



Executive summary of the public audit report

## TAKING ADVANTAGE OF VOCATIONAL TRAINING POSSIBILITIES

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## DEFINITIONS AND ABBREVIATIONS

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**Sectoral practical training centre:** a vocational education and training (VET) institution or department thereof focused on one or several sectors of the Lithuanian economy, equipped with modern practical training equipment, and provides initial or continued practical vocational training services to all the residents of Lithuania who wish to acquire a qualification or develop their existing qualification<sup>1</sup>.

**Initial vocational education and training:** vocational education and training (VET) for the purposes of acquiring a primary qualification<sup>2</sup>.

**Continued vocational education and training:** vocational training intended for upgrading a qualification, for the acquisition of a new qualification, or for the acquisition of a competence needed to perform a specific job (function) as regulated by legislation<sup>3</sup>.

**Sectoral vocational committee:** a collegiate, cooperation-based advisory institution that coordinates qualification-related issues in a specific sector of the economy. Such a committee is composed of no less than 9 and no more than 15 members that represent employers, employees and education providers depending on the specifics of the sector<sup>4</sup>.

**Qualification standard:** a document describing the competencies necessary for acquiring a qualification, evaluation criteria and methods<sup>5</sup>. The document also regulates the qualifications necessary for activities in a specific economic sector or part thereof, their structure and content as well as possible acquisition and evaluation methods<sup>6</sup>.

**Vocational training standard (VET standard):** document regulating the acquisition of qualifications in the vocational education and training system<sup>7</sup>.

**Vocational training programme module:** a pre-defined and independent part of an education programme<sup>8</sup>.

**Educational tools:** e-textbooks, exercise books, tests, instructional videos, etc.

**Labour market training centres:** a public vocational education and training institution the primary activity of which is vocational education and training, requalification and qualification development for adults using continued and informal training programmes. At these centres, material and non-material rights and obligations of the state shareholder (owner) were

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<sup>1</sup> Order No. ISAK-1463 of the Lithuanian Minister of Education and Science of 22/05/2008 (amended by order No. V-1048 of 29/06/2010) approving the Programme for the Development of Sectoral Training Centres, p. 3.

<sup>2</sup> Law of the Republic of Lithuania on Vocational Education and Training, 14/10/1997, No. VIII-450, (amended by Law No. X-1065 of 03/04/2007), Art. 2, p. 5.

<sup>3</sup> Ibid (amended by Law No. XI-839 of 25/05/2010), Art. 2, p. 21.

<sup>4</sup> Order No. V-1909 of the Lithuanian Minister of Education and Science of 29/10/2010 approving the Procedural Description for Formulating Objectives and Functions, Appointing Committees and Funding, p. 3.

<sup>5</sup> Law of the Republic of Lithuania on Vocational Education and Training (amended by Law No. X-1065 of 03/04/2007), Art. 2, p. 19.

<sup>6</sup> Available online at: <http://pmturinys.kpmc.lt/public-app.html#/ebook/?id=3434> [accessed on 02/10/2015].

<sup>7</sup> Law of the Republic of Lithuania on Vocational Education and Training (amended by Law No. X-1065 of 03/04/2007), Art. 2, p. 18.

<sup>8</sup> Ibid, Art. 2, p. 14.

previously implemented by the Ministry of Social Security and Labour, and as of 2010, by the Ministry of Education and Science.

**Marketing:** the management and execution of sales strategy, i.e. product or service concept development, price formation, distribution and the development as well as application of actions that stimulate sales<sup>9</sup>.

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<sup>9</sup> Available online at: <http://zodynas.vz.lt/rinkodara> [accessed on 25/10/2015].

## SUMMARY

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VET policy and meeting labour market needs are important factors in the competitiveness and long-term well-being of the state.

Only 33% of the country's youth population opts for VET (the EU average is 50%), whereas others, upon completing their general education, immediately apply to higher education institutions or enter the labour market without any vocational training. Around 22% of the population are employed without having acquired any certified qualification<sup>10</sup>.

During the EU financial support period of 2007–2013, most attention and funding was targeted at three areas of VET activity: educational infrastructure, developing the qualification of educating personnel and updating educational content. The attractiveness and quality of VET depends on this combination.

