

**BASIC LAW:  
THE STATE COMPTROLLER**

## BASIC LAW: THE STATE COMPTROLLER\*

1. State audit is vested in the State Comptroller. Substance
2. (a) The State Comptroller shall audit the economy, the property, the finances, the obligations and the administration of the State, of Government offices, of all enterprises, institutions or corporations of the State, of local authorities and of the other bodies or institutions made subject by law to the audit of the State Comptroller. State Audit  
  
(b) The State Comptroller shall examine the legality, moral integrity, orderly management, efficiency and economy of the audited bodies, and any other matter which he deems necessary.
3. A body subject to the audit of the State Comptroller shall at his request, without delay, provide the State Comptroller with information, documents, explanations, or any other material which the Comptroller deems necessary for the purposes of audit. Duty to provide information
4. The State Comptroller shall investigate complaints from the public about bodies and persons, as provided by or under law; in this capacity the State Comptroller shall bear the title "Ombudsman". Complaints from the public
5. The State Comptroller shall carry out other functions as provided by law. Other functions
6. In carrying out his functions, the State Comptroller shall be accountable only to the Knesset and shall not be dependent upon the Government. Accountability to the Knesset
7. (a) The State Comptroller shall be elected by the Knesset in a secret ballot; the election procedures shall be prescribed by law. Election and term of office  
  
(b) The term of office of the State Comptroller shall be seven years.  
  
(c) The State Comptroller shall serve only one term of office.
8. Every Israeli citizen, resident in Israel, is eligible to be a candidate for the office of State Comptroller; additional qualifications may be prescribed by law. Eligibility
9. The State Comptroller-elect shall make and sign before the Knesset the following declaration of allegiance: Declaration of allegiance  
  
"I pledge to bear allegiance to the State of Israel and its laws, and to carry out faithfully my functions as State Comptroller".

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\* Passed by the Knesset on February 15, 1988.

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| <p>10. The budget of the State Comptroller's Office shall be determined by the Finance Committee of the Knesset, upon the proposal of the State Comptroller, and shall be published together with the budget of the State.</p>  | <p>Budget</p>   |
| <p>11. The salary of the State Comptroller and other payments payable to him during, or after, his term of office, or to his survivors after his death, shall be determined by law or by a resolution of the Knesset or of a committee of the Knesset authorized by the Knesset for this purpose.</p> | <p>Salary and benefits</p>                                |
| <p>12. (a) The State Comptroller shall maintain contact with the Knesset, as prescribed by law.</p>   | <p>Contact with the Knesset and submission of reports</p> |
| <p>(b) The State Comptroller shall submit to the Knesset reports and opinions within the scope of his functions and shall publish them, in the manner and subject to the restrictions prescribed by law.</p>  |   |
| <p>13. The State Comptroller shall not be removed from office except in the following circumstances:</p>  | <p>Removal from office</p>                                |
| <p>(1) he is permanently prevented for health reasons from performing his duties – on the day that a majority of the members of Knesset vote in favor of such a decision, following a procedure determined by law.</p>  |   |
| <p>(2) on grounds of behavior unfitting the position of State Comptroller – on the day that at least three-quarters of the members of Knesset vote in favor of such a decision, following a procedure determined by law.</p>  |   |
| <p>14. If the State Comptroller is unable to carry out his functions, an acting Comptroller shall be appointed, in a manner and for a period prescribed by law.</p>   | <p>Acting Comptroller</p>                                 |

**STATE COMPTROLLER LAW,  
5718-1958  
[CONSOLIDATED VERSION]**

STATE COMPTROLLER LAW, 5718-1958  
[CONSOLIDATED VERSION]\*

**CHAPTER ONE: THE COMPTROLLER**

1. (a) The State Comptroller (hereafter - the Comptroller) shall be elected by the Knesset in a secret ballot, at a session convened exclusively for that purpose. Election of Comptroller

(b) Should there be two or more candidates, the candidate for whom a majority of Members of the Knesset vote is elected; if no candidate receives such majority, a second ballot shall be held; if again no candidate receives such a majority, another ballot shall be held; in the third and every subsequent ballot, the candidate who received the smallest number of votes in the previous ballot, shall no longer be a candidate; the candidate who receives a majority of the votes of the Members of the Knesset present and voting in the third or subsequent ballots is elected; if two candidates receive an equal number of votes, the ballot shall be repeated.

(c) Should there be only one candidate, the ballot shall be either for or against him and he shall be elected if the number of votes for him exceeds the number of votes against him; should the number of votes for him be equal to the number of votes against him, the ballot shall be repeated.

(d) Should the Comptroller not be elected in accordance with subsection (c), the ballot shall be repeated within thirty days of the date of the election under the provisions of this section and sections 2(b) and (c) and 3; however the nomination of a candidate in accordance with section 3(a) shall be filed not later than seven days before the date of the election.

2. (a) The election of the Comptroller shall take place not earlier than ninety days and not later than thirty days before the expiration of the serving Comptroller's term of office; if the office of the Comptroller falls vacant before the expiration of his term, the election shall be held within forty-five days from the day the office fell vacant. Date of election

(b) The Speaker of the Knesset, in consultation with his deputies, shall set the date of the election and shall give notice of it in writing to all the Members of the Knesset at least twenty days before the election.

(c) If the date of election falls at a time when the Knesset is not in session, the Speaker shall convene the Knesset for the election.

