

NATIONAL AUDIT OFFICE OF LITHUANIA

PUBLIC AUDIT REPORT

Organization and Pricing of Water Supply

5 January 2011 No. VA-P-20-3-1

Vilnius

Audit started 1 March

Auditas completed 10 January 2011

Full audit report in Lithuanian is available at the

National Audit Office website [/www.vkontrole.lt](http://www.vkontrole.lt)

Every citizen has the right to affordable, high quality and continuous services of provision of drinking water and waste water management.

The audit carried out by the National Audit Office of Lithuania evaluated the assurance of the efficient regulation and organization of water provision, as well as accessibility of quality public services to citizens. The audit was conducted in the Ministry of Environment and National Control Commission for Prices and Energy.

In order to improve the condition and implement the reform of aquaculture, in 2006 the Law on Drinking Water Supply and Waste Water Management was adopted.

The NAOL detected that key provisions of the Law on Drinking Water Supply and Waste Water Management had not been implemented; i. e. consolidation of water provision companies was not conducted, there was no licensing of water provision activities; none of municipalities had chosen public water supplier, not all the municipalities had drawn up Infrastructure Development Plans for Drinking Water Provision and Waste Water Management. Thus the efficient aquaculture management system is not yet developed. Representatives of the Government in Counties do not take appropriate measures to ensure the implementation of the Law on Drinking Water Supply and Waste Water Management while the Ministry of Environment limits its remit stipulated in the Law on Drinking Water Supply and Waste Water Management only to co-ordination of activities of municipalities.

Long-term operation of provision of drinking water and infrastructure of waste water management, as well as its renovation will not be ensured; quality requirements for services will not be provided; environmental pollution will not be decreased and water resources will not be rationally used, since majority of water provision companies controlled by municipalities make losses. In municipalities there are many water provision entities, whose activities are not controlled, and delivery of water services is left at the discretion of water suppliers; users pay for water under agreements and prices not coordinated with the National Control Commission for Prices and Energy.