



State Comptroller and Ombudsman
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Municipality of Jerusalem

Cultural Events for the Ultra-Orthodox Sector in Hanukkah 2016 in Jerusalem

Abstract



Cultural Events for the Ultra-Orthodox Sector in Hanukkah 2016 in Jerusalem

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Background

A range of events were held in Jerusalem during the Hanukkah festival of 2016, by or in conjunction with the municipality. These included: Lighting up Jerusalem - a large-scale family event in nine neighborhoods, which was held by Jerusalem's municipality by buying service from the Ariel Municipal Company (Lighting Up Jerusalem Events) and the Hilchot Hanukkah quiz (hereafter - the radio station's Hanukkah event), which was a joint event of the Jerusalem Municipality and a regional radio station. The event was held on December 29, 2016, at the Payis Arena, with about 7,000 men participating. The municipality submitted two support applications to the Ministry for the Development of the Periphery, the Negev and the Galilee (the Periphery Ministry) for cultural events, but in the end no support was transferred.

Key figures

650,000 NIS

The planned cost of the radio station's Hanukkah event, which was held jointly by the Jerusalem Municipality and the regional radio station

1 million NIS

The actual cost of the regional radio station's Hanukkah event

660,000 NIS

The actual contribution of the municipality to the radio station's Hanukkah event

240,000 NIS

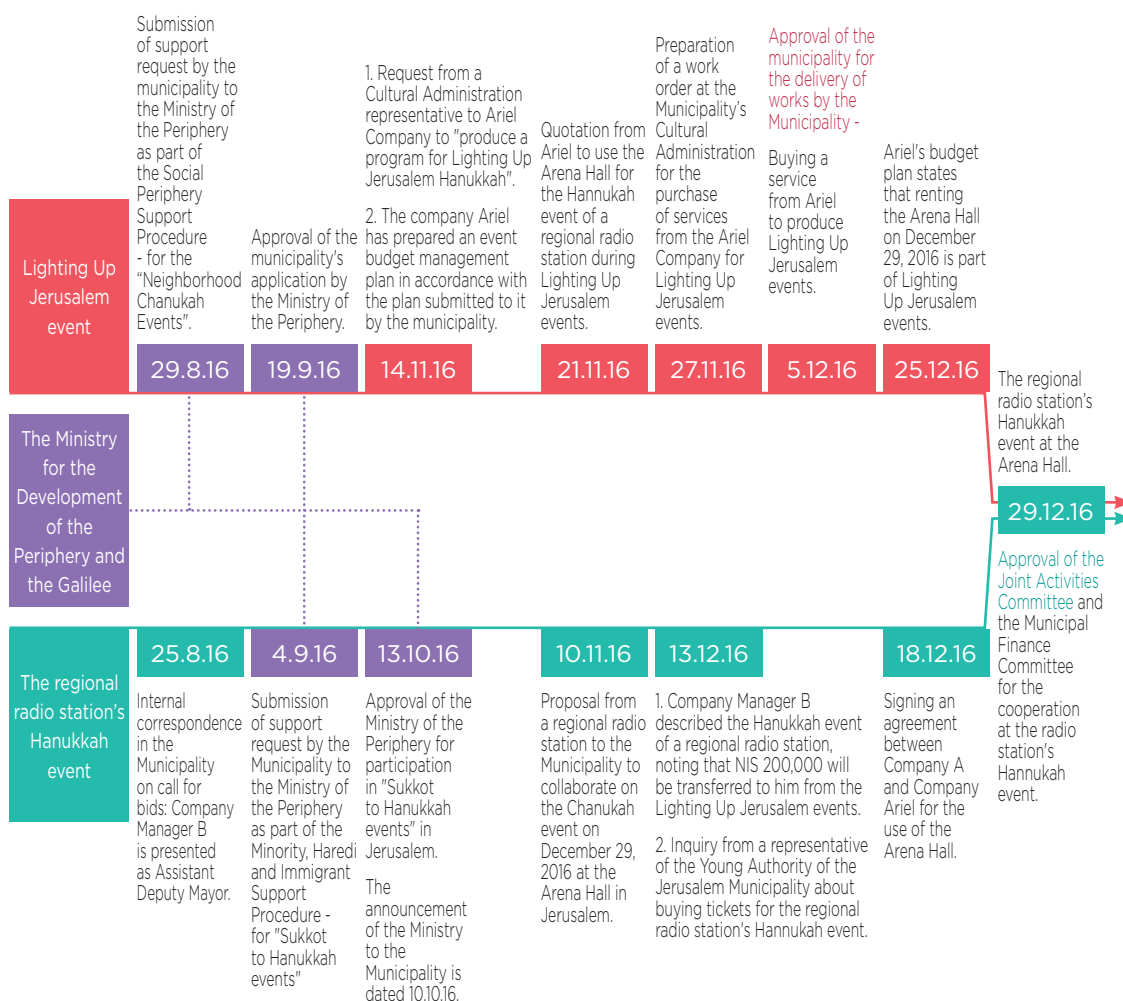
The contribution that the municipality approved for the radio station's Hanukkah event, of which some NIS 140,000 was supposed to be provided by the Periphery Ministry