3. (a) When the date of the election has been set, ten or more Members of the Knesset may nominate a candidate; the nomination shall be in writing and shall be delivered to the Speaker of the Knesset not later than ten days before the date of the election; the candidate's consent, in writing or by telegram, shall be attached to the nomination; no Member of the Knesset shall sponsor the nomination of more than one candidate. Nomination of candidates
- (b) The Speaker of the Knesset shall notify all Members of the Knesset, in writing, not later than seven days before the date of the election, of every candidate nominated and of those Members of the Knesset who nominated him, and shall announce the names of the candidates at the opening of the election session.
4. On the occasion of his declaration of allegiance, in accordance with section 9 of the Basic Law: The State Comptroller, the Comptroller may, in coordination with the Speaker of the Knesset, address the Knesset. Comptroller's address in the Knesset
- 4A and 5. (Repealed).
6. (a) The Comptroller shall carry out his activities in conjunction with the State Audit Affairs Committee of the Knesset (in this Law referred to as "the Committee") and shall report to the Committee on his activities whenever he thinks fit or is required to do so by the Committee. The Committee
- (b) A person who served as a Minister, as a Deputy Minister or as a Director General or Deputy Director General of any Government Ministry shall not be Chairman of the Committee within two years from the day of termination of his tenure of such office.
- (c) A member of the Committee who served in one of the posts specified in subsection (b) or in the Addendum to the Civil Service (Appointments) Law, 5719-1959, shall not participate in the discussions of the Committee relating to his area of responsibility during the period in which he served as aforesaid.
7. (a) During his term of office, the Comptroller shall not be actively engaged in politics and shall not - Prohibited activities
- (1) be a member, or a candidate for membership of the Knesset, or of the council of a local authority;
  - (2) be a member of the management of a body of persons carrying on business for purposes of profit;
  - (3) hold any other office or engage, either directly or indirectly, in any business, trade or profession;

(4) participate, either directly or indirectly, in any enterprise, institution, fund or other body holding a concession from or assisted by the Government or in the management of which the Government has a share or which has been made subject to the control of the Government or the audit of the Comptroller, and shall not benefit, either directly or indirectly, from the income thereof;

(5) buy, lease, accept as a gift, use, or hold in any other manner, any State property, whether immovable or movable, or accept from the Government any contract or concession or any other benefit, in addition to his remuneration, except land or a loan for the purpose of settlement or housing.

(b) A person who has been Comptroller shall not, for three years from the termination of his tenure, be a member of the management of a body of persons carrying on business for purposes of profit and being an audited body within the meaning of section 9(3), (5), (6), (7), (8) and (9).

8. The Comptroller's tenure of office shall terminate -

Termination of  
tenure of office

(1) upon expiration of his term of office;

(2) upon his resignation or death;

(3) upon his removal from office.

8A. (a) The Knesset shall not remove the Comptroller from office except upon the demand of at least twenty Members of the Knesset, submitted in writing to the Constitution, Law and Justice Committee of the Knesset, and upon the proposal of that Committee.

Removal of the  
Comptroller  
from office

(b) The Constitution, Law and Justice Committee of the Knesset shall not propose removing the Comptroller from office before he has been given an opportunity to be heard.

(c) The proceedings of the Knesset under this section shall be held at a session, or successive sessions, devoted exclusively to this matter; the proceedings shall begin not later than twenty days after the decision of the Constitution, Law and Justice Committee; the Speaker of the Knesset shall notify all the Members of the Knesset, in writing, at least ten days in advance, of the date on which the proceedings are to begin; if that date falls when the Knesset is not in session, the Speaker shall convene the Knesset to hold the proceedings.

8B. The Knesset shall not decide upon the removal of the Comptroller from office for health reasons unless such a recommendation is adopted by at least two-thirds of the members of the Knesset Committee on the basis of a medical opinion prepared in accordance with criteria decided upon by said Committee.

Removal from  
office for health  
reasons

## CHAPTER TWO: SCOPE OF AUDIT

9. The following bodies (hereafter referred to as "audited bodies") shall be subject to the audit of the Comptroller:

Audited bodies

- (1) every Government Ministry;
- (2) every enterprise or institution of the State;
- (3) every person or body holding, otherwise than under contract, any State property or managing or controlling any State property on behalf of the State;
- (4) every local authority;
- (5) every governmental corporation within the meaning of the Governmental Corporations Law, 5735-1975 (hereafter referred to as "the Governmental Corporations Law") and every enterprise, institution, fund or other body in the management of which the Government has a share;
- (6) every person, enterprise, institution, fund or other body made subject to audit by law, by decision of the Knesset or by agreement between him or it and the Government;
- (7) every governmental subsidiary corporation within the meaning of the Governmental Corporations Law and every enterprise, institution, fund or other body in the management of which one of the bodies enumerated in paragraphs (2), (4), (5) and (6) has a share; however, no audit of such a body shall be carried out except and insofar as the Committee or the Comptroller so decides;
- (8) every enterprise, institution, fund or other body assisted, either directly or indirectly, by the Government or by one of the bodies enumerated in paragraphs (2), (4), (5) and (6) by way of a grant, a guarantee or the like; however, no audit of such a body shall be carried out except and insofar as the Committee or the Comptroller so decides;



(9) every general employees' organization, and every enterprise, institution, fund or other body in the management of which such employees' organization has a share, provided that the audit shall not be carried out on their activities as a trade union; however, no audit of such a body shall be carried out except and insofar as the Comptroller so decides and subject to international conventions to which the State of Israel is party; if the Comptroller decides to carry out such audit, the Comptroller shall have all the powers granted him in respect of an audited body, even in respect of the activities of such employees' organization, enterprise, institution, fund or body, as a trade union, provided that the Comptroller deems that necessary for the purposes of the audit of their other activities.

In this paragraph –

"activities as a trade union" means representation of employees with regard to the advancement, realization or protection of their rights as employees;

"general employees' organization" means a national employees' organization, operating as a trade union in more than one branch of employment.

(10) a body which, after 9 February 1997, ceased to be included in the list of the bodies enumerated in paragraphs (1) through (9), regarding the period in which it was included in the said list of bodies, provided that three years have not elapsed since the day that it ceased to be included therein; with regards to a body falling within this paragraph, the Comptroller shall, according to the circumstances, have all the powers granted him in respect of an audited body.

10. (a) Within the scope of his functions the Comptroller shall, as far as necessary, examine - Extent of audit

(1) [a] whether every expenditure has been incurred within the limits of the legal appropriation and for the purpose for which it has been designated;

[b] whether the income has been received in accordance with law and is authorized by law;

[c] whether there is sufficient documentation in respect of all expenditure and income;

[d] whether every act within the scope of his audit has been done in accordance with law and by the person competent to do it;

[e] whether the keeping of accounts, the drawing-up of balance sheets, the checking of the cash-in-hand and the stock, and the system of documentation are efficient;

[f] whether the method of keeping moneys and safeguarding property is satisfactory;

[g] whether the state of the cash-in-hand and the stock tallies with the accounts.