From 2012 to 2015, a total of 42 sectoral practical training centres opened their doors in Lithuania, and 118 million euros were invested in their establishment<sup>11</sup>. The centres were established in 33 of 74 VET institutions (45%) and equipped with the latest practical training equipment for the practical training of any of the country's residents wishing to acquire a qualification or to develop an existing qualification. The decision was made to provide vocational educators with technological competencies, which are an important part of work in a new practical training base, and so internships in various business enterprises were organised for them.

In order to ensure that the services provided by educational establishments meet the needs of the labour market and are flexible, investments were made in formulating qualifications and updating vocational education content, resulting in 10 new qualification standards (none of which were legalised), 60 modular vocational training programmes (24 of which were registered)<sup>12</sup> and 14 sectoral education tools. Institutions will have to transition to a module-based VET system by the year 2021<sup>13</sup>.

The fact that the percentage of young people studying at VET institutions and adults participating in life-long learning programmes in Lithuania is one of the lowest in the European Union encouraged the National Audit Office to analyse whether the investments made in VET are improving its quality and appeal.

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<sup>10</sup> 2014–2016 Action Plan of the Programme for the Development of Vocational Education and Training approved by resolution No. V-851 of the Lithuanian Minister of Education and Science of 29/09/2014.

<sup>11</sup> Programme for the Development of Sectoral Training Centres approved by order No. ISAK-1463 of the Lithuanian Minister of Education and Science on 22/05/2008 (amended by order No. V-1754 of 12/10/2010). Implemented measure No. VP3-2.2-ŠMM-13-V. Development of Vocational Training Infrastructure under priority 2 (Increasing the Quality and Accessibility of Public Services: Healthcare, Education and Social Infrastructure) of the Cohesion Promotion Operational Programme for 2007–2013.

<sup>12</sup> Data from 31 December 2015.

<sup>13</sup> Order No. V-232 of the Lithuanian Minister of Education and Science of 23/03/2015 amending order No. V-1435 of the Lithuanian Minister of Education and Science of 27 August 2010 on approving the procedural description for preparing and legalising formal vocational education and training programmes, p. 2.1.

The purpose of the audit was to assess whether the development of the sectoral practical training centres is meeting the needs of the labour market. As part of the audit, we evaluated the following:

- whether the use and maintenance of the training centre resources, as planned during investment, is being ensured,
- whether the VET programmes are renewed based on changing labour market needs,
- whether the technological competencies of educators working in all of the centres are continually renewed based on changing labour market needs.

The subjects of this audit are the Lithuanian Ministry of Education and Science as well as the Qualifications and Vocational Education and Training Development Centre.

For the audit, we selected 18 of 33 (55%) VET institutions that host 26 of the country's 42 centres (62%). We met with and surveyed about 400 students receiving training at the centres and about 200 vocational educators working at them. We also interviewed representatives from seven associated business structures (the Lithuanian Confederation of Industrialists, the Panevėžys Chamber of Commerce, Industry and Crafts as well as various electric energy, construction, engineering, clothing and textile, hotel and restaurant associations) and three colleges (the Vilnius College of Technology and Design, Marijampolė College and Kaunas College).

The audit covered the period of 2012–2014, and data from 2015 was also used for the impact analysis.

We discovered that equipment was used very differently at different VET institutions. VET institutions are focused primarily on publicly funded initial VET, however, not enough attention is paid to educating and training adults (with the exception of labour market training centres).

Not all of the VET institutions have purposefully made any plans for activities that would make more effective use of the available infrastructure or have established a position responsible for formulating policy on promoting service sales and searching for potential users. A number of the institutions fail to generate any additional income from the sectoral practical training centres and some of those that do, do not account for all the expenses required for maintaining and renewing their practical training base.

New qualification standards, modular VET programmes and educational tools were not always developed with consistency and are frequently incompatible. Activities related to the preparation of qualification standards have not been organised properly: not all legal requirements were complied with, assessment and approbation processes did not ensure their legalisation on time, modular VET programmes were typically developed based on previously approved VET standards because no new standards had been prepared. Therefore, some of the programmes will have to be revised in order to comply with newly legalised qualification standards and to meet labour market needs.

Not all vocational educators continually develop their technological competencies because there is no continual offering of technological training events.

The following public audit conclusions and recommendations were drawn upon the assessment of the audit findings. If the recommendations are considered properly, this would lead to the increased use of the sectoral practical training centres, funds would be generated for the renewal of equipment, VET programmes would be more in-sync with labour market needs, the constant renewal of the technological competencies of vocational educators would be ensured,

and planned additional investment (approximately 57 million euros<sup>14</sup>) in the the infrastructure of the sectoral practical training centres and the formation of up-to-date educational content would be used to greater effect.