Audit Actions



From May 2017 to November 2018, the State Comptroller's Office examined issues related to financing and organization of cultural events for the ultra-orthodox sector that were held during Hanukkah 2016 (5777) in Jerusalem and aspects of arranging payments for Lighting up Jerusalem events and for the radio station's Hanukkah event. The audit was conducted at the Jerusalem Municipality, at Ariel Municipal Company and the Ministry of the Periphery. Supplementary examinations were conducted until October 2019.

Time axis - Lighting Up Jerusalem events and regional radio station's Hanukkah event



The Situation Reflected in the Audit Findings



❗ Invoices totaling more than a million shekels were submitted for the radio station's Hanukkah event, which was supposed to cost 650,000 shekels and for which a municipality contribution of 243,000 shekels was supposed to be given. In the end, at least 660,000 shekels from the municipal coffer was provided to finance the event, nearly 3 times the planned contribution.

❗ The Jerusalem Municipality allowed payments from two sources (from the Lighting Up Jerusalem Events budget and the budget of the joint action with the regional radio station), in excess of the budget that was approved for the radio station's Hanukkah event. As a result, 400,000 shekels, representing a third of the Lighting Up Jerusalem events budget, were actually used for financing the radio station's Hanukkah event. Also, the municipality permitted payment from two municipal sources for identical services.

❗ The actual cost of the radio station's Hanukkah event in two parallel tracks:

- The Jerusalem Municipality and the Ariel Municipal Company worked concurrently with two different production agencies, resulting in the municipality paying in excess for its part of the event production.
- Most of the security budget of the Lighting Up Jerusalem events was reallocated to the radio station's Hanukkah event, even though it was not originally intended for it and should have been used for the social periphery events in the Jerusalem neighborhoods.
- The Payis Arena Hall was rented for the radio station's Hanukkah event within the framework of financing for the Lighting Up Jerusalem events, despite the radio station's Hanukkah event not having been approved by the necessary Jerusalem Municipality officials as part of the Lighting Up Jerusalem event.

❗ Payments made by the Jerusalem Municipality to the regional radio station for the radio station's Hanukkah event also raised questions and concerns among municipal officials with respect to the financing of this event as part of the Lighting Up Jerusalem events.

❗ The Jerusalem Municipality was approved support from the Ministry for the Periphery for events of a specific character, but the Municipality reassigned this support to the radio station's Hanukkah event thought the character of the event did not correspond with the events described in the support application and it did so without permission from the Ministry for the Periphery. Also, the Jerusalem Municipality failed to submit the approvals required for getting the support promised from the Ministry for the Periphery in time for the radio station's Hanukkah event and for the Lighting Up Jerusalem events, resulting in the Ministry for the Periphery not transferring NIS 865,000 for all of the Hanukkah events described in this report, which the municipality funded.



Following the audit, the Jerusalem Municipality stated it learned lessons from the case and started to take action to change its cultural event planning, approval and financing processes.

Main Audit Recommendations



The Jerusalem Municipality must examine the approval and payment processes within the Lighting Up Jerusalem activity and its joint activity with the regional radio station and learn the necessary lessons.



The municipality must make sure that its share in the financing of joint activities is within its approved limit and follow its own procedures in this respect, while taking measures to prevent use of additional municipal sources without coordination and approval.



The municipality must make sure that an event's budget is routed for its intended purpose. Also, the municipality must avoid financing one event through two different budgets that have been approved in different budgeting tracks for different events.