(2) whether the audited bodies within the meaning of section 9(1), (2), (4) and (5) have operated economically, efficiently and in a morally irreproachable manner; such examination shall also be applicable to bodies audited under section 9(6) unless the law, decision or agreement referred to in that paragraph otherwise provides, and bodies audited under section 9(7), (8) and (9) if and to the extent that they have been made subject to audit;

(3) any such other matter as he may deem necessary.

(b) The Committee may, upon the proposal of the Government or the Comptroller, prescribe from time to time, in respect of an audited body or an item of its budget, special or limited forms of audit.

### **CHAPTER THREE: AUDIT PROCEDURE**

11. (a) An audited body shall, within such time as the Comptroller may prescribe, but not later than four months after the expiration of its financial year, submit a report on its income and expenditure during that year.

Audited body to submit report, balance sheet, survey and information

(b) The Comptroller may require of an audited body, within such time as he may prescribe -

(1) a balance sheet showing its assets and liabilities as of the expiration of the year;

(2) a detailed survey factually describing the economic and administrative operations carried out by the body during that year.

(c) The report and balance sheet shall be accompanied by any such document as the Comptroller may require for the purpose of verification.

(d) The Comptroller may require a report and balance sheet as aforesaid of any enterprise, institution, fund or other body which is an audited body within the meaning of section 9(7), (8) or (9) even if it had not been made subject to audit the year to which the report or balance sheet relates.

(e) (Repealed)

12. The Minister of Finance shall, within such time as the Comptroller may prescribe, but not later than six months after the expiration of the financial year of the State, submit a comprehensive report on the income and expenditure of the State during that year together with any document which the Comptroller may require for the verification of the report; moreover, the Minister of Finance shall, within such time as the Comptroller may prescribe, but not later than nine months after the expiration of the financial year of the State, submit a balance sheet showing the assets and liabilities of the State as at the expiration of that financial year, together with any document which the Comptroller may prescribe for the verification of the balance sheet.

Minister of Finance to submit comprehensive report and balance sheet of the State

13. The following provisions shall apply to audited bodies within the meaning of section 9(5), (7) and (8) (in this section referred to as "associations") in addition to the other provisions of this Law and the provisions of any other law;

Audit of associations

(1) the Comptroller may, after consultation with the Minister of Finance, lay down directives for associations with regard to their accounting systems and the drawing up of their balance sheets;

(2) the Comptroller may lay down directives for the accountant in charge of the accounts of an association with regard to the scope and mode of the checks to be carried out by him and of his report in respect of that association, and with regard to the circumstances under which he is to report directly to the Comptroller;

(3) the Comptroller may require every association to draw up an annual plan of operations, based on the financial-economic situation during the current year and containing a forecast of its future financial and economic operations, and to submit that plan to him within such period as he may prescribe; he may also lay down directives for the drawing up of the said annual plan.

14. (a) Where an audit has revealed defects which have not been explained, or infringements of any law, of the principles of economy and efficiency or of moral integrity, the Comptroller shall communicate to the audited body the results of the audit and his requirements for the rectification of the defects and, if he deems it necessary to do so, shall bring the matter to the knowledge of the Minister concerned and of the Prime Minister.

(b)(1) Where an audit has revealed defects or infringements which the Comptroller, in view of their bearing upon a fundamental problem or in the interests of upholding moral integrity or for any other reason, deems worthy of consideration by the Committee prior to the submission of a report under section 15 or 20, he shall submit a separate report to the Committee which shall be tabled in the Knesset and made public; and upon his doing so, the Committee may, of its own motion or upon the proposal of the Comptroller, decide upon the appointment of a commission of enquiry; if the Committee so decides, the President of the Supreme Court shall appoint a commission of enquiry to investigate the matter; the provisions of the Commissions of Enquiry Law, 5729-1968, shall apply, *mutatis mutandis*, to the commission of enquiry.

(2) Notwithstanding the aforesaid in subsection (1), if the Comptroller submits a separate report to the Committee pursuant to the aforementioned subsection during the recess of the Knesset, the report shall be made public at a time decided by the Comptroller, as early as possible, and shall be tabled in the Knesset no later than the end of the first week of the next session of Knesset.

(b1) The Committee may also, in special circumstances and with the agreement of the Comptroller, decide upon the appointment of a commission of enquiry concerning a subject included in a report under section 15 or 20, and the provisions at the end of subsection (b) will apply thereto. However, the Committee shall not so decide, except by a majority of at least two-thirds of its members, in a meeting convened solely for that matter; the invitation to the first meeting shall be by notice given at least ten days in advance.

(c) Where a suspected criminal act has been uncovered during an audit, the Comptroller shall bring the matter to the knowledge of the Attorney General; a suspected violation of civil service disciplinary regulations may likewise be referred to the Attorney General; the Attorney General shall notify the Comptroller and the Committee, within six months after the matter was brought before him, of the manner in which he has dealt with the subject.

## **CHAPTER FOUR: REPORTS AND OPINIONS OF THE COMPTROLLER**

15. (a) Not later than the 15th of February each year, the Comptroller shall present a report for the consideration of the Prime Minister and of the Chairman of the State Audit Affairs Committee of the Knesset on the results of the audit of the audited bodies within the meaning of section 9(1) and (2), carried out during the course of the previous financial year. The Comptroller may present the report in parts, provided that the entire report is presented by the aforesaid date.

Comptroller's  
report on  
Government  
offices and State  
institutions

(b) In a report under subsection (a) the Comptroller shall summarize his activities in the field of audit and -

- (1) specify any violation of moral integrity;
- (2) specify any such defect and any such violation of law or of the principles of economy and efficiency as in his opinion deserve to be included in the report;
- (3) make recommendations for the rectification of the defects and their prevention.
- (4) specify any improvement or outstanding actions that the Comptroller deems worthy of inclusion in the report.

16. (a) (1) The Prime Minister shall provide to the Comptroller, within ten weeks of the day on which he received the report, in whole or in part, all of the following:

Observations by  
Prime Minister  
and tabling the  
report in the  
Knesset

[a] his observations concerning each defect and violation detailed in the report;

[b] the responses of the audited bodies to the report, as submitted to him in accordance with subsection (a1);

[c] a report concerning the remedy of defects and violations detailed in previous reports, including, inter alia, the details referred to in section 21B(a) and (b), and a report on the decisions made by the Government as a result of the reports and the execution of those decisions.

