regulating payment for it, as well as the cooperation with **Majdal Shams** Local Council to carry out the transfer of the electricity grid.

Maintenance of the Electricity Grid at the Local Councils – the Office of the State Comptroller commends the actions taken by the local councils of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya** in all matters related to improving the handling of the electricity sector and for using outsourcing and hiring professional consultants in order to improve the designated departments' function pertaining to the electricity sector.

² Collection rate above 100% derives from the collection of debts from previous years.






Compliance with the Requirements of the Non-ionizing Radiation Law – The Office of the State Comptroller commends **Majdal Shams** Local Council for conducting radiation measurements in all transformers within its jurisdiction, and for its application to the Ministry of Environmental Protection in December 2021 to receive approval to install a new transformer.

Collection Rates for Electricity Consumption – the Office of the State Comptroller commends the local councils of **Majdal Shams** and **Ayn Kuniya** that had taken actions to become more efficient and significantly improved the collection rate for electricity supply, among other things, by taking proactive steps and investing in the installation of digital and smart meters, which has led to an increase in the revenues of these councils.

Depreciation of Electricity – the Office of the State Comptroller commends the decrease in depreciation figures at the four local councils. At **Mas'ada** Local Council, there was an improvement in depreciation data compared to the previous audit, and on an annual average, depreciation decreased from approximately 17% in 2015–2017 to approximately 13.7% in 2021–2023. The follow-up audit found that the deficiency had been rectified and a significant improvement was indicated in depreciation data, especially in **Majdal Shams** and **Ayn Kuniya**. **Ayn Kuniya** demonstrated the lowest depreciation rate – an average of 6%.

Setting Electricity Rate – The Office of the State Comptroller commends that the follow-up audit found that the deficiency pertaining to this matter **had been fully rectified** at the four local councils of **Majdal Shams**, **Buk'atha**, **Mas'ada** and **Ayn Kuniya**, and that they charge the consumers the same rate charged by IEC.

Key Recommendations

-  It is recommended for the **Majdal Shams** Local Council to complete the preparation of the electricity grid's property survey across the authority's built-up area, and if necessary, use the assistance of professionals, in order to transfer the electricity distribution and supply services in this area to the responsibility of IEC.
-  It is recommended that the three local councils of **Buk'atha**, **Mas'ada** and **Ayn Kuniya** communicate with the Electricity Authority after they have formulated their position on the improved layout and the long-term financial, operational and safety effects of joining it, and take the necessary steps to transfer responsibility to IEC.
-  It is recommended that the local councils of **Buk'atha**, **Mas'ada** and **Ayn Kuniya** examine the possibility of adopting the decision to transfer all aspects related to their grid to the responsibility of IEC, especially since the Electricity Authority's decision from



May 2022 removed the grid's cost barrier, and in order to facilitate regulation of the electricity grid in their jurisdiction for the benefit of all residents.

- 💡 The local councils of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya** must adhere to the requirement to submit detailed plans of the electricity grid in buildings, in addition to building permits and certificates of completion (Form 4), as a condition for connecting buildings to electricity, in order to ensure construction in accordance with the law and prevent safety hazards due to supplying electricity to a building that is not adapted for this purpose. **The Ma'ale Hermon Local Committee** must take enforcement measures against the use of buildings that were built without a permit or that have not yet received Form 4.
- 💡 The **Ma'ale Hermon local committee** must map the farm cabins built without a building permit across the local councils of **Buk'atha, Majdal Shams** and **Mas'ada**. The local committee and the four local councils must map all pirated electricity connections of agricultural buildings within their jurisdiction and implement their powers to stop these violations.
- 💡 The local councils of **Buk'atha, Ayn Kuniya** and **Mas'ada** must promptly perform measurements of radiation levels at the electrical installations within their jurisdiction and take action to obtain appropriate permits, to ensure that their residents' exposure to non-ionizing radiation is within the range recommended by the Ministry of Environmental Protection. This action will assist in protecting and maintaining public health and ensure compliance with the requirements of the law. It is recommended that the Ministry of Environmental Protection examine the performing of inspections to check the level of non-ionizing radiation in the electricity grid facilities within the jurisdiction of the local councils of **Buk'atha, Mas'ada** and **Ayn Kuniya**.
- 💡 It is recommended that the four local councils of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya** continue to invest in the electricity grid, in accordance with a regular work plan, given the constant increase in electricity consumption and the natural growth of population.
- 💡 The local councils of **Buk'atha, Majdal Shams, Mas'ada** and **Ayn Kuniya** must ensure that buildings are not connected to the electricity grid unless prior tests regarding the proper function of the electrical system installed in them were conducted.
- 💡 The local councils of **Buk'atha** and **Ayn Kuniya** must take action, as soon as possible, to ensure regular maintenance of the electricity poles in their jurisdiction, and if necessary, to replace them. Furthermore, the council must protect the poles that are not protected against climbing, given the risks involved and the electrical injuries that have occurred in the past.
- 💡 The current situation, where the electricity grid is close to buildings, contrary to the standard specified in the Electricity Law and the regulations creates a hazard that may endanger the safety of the residents. The local councils of **Buk'atha, Majdal Shams,**



