National Audit Office of Lithuania

Public Audit Report
Financing of State Social Care Institutions

22 November 2011 No VA-P-10-1-18
Vilnius

Summary

Audit started: 5 January 2011
Audit completed: 22 November 2011

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

In 2010 there were 222 social care institutions in Lithuania out of which 38 were state institutions, 120 – municipality institutions, and remaining 64 – public organizations, parish and private institutions which in the end of the year provided residency care for 14.8 thousand persons. State social care institutions whose owner rights and responsibilities are implemented by the Ministry of Social Security and Labour in the end of the year provided residency care for 7.1 thousand persons out of whom 5.7 thousand or 80 per cent received long-term social care services funded from the state budget. In 2010 state social care institutions were allocated LTL 143 million, whereas in 2011 they received LTL 134 million from the state budget.

During the audit we examined financing of 37 state institutions providing long term social care services that were transferred to the Ministry of Social Security and Labour on 1 July 2010. The new edition of the Law on Social Services in 2007 introduced a new model of financing of social care institutions which provided for change from direct financing of institutions to direct financing of services.

Social services organised by municipalities for residents of their territory are financed from municipality budgets according to the agreements with the state social care institutions as service providers. Only the long term social care services for aged persons, disabled adults, disabled children, children who have lost the care of their parents that have been provided for the receivers from 1 January 2007 in the County Governors' social care institutions are financed from the state budget by allocating funding s direct financing of institutions.

The existing planning of finances for the state social care institutions does not ensure effective distribution of budget funding as funds are allocated to state social care institutions without taking into consideration the number of persons whose long term social care services are financed from the state budget, the determined price of long term social care, and the planned funding from all the financing sources.

With the decreasing number of persons whose social care services are financed from the state budget the planned budget funding for state social care institutions remains unchanged.

Methodology for financing and calculation of funding for social services does not clearly define calculation of price of long term social care therefore state social care institutions use different data for planning their funding needs and the needs of persons who are provided those

services. This is the reason why in some cases the price for social care is higher whereas in other cases – lower.

There are no established norms for funding that is directly related to the needs of persons who receive long term social care services; this situation creates conditions for planning different amount of funding per person. Planned funding for bedding and clothing as well as other goods and services differ significantly in different institutions.

The audit also examined the planning of funding for the social care institutions investment projects from the State Investments Programme. The audit established that the Ministry of Social Security and Labour in the period between 2008–2011 when selecting the projects of the state social care institutions did not establish project selection criteria and their weightings; proposed selecting investment projects without taking into consideration the status of social care institutions buildings and living environment.

Recommendations were provided to the Ministry of Social Security and Labour to improve the calculation of price of long term social care, the planning of budget funding allocated for social care institutions and the selection process for investment projects, to establish funding norms for long term social care expenditure directly related to the needs of persons who are provided those services.