(2) Upon the expiration of the period as aforesaid in paragraph (1), the report and the responses and observations shall be tabled in the Knesset; however if the said time is during a recess of the Knesset, the report shall be tabled in the Knesset no later than the end of the first week of the next session of Knesset.

(a1) An audited body dealt with in a report shall submit to the Prime Minister, within the time frame set out by the Prime Minister, its responses regarding each defect and violation detailed in the report which relate to said body.

(b) The Comptroller, on his own initiative or upon the proposal of the Committee, may decide, in consultation with the Committee, that in a certain year the period stipulated in subsection (a) shall be shorter or longer by not more than fourteen days; such decision shall be made and brought to the notice of the Committee and the Prime Minister not later than the day on which the report is submitted, in whole or in part, as aforesaid in section 15(a).

17. (a) A Subcommittee of the Committee (hereinafter – "the Subcommittee") may, upon consultation with the Comptroller, decide that the report or opinion of the Comptroller, or parts thereof, shall not be tabled in the Knesset and shall not be made public if it deems it necessary to do so in the interests of safeguarding the security of the State or in order to avoid impairment of its foreign relations or its international trade relations. The provisions of section 5 of the Knesset Law, 5754-1994 shall apply in regard to the Subcommittee.

Safeguarding  
security and  
foreign relations  
of the State

(a1) A copy of the report or opinion of the Comptroller, or parts thereof, concerning which the Committee has reached a decision as stated in subsection (a), shall be submitted by the Ombudsman to the Chairman of the Committee for External Affairs and Security of the Knesset and he shall be entitled, with the consent of the Chairman of the Committee, to bring them to the knowledge of the subcommittee of the Committee for External Affairs and Security of the Knesset which is authorized to handle the matter in question; this provision does not diminish the authority of the Committee under this law.

(b) (Repealed).

(c) Having regard to the necessity of safeguarding the security of the State, the Comptroller may, having been requested by the Government on grounds which he is satisfied are reasonable, decide that a report or opinion of the Comptroller or parts thereof, shall not be tabled in the Knesset and shall not be published; a report or opinion of the Comptroller or parts thereof, concerning which the Comptroller has reached a decision under this section, shall be submitted to the Chairman of the Committee and shall be brought to the knowledge of the Chairman of the Committee for External Affairs and Security of the Knesset.

(d) The remarks of the Prime Minister and the response of the audited bodies to a report of the Comptroller or parts thereof, concerning which a decision has been reached as stated in subsections (a) or (c), shall not be tabled in the Knesset and shall not be published.

18. (a) When the report has been tabled in the Knesset, or a report or opinion has been published, the Committee shall consider them and submit its conclusions and proposals for the approval of the Knesset, and it may submit them chapter by chapter.

Procedure in the  
Committee and  
in the Knesset

(a1) A report or opinion of the Comptroller or parts thereof, concerning which the Committee has reached a decision as stated in Section 17(a), shall be discussed by the subcommittee of the Committee, and the provisions of Section 5 of the Knesset Law, 5754-1994 shall apply.

(a2) A report or opinion of the Comptroller or parts thereof, concerning which the Comptroller has reached a decision as stated in Section 17(c), shall be discussed by a joint committee of the Chairman of the Committee and the Chairman of the Committee for External Affairs and Security of the Knesset, which shall be chaired by the Chairman of the Committee (in this section – the Joint Committee); in the aforesaid discussion, the Joint Committee shall have the authority vested in a committee by any law; the meetings of the Joint Committee shall be subject to confidentiality.

(b) If the Committee does not submit its conclusions and proposals as aforesaid in subsection 15(a), the Knesset shall consider the report at such time as the subsequent report is tabled in the Knesset.

(c) The conclusions and proposals of the Committee in respect of those parts of the report which, pursuant to section 17(a), were not tabled in the Knesset, as well as the conclusions and proposals of the Joint Committee, shall not be tabled in the Knesset and shall be deemed to have been approved by the Knesset; such conclusions and proposals as referred to in this subsection shall be submitted to the Prime Minister.

18A. (a) For the purpose of preparing the conclusions and proposals of the Committee in accordance with section 18, the Chairman of the Committee may invite any person who held office or fulfilled a function in the audited body during the period covered by the Comptroller's report to appear before the Committee in order to respond to the report in regard to matters with which the said person was connected; he may also invite any person who presently holds such office or fulfills such a function or who has held such office or fulfilled such a function in the past in order to respond to the report; the Chairman of the Committee must invite such a person if he is requested to do so by the Committee or by at least three of its members; in this subsection, "held office or fulfilled a function" in an audited body includes the exercise of a power with respect to it by law, or by virtue of being a member of its management or an employee.

Appearance  
before the  
Committee

(b) Whenever a person invited pursuant to subsection (a) does not appear before it, the Committee may, by a majority decision of its members, demand that he appear before it, as aforesaid; the demand shall be in writing, signed by the Chairman of the Committee, and attached to it shall be a copy of the Comptroller's report or the part thereof to which the demand is directed; the demand shall be submitted at least ten days before the time stipulated for his appearance.

(c) A person required to appear before the Committee by invitation or demand shall submit to it, at least two days before the time stipulated for his appearance, a written summary of his response, together with copies of the documents which he intends to submit to the Committee.

(d) Any person who received a demand to appear as aforesaid in subsection (b) and did not do so, and did not show a justifiable reason for such, is liable to a fine.

(e) No demand to appear pursuant to this section shall be made of -

- (1) the President of the State or the Speaker of the Knesset;
- (2) in a matter under judicial consideration - a person holding judicial office.

19. The report on the balance-sheet showing the assets and liabilities of the State shall be submitted by the Comptroller for the consideration of the Minister of Finance, not later than the end of the month of March following the submission of the balance sheet by the Minister of Finance as specified in section 12; said report shall be tabled in the Knesset at the same time as the report under section 15.

Comptroller's  
report on  
balance sheet of  
the State



20. (a) Upon completion of an audit of audited bodies within the meaning of section 9(3), (4), (5), (6), (7), (8) and (9) (hereinafter – "other audited bodies"), the Comptroller shall prepare a report on the result of his audit. In this report, the Comptroller shall include a summary, details, and recommendations as aforesaid in section 15(b).

