National Audit Office of Lithuania

Public Audit Report
Promotion of Interaction between Education, Science and Business

28 June 2011 No VA-P-50-12-8
Vilnius

Summary

Audit started: 27 September 2010
Audit completed: 28 June 2011

Full audit report in Lithuanian is available at the National Audit Office website www.vkontrole.lt

The aim of the public audit „Interaction between Education, Science and Business“ conducted by the National Audit Office of Lithuania was to evaluate if measures aimed at encouraging interaction between education, science and business are implemented efficiently. We have selected measures implemented by the Ministry of Economy and the Ministry of Education in 2008-2011 (the second quarter) aimed at encouraging interaction between education, science and business. A total of estimated expenditure for the implementation of the selected measures amounts to more than LTL 2 billion.

During the audit we established that indicators in the Innovation Strategy selected from the European Investment Scoreboard following which progress of innovations will be assessed are not sufficient and appropriate for evaluation of small countries; main ministries responsible for policy matters in the area – Ministry of Economy and Ministry of Education – cooperate insufficiently when implementing the measures; implementation of some of the measures encouraging interaction between education, science and business by the Ministry of Economy is delayed (during the audit two measures were terminated due to insufficient number of applicants and their undistributed funding was transferred to the new ones) and there is insufficient control over the use of funds; the measure newly implemented by the Ministry of Education "State assistance for employment of highly qualified employees in enterprises" did not receive a sufficient number of applications; implementation of projects within the programmes of Integrated Science, Studies and Business Centres (Valleys) might be inefficient as there is no developed efficient management model, the open access centres are not operating and their number is unknown; the register for open access centres is not yet created.

The audit established that business entities are not actively using tax exemptions granted to research and experimental development (R&ED) activities whereas statistical data on R&ED activities in Lithuania are not accurate.

In order to eliminate the established deficiencies the auditors recommended:

- to amend the Innovation Strategy according to the requirements of Methodology for Strategic Planning and integrate it into the National Progress Strategy which is currently under development;

- the Ministry of Economy and the Ministry of Education to introduce such evaluation criteria that would allow to evaluate progress at the national level in the area of encouraging interaction between education, science and business;

- to develop and institutionalize a model for the management and coordination of Integrated Science, Studies and Business Centres (Valleys) and Joint Research Programmes, to create a pilot open access centre register;
- to define that business entities upon having received financial support for R&ED activities would be obligated to provide information for the Department of Statistics on the R&ED implemented;
- to define the limits for application of tax exemption for R&ED activities in such a way as to be equally understood both by business entities and by tax administrators;
- in the new programming period to pay especially great attention to the measures encouraging interaction between education, science and business as well as education, science and business communication culture in implementing R&ED activities.