## CONCLUSIONS

1. A total of 118 million euros were invested in improving VET infrastructure, but the number of students participating in initial training programmes offered at practical training centres has not increased in as many as half of the audited VET institutions over the period of the past two years. In four (of 26) centres, no students were training in continued VET programmes, and nine centres did not even offer informal education for adults. In 15 of these centres, practical training was not being offered to students from other vocational institutions and not a single institution achieved the planned capacity (16 hours per day): average capacities ranged drastically from institution to institution, with the lowest coming in at 2 hours per day and the highest at 12. The resources of as many as 15 of these centres (60%) were only used up to 5 hours a day because of the following reasons:
  - 1.1. having upgraded their practical training equipment, not all of the VET institutions began offering new continued and informal vocational training programmes; with the exception of labour market training centres, VET institutions still pay too little attention to adult education, which is why the potential of the centres is not used to its full extent and the needs of all interested individuals (employed and unemployed) are not taken into consideration (subsections 1.1 and 2.1);
  - 1.2. VET institutions have provided for measures related to the use of the centres in their strategic and annual action plans as well as the action plans of the centres. The majority of the action plans do not indicate any specific objectives, and the measures listed are directly associated with promoting the centres and attracting external training service users (individuals from educational institutions of various levels, business enterprises, the labour exchange or independent individuals). In 13 (of 18 (72%)) of the VET institutions, no position has been established for carrying out marketing functions; the majority of the employees working at the VET institutions have not participated in training events directly related to developing their marketing qualifications, thus employees do not have sufficient skills for attracting new users and taking advantage of the potential offered by the practical training centres (subsection 1.2).
  - 1.3. no systemic solution has been devised for funding and organising the process of training students from other VET institutions at the newly equipped practical training centres, thus not all students are afforded the opportunity of learning with new equipment, which would ultimately ensure greater competitiveness in the labour market (subsection 1.1);
  - 1.4. no system has been devised to ensure that the practical training bases are used for organising qualification development events for vocational educators or educators from

<sup>14</sup> Order No. V-380 of the Lithuanian Minister of Education and Science of 23/04/2015 has allocated about 49 million euros for the development of sectoral practical training centres and 8 million euros for the formation of Lithuanian qualification content and modern educational content as part of the operational programme for EU investments funds for 2014–2020.

general education institutions, contributing nothing to the more effective use of the centres (section 3);

- 1.5. At the Druskininkai branch of the Žirmūnai Labour Market Training Centre, where continued VET (for adults who wish to improve their existing qualifications or acquire new ones) should be available, the service has not been provided for over a year. Only in September of 2015 (during the audit) did the Ministry of Education and Science allow the acquisition of a licence for providing initial training programmes (for acquiring a first qualification) as well, which it will be able to offer from the academic year of 2016–2017. The same programmes are offered by another VET institution in the city, but this institution does not have any new practical training equipment. This means that specialists in the city of Druskininkai cannot receive training with the most market-relevant training base (subsection 1.1).
2. There is also no consistent method for setting training service fees. We discovered that each VET institution calculates them in their own way, and some fail to account for all the expenses they incur (the majority fail to consider the cost of depreciating equipment). This means that they do not generate additional income for renewing their vocational training bases (subsection 1.2).
3. About 500 thousand euros have been allocated for the development of qualification standards, however, the standards that have been created have not been legalised and it is unclear when they will be. About 1 million euros were allocated for the development of modular VET programmes, however, only 24 of 60 were registered and only nine have begun to be tested at VET institutions in 2015. There are several reasons for this:
  - 3.1. When implementing the projects targeted at renewing educational content that are funded by the European Union, the Ministry of Education and Science failed to ensure a consistent process: the development of modular VET programmes began alongside the development of qualification standards even though they were supposed to serve as guidelines for the developers of the programmes, and the development of educational tools for the modular programmes began before the development of the programmes themselves. The majority of the modular VET programmes have been developed based on previously approved VET standards (some of which had been written up more than 10 years ago) because new standards had not been prepared or were not even being prepared at the time. Thus, once the new standards are legalised, some of the programmes will have to be revised (subsection 2.2);
  - 3.2. When organising the preparation of qualification standards, the Qualifications and Vocational Education and Training Development Centre failed to ensure the comprehensiveness of the documents describing the qualification standards (the documents did not describe assessment criteria, methods or the recommended duration of training, and competency limits were not consistently set); and other relevant ministries as well as government institutions were not involved in the preparation of the standards within the limits of their competence, as legally required. Sanctioned qualification standards, which should have been prepared for legalisation, are only now being submitted for approval and are still receiving new notes (subsection 2.2);
  - 3.3. the approbation of qualification standards in sectoral VET committees has not guaranteed their proper registration: it was frequently the case that too little time was allocated for assessment and the submission of notes, not all members submitted their suggestions, and little was done to ensure collegiate decision-making with regard to sections that were recommended for revision (subsection 2.2);