Comptroller's  
report on other  
audited bodies

(b) The Comptroller shall submit each report on the audit of an audited body within the meaning of section 9(4) to the head of the local authority audited, together with copies for all the members of council of such local authority; a copy of the report shall be submitted by the Comptroller to the Committee, to the Prime Minister and to the Minister of the Interior.

(c) Each report on the audit of an audited body within the meaning of section 9(3), (5), (6), (7), (8) and (9) shall be submitted by the Comptroller to the Committee; a copy of the report shall be submitted by the Comptroller to the Prime Minister, to the Minister concerned and to the audited body; however, a copy of such a report concerning an audited body within the meaning of section 9(9) shall only be submitted by the Comptroller to the audited body itself.

(d) In regard to other audited bodies, the head of the audited body, as defined in section 21A, shall submit to the Comptroller, within ten weeks of receiving the report in whole or in part, his observations concerning the report regarding every defect or violation detailed therein.

(e) The provisions of section 16(b) shall apply, mutatis mutandis, in regard to the dates for submission of observations under this section.

(f) At the end of the time period referred to in subsection (d), the report and the observations in regard thereto shall be tabled in the Knesset, and the provisions of the final clause of section 16(a)(2) shall apply.

(g) The Prime Minister shall decide, with the approval of the Committee, matters pertaining to the preparation of observations under this section, including the manner in which they are to be written, consolidated and arranged.

21. (a) The Comptroller shall, if requested to do so by the Knesset, the Committee or the Government, prepare an opinion as to any matter within the scope of his functions. The said opinion shall be made public at a time specified by the Comptroller.

Opinion

(b) Notwithstanding the aforesaid in subsection (a), if the Comptroller prepared an opinion pursuant to the aforementioned subsection during the recess of the Knesset, the opinion shall be made public at a time decided by the Comptroller, as early as possible, and shall be tabled in the Knesset no later than the end of the first week of the next session of Knesset.

21A. (a) In this section, "head of an audited body" means each of the following:

- (1) in an audited body as referred to in section 9(1) or (2) – the minister in charge of that body;
- (2) in an audited body referred to in section 9(4) – the head of the local authority;
- (3) in another audited body – the directorate or comparable body in the audited body;

(b) In each audited body, the head of the audited body shall appoint a team to rectify the defects, to be headed by the director general in that body, and, where the position of director general does not exist, by the comparable office holder in that body (hereafter referred to as "the team").

(c) Where the audit revealed defects in the activity of the audited body, the team shall – within sixty days of the prescribed time as defined in section 28(a)(1) – discuss the ways to rectify the defects, make decisions regarding their rectification, and report on their discussions and decisions to the head of the audited body within fifteen days after making said decisions.

(d) The team may, upon approval of the head of the audited body, delay rectifying a particular defect.

21B. (a) The head of the audited body as aforesaid in section 21A(a) shall report to the Comptroller regarding the decisions made pursuant to section 21A(c) and (d) within thirty days of the date they are reported to him. If the audited body is of the type referred to in section 9(1) or (2), the head of the said audited body shall also report to the Prime Minister. Such reports shall detail the method and timeframe for rectifying defects and set out if there is to be a delay in the correction of certain defects and the reasons for such delay.

(b) The Prime Minister shall inform the Comptroller, within eight months from the time a report is presented to him in which it was determined that defects were found in the activity of an audited body as referred to in section 9(1) or (2), of the results of the handling of the said defects.

(c) The Comptroller may at any time demand reports in addition to those enumerated in this section.

(d) The Comptroller may, with approval of the Committee, set out a framework for reporting the rectification of defects, including with regard to the particulars to be included in such a report.

## CHAPTER FIVE: THE COMPTROLLER'S OFFICE

22. (a) The staff of the Comptroller's Office shall have the same status as other State employees, but as regards the receipt of instructions, and as regards dismissals, they shall be under the sole authority of the Comptroller.

Staff of the  
Comptroller's  
Office

(b) (1) The prohibitions applying to the Comptroller under section 7(a) shall apply also to such members of the staff of his Office as are employed in audit work, but the Comptroller may, upon the request of a staff member as aforesaid, permit him to do any of the things enumerated in section 7(a)(2), (3) or (4) (hereafter referred to as "the activity"), if in his opinion the activity does not infringe upon the audit work or create a conflict of interests; the aforesaid permission does not exempt the staff member from meeting the requirements of any law or custom regulating the activity.

(2) A staff member as aforesaid in paragraph (1) who leaves his post shall not, save with the approval of the Comptroller, be employed by an audited body within two years from the day of leaving.

(c) In carrying out his functions, the Comptroller may, to the extent that he deems it necessary to do so, avail himself of the assistance of persons who are not members of the staff of his Office.

22A. (a) The Comptroller shall appoint a security supervisor, who shall be responsible for organizing security actions within the meaning of the Security Arrangements for Public Institutions Law, 5758-1998 (in this section - the Law), in the Comptroller's Office, and for supervising these actions.

Security  
supervisor

(b) A person shall not be appointed security supervisor pursuant to subsection (a) unless he meets the conditions set out in section 4(b) of the Law and fulfills the qualifications enumerated in section 5 of the Law.

(c) The security supervisor shall have the powers provided in section 3 of the Law, and the provisions of section 13 of the Law shall apply to any person appointed by the security supervisor to serve as a security officer in the Comptroller's Office.

(d) The provisions of section 14 of the Law shall apply to the security supervisor and to the security officers in the Comptroller's Office, however the certificate of appointment shall be issued by the Comptroller or by a person empowered by him for this purpose.

(e) The Comptroller shall establish the procedures for audit and oversight of the exercise of powers by the security supervisor and by security officers appointed pursuant to this section.