Mas'ada and **Ayn Kuniya**, in cooperation with the relevant parties, must deal with the electricity grid adjacent to buildings in a way that meets the standard.



The Ministry of Interior must ensure that the local councils of **Buk'atha**, **Majdal Shams**, **Mas'ada** and **Ayn Kuniya** manage their electricity sector as a closed economy in accordance with the Ministry's guidelines. In addition, the Ministry of Interior must consider the exceptional approval granted to **Majdal Shams** Local Council in July 2020 to include surpluses from the electricity sector revenues in the current budget contrary to the Ministry's guidelines. Failure to manage the electricity sector as a closed economy may put a burden on the local councils in the process of managing the funds collected for this activity and may lead to their lack of investment in electricity infrastructure and insufficient maintenance levels, which could harm the quality of service provided to residents.



It is recommended that the local councils of **Buk'atha** and **Mas'ada** intensify their efforts to improve their collection for electricity consumption and expedite the process of installing digital meters. This step is expected to improve the collection processes for electricity consumption and bring about economic efficiency in the electricity sector.



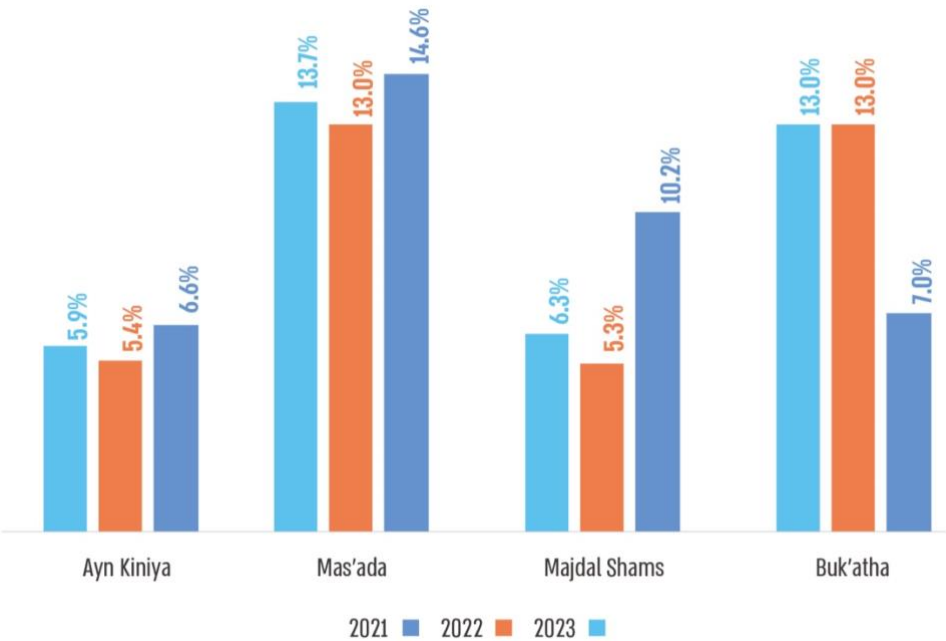
The Office of the State Comptroller recommends that the local councils of **Buk'atha** and **Mas'ada** conduct a thorough examination with regard to the cause of electricity depreciation, since a high rate of depreciation puts a financial burden on their budgets. They must consider ways for improving their management of the electricity sector and reducing depreciation.