- 3.4. the ministry amended the legislation clearly regulating requirements for scope, programme structure and parts thereof only two years after the programmes began to be implemented, which is why a number of the modular VET programmes that began to be developed in 2013 are already out of date and do not comply with current legislation (the scope of a module exceeds the maximum number of credits, the scope of mandatory modules does not reach 85%, etc.) (subsection 2.2).
4. The development of the technological competencies of vocational educators is typically organised through project activities which do not ensure the development of all the educators working at a given institution. What is more, once these project activities come to a close, development often comes to a halt. From 2010 to 2015, the Education Development Centre implemented a project during which it organised qualification development events for vocational educators, however, only half of the educators working in the sectoral practical training sectors we audited participated in the training events,. From 2013, the responsibility of improving the qualification of vocational educators was handed over to the Qualifications and Vocational Education and Training Development Centre, which did not organise additional training events related to improving technological competencies during the project (Section 3).

## RECOMMENDATIONS

### To the Lithuanian Ministry of Education and Science

1. With a view to making sure that the 49 million euros allocated by the 2014–2020 operational programme for EU investment for the further development of sectoral practical training centres are used to ensure the effective use of the practical training equipment available at the centres and their compatibility with labour market needs, evaluate the grounds for acquiring additional training equipment and whether it will provide possibilities for offering new training programmes, whether there are serious grounds for allocating funding for renovation, and whether a VET institution is oriented towards training and educating individuals from all age groups (Conclusion 1.1).
2. In order to ensure that the students at the VET institutions in Druskininkai are trained using new equipment, organise their practical training at the sectoral practical training centre established in the Druskininkai branch of the Žirmūnai Labour Market Training Centre (Conclusion 1.5).
3. In order to increase the use of sectoral practical training centres and the preparedness of VET institutions to properly organise activities:
  - 3.1. prepare recommendations/guidelines for planning and organising activities at the centres (Conclusion 1.2);
  - 3.2. commit VET institutions to setting tasks, measures and objectives with regard to promoting training services and attracting different types of external users (schoolchildren, students, the unemployed, representatives of the labour market and business)(Conclusion 1.2);
  - 3.3. ensure that the centres fulfil their marketing functions (Conclusion 1.2).

4. In order to make sure that VET institutions generate income for the maintenance and renewal of equipment, prepare recommendations for calculating training service fees (Conclusion 2).
5. In order to ensure the compatibility of qualification standards, modular programmes and educational tools as well as the cooperation of future developers and the consistent organisation of future activity, prepare modular VET programmes based on qualification standards, and educational tools based on modular programmes (Conclusion 3.1).
6. In order to ensure that the qualification standards approved by sectoral vocational committees are registered properly:
  - 6.1. prepare qualification standards based on the requirements of currently valid legislation (Conclusion 3.2);
  - 6.2. ensure that qualification standard projects are approved by representatives of relevant ministries and government institutions within the limits of their competence (Conclusion 3.2);

### To the Qualifications and Vocational Education and Training Development Centre

1. In order to ensure the quality of qualification standards, set an optimum number of sectoral VET committee members and deadlines for assessing standards and submitting notes, and ensure that decisions regarding potential amendments to the standards are made with majority approval within the committee (Conclusion 3.3);
2. In order to ensure that modular VET programmes are relevant to the needs of the labour market:
  - 2.1. revise the programmes that have already been prepared based on currently applicable legislation (Conclusion 3.4);
  - 2.2. revise the programmes that have already been prepared based on newly approved qualification standards (Conclusion 3.1);
3. With a view to ensuring that the technological competencies of vocational educators are continually developed and that the funding allocated for developing educators' qualification is effectively used for that purpose, ensure the organisation of technological competence training for vocational educators (conclusions 4 and 1.4).

Measures and time frames for the implementation of the recommendations are presented in Annex 1.