23. The staff of the Comptroller's Office and any person with whose assistance the Comptroller carries out his functions shall ensure the confidentiality of any information obtained by them in the course of their work and shall give a written undertaking to such effect upon starting work. Duty of secrecy

24. The budget of the Comptroller's Office shall be determined by the Finance Committee of the Knesset, based upon the proposal of the Comptroller, and shall be published together with the budget of the State. The Finance Committee may, upon the proposal of the Comptroller, approve changes in the budget of his Office. Budget of the Office

25. After the expiration of the financial year, the Comptroller shall submit the financial report of his Office for the approval of the Committee. Financial report to Committee

## CHAPTER SIX: MISCELLANEOUS PROVISIONS

26. The Comptroller and any person appointed by him for such purpose with the approval of the Committee shall, *mutatis mutandis*, have all the powers referred to in sections 8 to 11 and 27(b) and (d) of the Commissions of Enquiry Law, 5729-1968. Powers of commission of enquiry

27. (Repealed)

28. (a) The following are liable to imprisonment for a term of one year or to a fine as prescribed in section 61(a)(2) of the Penal Law, 5737-1977: Penalties

(1) a person who publishes, before the prescribed time, a report that the Comptroller must submit in accordance with the provisions of section 15 or 20 or in accordance with the provisions of any other law, or an opinion prepared by the Comptroller pursuant to the provisions of section 21, or any part of such report or opinion or of the contents thereof; in this section, "the prescribed time" means -

[a] in the matter of a report that must be submitted in accordance with the provisions of section 15 or 20 -- the time it must be tabled in the Knesset as provided in section 16 or 20, as applicable;

[b] in the matter of an opinion that must be prepared in accordance with the provisions of section 21 – the time it must be tabled in the Knesset or made public as per the decision of the Comptroller pursuant to section 21(b), whichever is earlier;

[b1] in the matter of a separate report pursuant to section 14(b) – the time it must be tabled in the Knesset or the time it is made public pursuant to section 14(b)(2), whichever is earlier;

[c] in the matter of a report that must be submitted in accordance with the provisions of any other law, the time for submitting the report, and where a time is specified for its publication, the time of its publication;

(2) a person who publishes any report or opinion or a part thereof or of the contents thereof in contravention of the provisions of section 17;

(3) a person who, without obtaining the Comptroller's permission, publishes the results of an audit carried out by the Comptroller.

(b) The provisions of this section shall not release a person from criminal responsibility under any other law.

29. If the Comptroller is temporarily unable to carry out his functions, the Committee shall appoint an Acting Comptroller for a period not exceeding three months; the Committee may extend the appointment for additional periods, provided that the sum total of all the periods served by the Acting Comptroller shall not exceed six months; if the Comptroller is unable to carry out his functions for a period of six consecutive months, he shall be considered to have resigned.

Acting  
Comptroller

30. (a) No reports, opinions or other documents issued or prepared by the Comptroller in the discharge of his functions shall serve as evidence in any legal or disciplinary proceeding.

Material not to  
serve as  
evidence

(b) A statement received in the course of the discharge of the Comptroller's functions shall not serve as evidence in a legal or disciplinary proceeding, other than a criminal proceeding in respect of testimony under oath or affirmation obtained by virtue of the powers referred to in section 26.

## CHAPTER SEVEN: INVESTIGATION OF COMPLAINTS FROM THE PUBLIC

31. (Repealed).
32. (a) The Ombudsman shall carry out his functions with the assistance of a special unit in the State Comptroller's Office to be known as the Office of the Ombudsman. The Director of the Office of the Ombudsman shall be appointed by the Committee upon the proposal of the Ombudsman and shall be directly responsible to him. The requirement under section 19 of the Civil Service (Appointments) Law, 5719-1959, to hold a job competition shall not apply to the appointment of the Director of the Office of the Ombudsman. Unit for investigation of complaints
- (b) If the post of Director of the Office of the Ombudsman falls vacant or if the Director is for any reason unable to carry out his functions, the Ombudsman may entrust the carrying out of such functions to another person for a period not exceeding three months.
33. Any person may submit a complaint to the Ombudsman. Complaint by whom
34. A complaint submitted in writing or taken down according to the complainant's oral statement shall be signed by the complainant and shall indicate his name and address. Modes of submitting a complaint
35. A complaint by a prisoner within the meaning of the Prisons Ordinance [New Version], 5732-1971, shall be submitted in a sealed envelope, and the Commissioner of Prisons or a person empowered by him for such purpose shall forward it unopened to the Ombudsman. Complaint by prisoner
36. A complaint may be submitted against any of the following: Complaint against whom
- (1) an audited body within the meaning of paragraphs (1) to (6) of section 9;
- (2) one of the bodies referred to in paragraphs (7) and (8) of section 9, to the extent that the Committee or the Ombudsman has decided that this chapter shall apply in respect thereof and notice to such effect has been published in Reshumot;
- (3) an employee, office-holder or functionary in any such body as referred to in paragraphs (1) or (2) of this section.
37. The subject of a complaint may be – Complaint about what

(1) an act directly injurious to, or directly withholding a benefit from, the complainant – or another person, provided that the complainant has received, in a manner and to an extent acceptable to the Ombudsman, the agreement of said person to submit a complaint in the matter, or

(2) if the complainant is a Member of the Knesset, also an act directly injurious to, or directly withholding a benefit from, another person,

such act being contrary to law or without lawful authority or contrary to good governance or involving excessive inflexibility or flagrant injustice; for this purpose, "act" includes an omission or delay in acting.

38. The following complaints shall not be investigated:

Complaints not  
to be  
investigated

(1) a complaint against the President of the State;

(2) a complaint against the Knesset, or a Knesset Committee, or a Member of the Knesset in respect of an act done in, or for the purpose of, the discharge of his functions as a Member of the Knesset;

(3) a complaint against the Government, or a Ministerial Committee, or a Minister as to his activity as a member of the Government, except as to his activity as the person in charge of a Ministry or sphere of activity;

(3A) a complaint against the Governor of the Bank of Israel, except as to his activity as the person in charge of the bank;

(4) a complaint concerning a judicial or quasi-judicial act;

(5) a complaint as to a matter pending in a court or tribunal or in which a court or tribunal has given a decision with regard to the substance thereof;

(6) a complaint by a person serving in regular service under the Defense Service Law [Consolidated Version], 5746-1986, or serving in the reserves under the Reserves Service Law, 5768-2008, with regard to service arrangements, terms of service, or discipline;

(7) a complaint by a police officer or prison officer with regard to service arrangements and terms of service or discipline in the Israel Police or the Prison Service;

(8) a complaint by a State employee, or by an employee of a body referred to in section 36, in a matter relating to his service as an employee; however, an investigation may be initiated with regard to an act alleged to be contrary to the provisions of any law or regulations, the Civil Service Regulations, a collective bargaining agreement or general arrangements prescribed on behalf of the Civil Service Commissioner or, in the case of a body referred to in section 36, similar general arrangements.