It is recommended that the local councils of **Majdal Shams** and **Ayn Kuniya** examine the scope of their revenues from the electricity rate, compared to their investment in ongoing maintenance and upgrading of the electricity infrastructure. Furthermore, it is recommended that they examine whether to pass the discount they get from the electricity supplier on to their residents – the consumers.



The Rate of Depreciation of Electricity in 2021–2023 in the Audited Local Councils





Summary





Despite the improvement in the management of the electricity sector, the upgrading of the electricity grid, the collection rates, and the decrease in electricity depreciation in the local councils of **Majdal Shams**, **Mas'ada** and **Ayn Kuniya**, the findings of the follow-up audit indicate continued failures in the management of the electricity sector in these local councils.

The local councils of **Buk'atha**, **Mas'ada** and **Ayn Kuniya** have not completed the regularization of electricity distribution and supply as required by law. The **Majdal Shams** Local Council is at an advanced stage in the process of transferring its electricity grid to IEC, in accordance with the layout set forth in the Electricity Authority's decision from May 2022, however, the transition has not yet been completed in the central, built-up area of the village, due, among other things, to a failure to map the grid and to conduct a property survey. The local councils of **Buk'atha**, **Mas'ada** and **Ayn Kuniya** have not measured the levels of non-ionizing radiation in the electrical installations in their jurisdiction, nor have they checked whether there was an abnormality in the levels of radiation their residents were exposed to. In addition, the four local councils of **Buk'atha**, **Majdal Shams**, **Mas'ada** and **Ayn Kuniya** do not manage their electricity sector as a closed and separate sector, as required by the Ministry of Interior's guidelines. It was further found that in the local councils of **Majdal Shams** and **Ayn Kuniya** the collection rates for electricity consumption in 2020–2024 increased consistently and reached about 91% and about 99% on average, respectively. In contrast, in **Buk'atha** Local Council, collection rates decreased by about 20% in 2021–2023, compared to their rate in 2020, and were on average only about 51%. Regarding the local council of **Mas'ada**, its collection rates in 2020–2023 were approximately 84% on average. A low collection rate leads to a loss of millions of NIS in revenues and an increased burden on the local councils.

In view of the continuation of the current situation in which the supply of electricity to residents at the Druze local councils in the Golan Heights is not supervised and does not meet the required standards, it is recommended that the four Druze local councils of **Majdal Shams**, **Buk'atha**, **Mas'ada** and **Ayn Kuniya** work vis-a-vis the Electricity Authority and, as necessary, vis-a-vis IEC, to regulate electricity distribution and supply within their jurisdiction, in accordance with the layout published by the Electricity Authority in 2022. This is in order to ensure the distribution and supply of electricity in a proper and efficient manner, as well as to ensure the improvement of the service provided to the residents, while maintaining their safety and security.



The Extent of Rectification of the Key Deficiencies Noted in the Previous Report

The Audit Chapter	The Audited Body	The Deficiency Noted in the Previous Audit	The Extent of Deficiencies Rectification Noted in the Follow-up Audit				
			The Auditee	Not Rectified	Slightly Rectified	Significantly Rectified	Fully Rectified
Attempts to regulate the electricity sector at the Druze local councils in the Golan Heights	The local councils of Buk'ath, Majdal Shams, Mas'ada, Ayn Kuniya	In the previous audit, the Office of the State Comptroller noted that once the local councils of Buk'atha, Mas'ada, and Ayn Kuniya decided to join the outlined plan , they were required to fulfill the requirements of the Electricity Authority and provide the missing documents in order to complete the process and implement the decision to join the outlined plan.	Buk'atha				
			Majdal Shams				
			Mas'ada				
			Ayn Kuniya				



