



Executive summary of the public audit report

USE OF FUNDS AND PROPERTY WHILE MAINTAINING AND DEVELOPING THE CAPACITY OF MILITARY UNITS

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Full audit report in Lithuanian available on website
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DEFINITIONS

Experimental development – systemic activities based on scientific research and knowledge accumulated via practical experience, the purpose of which is development of new materials, products and equipment, introduction of new processes, systems and services, or substantial improvement of already created or installed ones, as well as development, introduction or substantial improvement of solutions to the human, cultural and societal challenges based on scientific research and knowledge accumulated via practical experience¹.

Military unit – a Lithuanian army unit with an approved structure and a common task, including active reserve military units and managed reserve military units².

Lithuanian Armed Forces – the main part of the National Defence System serving to protect the sovereignty of the State and integrity of its territory and airspace, using weapons to defend the State against aggression or other armed attacks, carrying out military tasks in accordance with the international obligations of the Republic of Lithuania³.

Permanent initial compulsory military service – continuous initial compulsory military service, whereby a military draftee acquires the basic military training and is prepared to act as a part of military unit⁴.

Capacity – the ability to achieve the desired effect/result/goal (accomplish the task) in a certain (specified) field (environment) at a specified time and keep it in compliance with the established standards and conditions by combining measures and types of activities⁵.

Professional military service – a voluntary permanent military service by a citizen of the Republic of Lithuania under a professional military service contract in accordance with the conditions and procedures established by the applicable legislation (in the army or other institutions that are part of the country's National Defence System as well as abroad, in foreign or international institutions)⁶.

Strategic (inviolable) stocks – material values in reserve and ready to use⁷.

¹ Law on Science and Studies of the Republic of Lithuania No. XI-242, 30/04/2009, Art. 4, p. 8.

² Law on the Organization of the National Defence System and Military Service of the Republic of Lithuania No. VIII-723, 05/05/1998, Art. 2, p. 12.

³ Ibid, Art. 2, p. 20.

⁴ Law on Conscription of the Republic of Lithuania No. I-1593, 22/10/1996, Art. 2, p. 14.

⁵ The Operating Doctrine of the Lithuanian Armed Forces approved by the Order No. V-230 of the Chief of Defence of Lithuania, 10/03/2011.

⁶ Law on the Organization of the National Defence System and Military Service of the Republic of Lithuania No. VIII-723, 05/05/1998, Art. 2, p. 26.

⁷ Description of the Procedure for the Reserve Planning and Formation in the National Defence System approved by the Order No. VR-20RN of the Minister of National Defence of the Republic of Lithuania, 09/06/2009, p. 4.2.

SUMMARY

Lithuania's main national security interests include the sovereignty, territorial integrity, regional and global stability of the Republic of Lithuania, as well as peace and prosperity of the State⁸. The National Defence System helps to ensure the protection of these interests, and military units of the Lithuanian army are part of this system.

Implementing the agreement reached between Lithuania's political parties in 2014 with the aim of increasing the funds allocated for the national defence to 2 percent of the country's gross domestic product by 2020, in 2015, the amount of state budget appropriations allocated and used for the National Defence System was EUR 16 million higher than in 2014. In addition to this, after assessing changes in the geopolitical situation, in 2015, Lithuania reinstated the initial compulsory military service.

In order to assess whether in 2015 the use of the increased state budget appropriations allocated for maintenance and development of the capacity of military units complied with the provisions and requirements of legal acts, this audit was included in the Public Audit Programme⁹. The purpose of the audit was to assess the legality of the use of funds and property while maintaining and developing the capacity of military units.

Having assessed the evidence collected during the audit, we hereby present the public audit conclusions and recommendations which, if implemented, should ensure the efficient use of the national budget funds in the National Defence System for the implementation of research and experimental development projects.

CONCLUSIONS

In 2015, the military units constituting the Lithuanian Armed Forces and the Ministry of National Defence of the Republic of Lithuania used the allocated amount of state budget appropriations in accordance with the law. The property was managed, used and disposed of on the basis of the principles of public law with the exception of certain shortcomings:

- in 2015, research and experimental development projects were implemented without securing the efficient use of the national budget funds, because the priority areas of scientific development in the National Defence System were not approved, project funding decisions were not adopted by the Ministry of National Defence, there was no proper control of the use of state budget appropriations allocated for projects, no cooperation agreements were concluded with institutions contributing to project implementation, the assessment criteria selected in the strategic action plan prevented an assessment of whether resources were efficiently used while implementing research and experimental development projects;
- while carrying out the drafting for the permanent initial compulsory military service, institutions administering conscription failed to make use of all legal instruments available and ensure that persons who received draft notices fulfilled obligations referred to in the legal acts.

⁸ The Lithuanian Military Doctrine approved by the Order No. V-193 of 10/03/2010 of the Chief of Defence of Lithuania.

⁹ Action Plan for 2016 of the National Audit Office approved by the Order No. V-1 of 04/01/2016 of the Auditor General of the Republic of Lithuania.

RECOMMENDATIONS

To the Ministry of National Defence of the Republic of Lithuania

In order to ensure funding of the research and experimental development projects, which meet the need of the National Defence System best, to ensure that project funding decisions are adopted by the Ministry of National Defence, to control the use of state budget appropriations allocated for projects, to conclude cooperation agreements with institutions involved in project implementation, to establish the assessment criteria in the strategic action plan, which would allow assessing the results achieved in the field of research and experimental development.

Measures and time frames for the implementation of the recommendations are presented in Annex 1, 'Plan for Implementing Recommendations'.

In view of the fact that at the time of the audit a bill amending the Law on Conscription was registered in the Seimas of the Republic of Lithuania, which aims to improve the drafting procedure and modernize the drafting system, and a new Lithuanian military unit was established, responsible for conscription administration, we will continue to monitor the activities of institutions administering conscription, organising and carrying out the drafting for the permanent initial compulsory military service.