(9) a complaint by a person in a matter pertaining to an individual referred to in subsection (6), (7) or (8), with regard to the issues delineated in the relevant subsection.

39. The following complaints shall not be investigated unless the Ombudsman finds special justification for such investigation:

Complaints only to be investigated for special reason

(1) a complaint in a matter, other than of the class of matters referred to in section 38(5), in which a decision has been given against which a contestation, objection or appeal can be, or could have been, filed under any law;

(2) a complaint filed after a year has elapsed from the date of the act to which it relates or the date on which such act became known to the complainant, whichever is later.

40. (a) When a complaint has been filed, the Ombudsman shall begin the investigation thereof unless it appears to him that it does not comply with section 34, or that it does not come within the scope of sections 36 or 37, or that it should not be investigated for one of the reasons enumerated in sections 38 and 39, or that it is vexatious or intended merely to annoy, or if he is of the opinion that the Ombudsman is not the proper body to investigate the matter.

Initiation of investigation

(b) In the cases referred to in subsection (a), the Ombudsman shall notify the complainant in writing that he will not deal with the complaint, stating his reasons.

41. (a) The Ombudsman may investigate a complaint in any manner he thinks fit and shall not be bound by rules of procedure or rules of evidence.

Modes of investigation



(b) The Ombudsman shall bring the complaint to the knowledge of the person or body complained against and, if such person is an employee as specified in section 36(3), also to the knowledge of his superior (hereafter referred to as "the superior") and shall give him, it or them a suitable opportunity to respond. The Ombudsman may require the person or body complained against to respond to the complaint within the period specified in his request.

(c) The Ombudsman may hear the complainant, the person whose matter was raised by the complainant under section 37(1), the person or body complained about and any other person if he deems it useful so to do.

(d) For the purpose of the investigation, the Ombudsman may require any person or body to give him, within such period and in such manner as he shall prescribe in the request, any information or documentation likely, in his opinion, to assist in the investigation of the complaint. A person or body required to deliver information or documentation as aforesaid shall comply with the request. The provisions of this subsection shall not derogate from the provisions of sections 47 to 51 of the Evidence Ordinance [New Version], 5731-1971.

42. The Ombudsman may discontinue the investigation of a complaint if he is satisfied that one of the grounds for not beginning an investigation exists or that the matter to which the complaint relates has been rectified or that the complainant has withdrawn the complaint. In such case, he shall notify the complainant, the person or body complained against and the superior, in writing, that he has discontinued the investigation, stating his reasons.

Discontinuance  
of investigation

43. (a) Where the Ombudsman finds that the complaint is justified he shall notify the complainant, the person or body complained against, and if he so deems fit, the superior, to such effect, stating his reasons. He may set out a summary of his findings in his reply, and may point out, to the person or body complained against and to the superior, the need to rectify a defect revealed by the investigation and determine by what means and in what time frame it is to be rectified.

Consequences  
of investigation

(b) The person or body complained against or the superior shall, within the time referred to in subsection (a), inform the Ombudsman of the steps which have been taken. If he or it fails to do so, or if the information does not satisfy the Ombudsman, the Ombudsman may bring the matter to the knowledge of the Minister concerned or of the Committee.

(c) Where the Ombudsman finds that the complaint is not justified, he shall notify the complainant, the person or body complained against and, if he so deems fit, the superior, to such effect, stating his reasons. He may set out a summary of his findings in his reply.

(d) Where the investigation of the complaint gives rise to the suspicion that a criminal offence has been committed, the Ombudsman shall bring the matter to the knowledge of the Attorney General; and he may do so where the investigation of a complaint gives rise to the suspicion that a disciplinary offence has been committed under any law. The Attorney General shall inform the Ombudsman and the Committee, within six months from the day that the matter was submitted to him, of the manner in which he has dealt with the subject.

44. (a) A notification by the Ombudsman under section 43(a) or (c) shall not contain or disclose any material or information which in the opinion of the Prime Minister or the Minister of Defense is a matter of State security or which in the opinion of the Prime Minister or the Minister of Foreign Affairs is a matter of foreign relations or international trade relations of the State. Restrictions on notification

(b) Where it appears to the Ombudsman that his notification is likely to contain or disclose any material or information as referred to in subsection (a) and the Ministers did not express their opinion as specified in that subsection, the Ombudsman shall ask the opinion of the Prime Minister or the Minister of Defense or the Minister of Foreign Affairs, as the case may be, before making his notification.

(c) The Ombudsman shall be exempt from stating his findings or reasons -

(1) where the complaint relates to an appointment to a particular post or the assignment of a particular function;

(2) where in his opinion the material or evidence may unlawfully prejudice the right of any person other than the complainant;

(3) where in his opinion the disclosure of the material or evidence will involve the disclosure of a professional secret, or of secret information, within the meaning of any law.

45. (a) The decisions and findings of the Ombudsman as to a complaint - Rights and relief

(1) shall not grant to the complainant or any other person any right or relief in any court or tribunal which he did not have previously;

(2) shall not prevent the complainant or any other person from exercising any right or applying for any relief to which he is entitled; but where a time limit is set in regard thereof by any enactment, the submission or investigation of the complaint shall not result in the extension of said time limit.

(b) No court shall entertain an application for relief against the decisions or findings of the Ombudsman in the matter of a complaint.

45A. Notwithstanding anything contained in section 38(8) -

Complaint by public servant who has exposed acts of corruption

(1) a complaint by an employee referred to in section 36(3), other than a police officer, prison officer or soldier (such an employee hereafter in this chapter referred to as "the employee"), about an act referred to in section 37 by which his superior reacted to his reporting, in good faith and in accordance with proper procedure, any acts of corruption committed in the body in which he is employed, shall be investigated under the provisions of this chapter, subject to sections 45B to 45E.