The Audit Chapter	The Audited Body	The Deficiency Noted in the Previous Audit	The Extent of Deficiencies Rectification Noted in the Follow-up Audit				
			The Auditee	Not Rectified	Slightly Rectified	Significantly Rectified	Fully Rectified
The cost of the electricity grid	The Electricity Authority, The local councils of Buk'ath, Majdal Shams, Mas'ada, Ayn Kuniya	In the previous report, the Office of the State Comptroller noted that the Electricity Authority should have acted vis-a-vis all relevant parties to find an appropriate solution to the issue of the electricity grid in the four local councils. The parties must act in accordance with the outlined plan and transfer the decision on the financial dispute regarding the value of the grid to the head of the Economics Department at the Electricity Authority.	Electricity Authority				
			Buk'atha				
			Majdal Shams				
			Mas'ada				
			Ayn Kuniya				


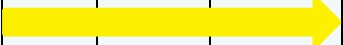




The Audit Chapter	The Audited Body	The Deficiency Noted in the Previous Audit	The Extent of Deficiencies Rectification Noted in the Follow-up Audit				
			The Auditee	Not Rectified	Slightly Rectified	Significantly Rectified	Fully Rectified
Fulfilling the requirements of the Planning and Building Law	Ma'ale Hermon Local Committee, the local councils of Buk'atha, Majdal Shams, Mas'ada, Ayn Kuniya	The previous audit showed that the local councils connected houses to electricity without presenting the required forms, such as Form 4 or Form 2. In addition, it was found that the councils did not ask the building owners to provide building permits or plans of the electricity grid, as required by the regulations. The follow-up audit found that the deficiency had not been rectified. The local councils of Majdal Shams, Buk'atha, Mas'ada, and Ayn Kuniya continued to connect houses to a permanent electricity connection without being presented with Form 4.	Ma'ale Hermon Local Committee				
			Buk'atha				
			Majdal Shams				
			Mas'ada				
			Ayn Kuniya				
Connecting farm cabins to electricity	The local councils of Buk'atha, Majdal Shams, Mas'ada, Ayn Kuniya	The issue was not examined in the previous audit.	irrelevant				







The Audit Chapter	The Audited Body	The Deficiency Noted in the Previous Audit	The Extent of Deficiencies Rectification Noted in the Follow-up Audit				
			The Auditee	Not Rectified	Slightly Rectified	Significantly Rectified	Fully Rectified
Maintenance of the electricity grid at the local councils	The local councils of Buk'atha, Majdal Shams, Mas'ada, Ayn Kuniya	The previous audit showed that the employees of the electricity departments at the four local councils of Majdal Shams, Buk'atha, Mas'ada and Ayn Kuniya have not received appropriate training, and that sometimes they do not have the appropriate tools and equipment to perform maintenance and handling of the electricity grid, such as cranes for working at heights and ropes for catching aerial insulated cable. Moreover, the heads of the local councils of Majdal Shams, Buk'atha, and Mas'ada indicated that employees they hired for the Electricity Department were not sufficiently skilled and claimed that some of them do not have the appropriate training to perform the connection work themselves, and therefore they rely on external contractors for that purpose.	Buk'atha				
			Majdal Shams				
			Mas'ada				
			Ayn Kuniya				



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			The Auditee	Not Rectified	Slightly Rectified	Significantly Rectified	Fully Rectified
Compliance with the Requirements of the Non-ionizing Radiation Law	The local councils of Buk'atha, Majdal Shams, Mas'ada, Ayn Kiniya	The previous audit found that the electricity installations in the local councils of Buk'atha, Majdal Shams, Mas'ada and Ayn Kiniya do not meet the standards and requirements specified in the Non-ionizing Radiation Law.	Buk'atha				
			Majdal Shams				
			Mas'ada				
			Ayn Kiniya				











The Audit Chapter	The Audited Body	The Deficiency Noted in the Previous Audit	The Extent of Deficiencies Rectification Noted in the Follow-up Audit				
			The Auditee	Not Rectified	Slightly Rectified	Significantly Rectified	Fully Rectified
Investment in the electricity infrastructure of the local councils	The local councils of Buk'atha, Majdal Shams, Mas'ada, Ayn Kuniya	The previous audit found that the local councils of Buk'atha, Majdal Shams, Mas'ada and Ayn Kuniya had not invested in the current infrastructures of the electricity grid within their jurisdiction, among other things, through the purchase of transformers to prevent multiple malfunctions, especially in wintertime when electricity consumption increases significantly, and that they did not prepare in advance to provide an adequate response to the recurring malfunctions caused by the expansion of construction and increase in consumption.	Buk'atha				
							