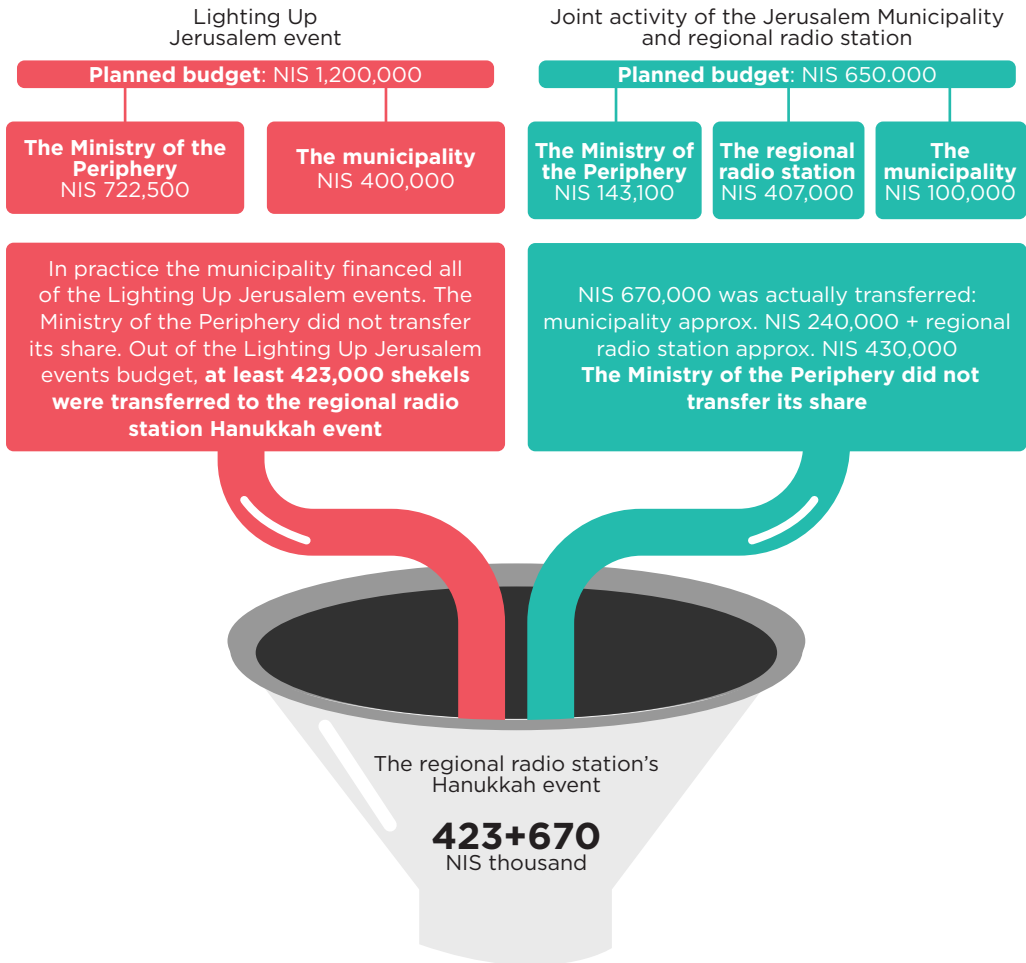


The municipality must regulate its actions for getting Ministry for the Periphery support approvals (and approvals from other ministries to the extent required) so that it can operate within the schedules mandated by good governance rules. Also, the municipality must take care to follow the rules for support that it receives from the ministries, ensure that support funds reach their destinations, and provide the required reports to the financing party.



The Ministry for the Periphery must examine the schedules for producing support approvals to allow local authorities to prepare in advance for events and make sure that only signed approvals are sent.

The regional radio station's Hanukkah event - financing sources



The event's budget was approx. NIS 1 million

*Different versions by the parties involved of the actual cost of the event

According to data from the Municipality of Jerusalem, the Ministry for the Periphery and the regional radio station, processed by the State Comptroller's Office.

** The planned budget of the Ministry for the Periphery, totaling 143,100 shekels, was planned to be used by the municipality, for regional radio station's event, in contradiction to the support application that it submitted to the Ministry for the Periphery, which it subsequently approved.



Summary

This report reveals many flaws in the approval and financing processes for the Lighting Up Jerusalem events and the radio station's Hanukkah event, which were held in Hanukkah 2016. The radio station's Hanukkah event was provided funds intended for the Lighting Up Jerusalem events, in contravention of good governance rules, and the Jerusalem Municipality financed an event that was branded as the Beitar Regional Radio Station's birthday celebration from two parallel financing tracks. For an event that was supposed to cost 650,000 shekels and receive 243,000 shekels as a contribution from the municipality, invoices totaling more than a million shekels were submitted, and the event was financed at the level of 660,000 shekels at least from municipal coffers.

The Jerusalem Municipality's conduct resulted in the Ministry for the Periphery not providing it the support funds that had been approved for it from the two support procedures, totaling about 860,000 shekels, and the municipality provided the proportion that the Ministry for the Periphery was supposed to provide too.

The Jerusalem Municipality must improve the efficiency of its review mechanisms for approving payments for special events, particularly for purchasing service from the Ariel Municipal Company, to prevent similar problematic cases from occurring in the future.