(2) a complaint by an employee, who is an internal auditor in a body referred to in section 36(1) or (2), other than a police officer, prison officer or soldier, relating to his removal from that post or to an act contrary to the provisions of any law or regulations, the Civil Service Regulations, a collective bargaining agreement, or general arrangements prescribed on behalf of the Civil Service Commissioner, or similar general arrangements, which is directly injurious to or directly withholds a benefit from the complainant and which was committed by his superior in reaction to his activities in fulfilling his function as internal auditor shall be investigated under the provisions of this chapter, subject to sections 45C to 45E.

45B. Where the Ombudsman finds that there is a reason justifying it, he may investigate a complaint under section 45A(1) even if the employee reported the acts of corruption otherwise than in accordance with proper procedure.

Complaint only to be investigated for special reason

45C. (a) The Ombudsman may make any order he deems right and just, including a provisional order, to protect the rights of the employee, having regard to the proper functioning of the body in which he is employed.

Relief

(b) Where the complaint relates to the dismissal of the employee, the Ombudsman may order revocation of the dismissal or the award of special compensation to the employee, in money or in rights.

(c) The Ombudsman may order the transfer of the employee to another post in the service of his employer.

(d) An order under this section shall be binding on any superior of the employee and on the employee himself, and a person who contravenes it commits a disciplinary offence. But their responsibility for a disciplinary offence shall not detract from their criminal responsibility for the contravention of said order.

45D. The Attorney General may request the Ombudsman to reconsider a decision given under section 45C. The Civil Service Commissioner may so request in the case of a complaint by a State employee; in the case of a complaint by someone who is not a State employee, the head of the audited body may also so request.

Reconsideration

45E. The submission of a complaint under section 45A or 45B otherwise than in good faith, or vexatiously, shall constitute a disciplinary offence.

Submission of complaint otherwise than in good faith

45F. A body referred to in section 36(1) or (2), except for the Israel Police Force, the Prison Service, and the Israel Defense Force, shall publish, in a conspicuous place at the work site, the primary provisions of sections 45A to 45E, in a form that the Ombudsman shall determine.

Publication of provisions

46. (a) The Ombudsman shall, at the beginning of each year, prepare a report on his activities, containing a general survey and an account of the handling of selected complaints. The aforesaid report shall be tabled in the Knesset.

Report

(b) The Ombudsman may, prior to the submission of the annual report, submit to the Knesset a special report. The aforesaid special report shall be tabled in the Knesset.

(c) When a report has been tabled in the Knesset, the Committee shall consider it and shall submit to the Knesset its conclusions and proposals for approval. In regard thereto, the provisions of section 18A shall apply, mutatis mutandis.

(d) A report under this section shall not be published before being tabled in the Knesset.

(e) The provisions of section 44 shall also apply, mutatis mutandis, to a report under this section.

47. (a) Sections 22, 23, 26, 28 and 30 shall apply, mutatis mutandis, for the purposes of this chapter.

Application of provisions

(b) The provisions of this chapter shall not derogate from the power of the State Comptroller to make use, within his other spheres of activity, of material which reached him in connection with a complaint, whether or not he has investigated it.

48. The provisions of any law according to which there shall be appointed in an audited body a person, whose function is to investigate complaints against that body, shall not derogate from the powers and status of the Ombudsman under this law. Priority of powers and status

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The original State Comptroller Law, 5709-1949, was passed by the Knesset on May 18, 1949. It was amended in 1952, 1954, and 1958. The original law and the aforesaid amendments were consolidated in the State Comptroller Law [Consolidated Version], 5718-1958.

Since 5718-1958, there have been 43 amendments to this law.

This version is the consolidated version, as amended by the following amendments: State Comptroller (Amendment) Law, 5722-1961; State Comptroller (Amendment No. 2) Law, 5722-1962; State Comptroller (Amendment No. 3) Law, 5724 -1964; Holders of Public Office (Benefits) Law, 5729-1969; State Comptroller (Amendment No. 5) Law, 5731-1971; State Comptroller (Amendment No. 6) Law, 5732-1972; State Comptroller (Amendment No. 7) Law, 5734-1974; State Comptroller (Amendment No. 8) Law, 5735-1975; State Comptroller Amendment No. 9) Law, 5738-1978; Police Ordinance (Amendment No. 7) Law, 5740-1980; State Comptroller (Amendment No. 11) Law, 5741-1981; State Comptroller (Amendment No. 12) Law, 5744-1983; State Comptroller (Amendment No. 13) Law, 5744-1984; State Comptroller (Transitional Provisions) Law, 5748-1988; State Comptroller (Amendment No. 15) Law, 5750-1990; State Comptroller (Amendment No. 16) Law, 5751-1990; State Comptroller (Amendment No. 17) Law, 5752-1992; State Comptroller (Amendment No. 18) Law, 5753-1993; State Comptroller (Amendment No. 19) Law, 5754-1993; State Comptroller Amendment No. 20) Law, 5754-1994; State Comptroller (Amendment No. 21) Law, 5754-1994; State Comptroller (Amendment No. 22) Law, 5754-1994; State Comptroller (Amendment No. 23) Law, 5755-1995; State Comptroller (Amendment No. 24) Law, 5755- 1995; State Comptroller (Amendment No. 25) Law, 5755-1995; State Comptroller (Amendment No. 26) Law, 5755-1995; Bank of Israel (Amendment No. 19) Law, 5755-1995; State Comptroller (Amendment No. 28) Law, 5755-1995; State Comptroller (Amendment No. 29) Law, 5756-1996; State Comptroller (Amendment No. 30) Law, 5756-1996; State Comptroller (Amendment No. 31) Law, 5757-1997; Organization of Security in Public Bodies Law, 5758-1998; State Comptroller (Amendment No. 33) Law, 5761-2001; State Comptroller (Amendment No. 34) Law, 5763-2003; State Comptroller (Amendment No. 35) Law, 5765-2005; Organization of Security in Public Bodies (Amendment No. 2) Law, 5765-2005; State Comptroller (Amendment No. 37) Law, 5765-2005; State Comptroller (Amendment No. 38) Law, 5767-2007; State Comptroller (Amendment No. 39) Law, 5768-2007; State Comptroller (Amendment No. 40) Law, 5768-2008; State Comptroller (Amendment No. 41) Law, 5768-2008; State Comptroller (Amendment No. 42) Law, 5768-2008; State Comptroller (Amendment No. 43) Law, 5768-2008, the last amendment, which was passed on July 29, 2008.

Translation edited by Dr. Itzik Becker