			Majdal Shams				
							
			Mas'ada				
							
			Ayn Kuniya				
							











The Audit Chapter	The Audited Body	The Deficiency Noted in the Previous Audit	The Extent of Deficiencies Rectification Noted in the Follow-up Audit				
			The Auditee	Not Rectified	Slightly Rectified	Significantly Rectified	Fully Rectified
Performing Preliminary Electrical Inspections	The local councils of Buk'atha, Majdal Shams, Mas'ada, Ayn Kuniya	The previous audit found that in the four local councils of Buk'atha, Majdal Shams, Mas'ada and Ayn Kuniya, no documents were found indicating the performance of preliminary tests designated to check the proper function of electrical systems in the buildings. Moreover, there were no documents indicating supervision of the connection works, to ensure that they were carried out in accordance with accepted rules and standards, and that the electrical systems do not pose a safety hazard to the residents and the general public.	Buk'atha				
			Majdal Shams				
			Mas'ada				
			Ayn Kuniya				







The Audit Chapter	The Audited Body	The Deficiency Noted in the Previous Audit	The Extent of Deficiencies Rectification Noted in the Follow-up Audit				
			The Auditee	Not Rectified	Slightly Rectified	Significantly Rectified	Fully Rectified
Condition and Protection of Electric Poles	The local councils of Buk'atha, Majdal Shams, Mas'ada, Ayn Kuniya	The previous audit found that the four local councils of Buk'atha, Majdal Shams, Mas'ada and Ayn Kuniya had not installed spiked pole collars on the metal poles located within their jurisdiction.	Buk'atha				
			Majdal Shams				
			Mas'ada				
			Ayn Kuniya				
Proximity of the electricity grid to houses	The local councils of Buk'atha, Majdal Shams, Mas'ada, Ayn Kuniya	The previous audit found many cases in which the electricity grid in the local councils of Buk'atha, Majdal Shams, Mas'ada and Ayn Kuniya was close to buildings, contrary to the standard specified in the Electricity Law and the Overhead Electricity Grid regulations.	Buk'atha				
			Majdal Shams				
			Mas'ada				
			Ayn Kuniya				



The Audit Chapter	The Audited Body	The Deficiency Noted in the Previous Audit	The Extent of Deficiencies Rectification Noted in the Follow-up Audit				
			The Auditee	Not Rectified	Slightly Rectified	Significantly Rectified	Fully Rectified
Managing the Electricity Sector as a Closed Economy	The local councils of Buk'atha, Majdal Shams, Mas'ada, Ayn Kuniya	The Previous audit showed that the local councils of Buk'atha, Majdal Shams, Mas'ada and Ayn Kuniya had not managed their electricity sector as a closed economy in a way that would allow them to plan the electricity infrastructures and invest in them for the long term. In practice, they used part of their revenues for their current budget.	Buk'atha				
			Majdal Shams				
			Mas'ada				
			Ayn Kuniya				
Collection for electricity consumption	The local councils of Buk'atha, Majdal Shams, Mas'ada, Ayn Kuniya	The previous audit noted that the collection in the local councils of Buk'atha, Majdal Shams, Mas'ada and Ayn Kuniya is incomplete and is carried out inefficiently. Moreover, significant arrears were found in addition to bad debts that cannot be collected.	Buk'atha				
			Majdal Shams				
			Mas'ada				
			Ayn Kuniya				



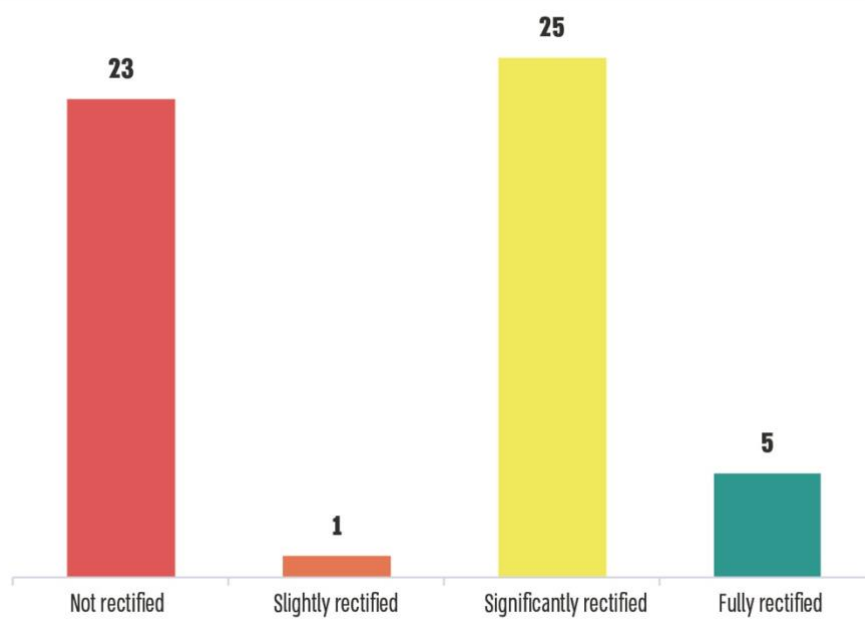
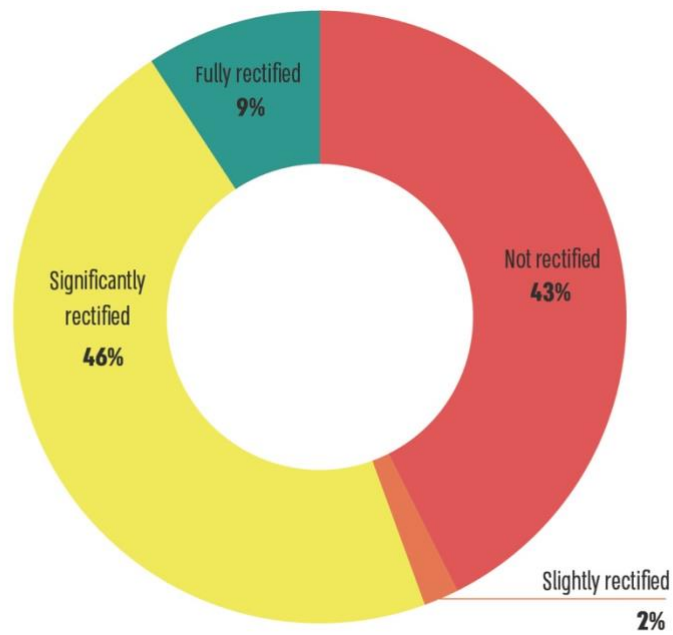
The Audit Chapter	The Audited Body	The Deficiency Noted in the Previous Audit	The Extent of Deficiencies Rectification Noted in the Follow-up Audit				
			The Auditee	Not Rectified	Slightly Rectified	Significantly Rectified	Fully Rectified
Depreciation of Electricity	The local councils of Buk'atha, Majdal Shams, Mas'ada, Ayn Kuniya	The previous audit found that the depreciation due to electricity consumption at the local councils of Buk'atha, Majdal Shams, Mas'ada, and Ayn Kuniya is higher compared to the depreciation of IEC. For example, it turned out that the depreciation for the years 2015–2017 in Majdal Shams Local Council amounted to an average of about 15%; in the local council of Buk'atha – 30%; and in the local council of Mas'ada – about 16%.	Buk'atha				
			Majdal Shams				
			Mas'ada				
			Ayn Kuniya				



The Audit Chapter	The Audited Body	The Deficiency Noted in the Previous Audit	The Extent of Deficiencies Rectification Noted in the Follow-up Audit				
			The Auditee	Not Rectified	Slightly Rectified	Significantly Rectified	Fully Rectified
Setting the Electricity Rate	The local councils of Buk'atha, Majdal Shams, Mas'ada, Ayn Kuniya	The previous audit found that prior to July 2017, the four local councils of Buk'atha, Majdal Shams, Mas'ada and Ayn Kuniya used to charge a higher rate than the rate set by the Electricity Authority for the two components: fixed payment and payment for electricity consumption.	Buk'atha				
			Majdal Shams				
			Mas'ada				
			Ayn Kuniya				



All Deficiencies Indicated in the Previous Report, Categorized by the Extent of Rectification:





The Deficiencies that Were Indicated in the Previous Report, Divided by the Main Auditees

