



Executive summary of the public audit report

HOW THE MINISTRY OF CULTURE FORMS CULTURE POLICY AND ORGANISES AND MANAGES ITS IMPLEMENTATION

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DEFINITIONS AND ABBREVIATIONS

LCC – the Lithuanian Council for Culture.

DCH – the Department of Cultural Heritage.

CAE – cultural and arts establishments.

CSF – the Culture Support Foundation.

Ministry – the Ministry of Culture.

Function – a type (or types) of activity which, if implemented regularly, results in a specific product or result related to the aims of an institution accountable to the Government, and which has a specific, target consumer¹.

Review of functions – a means of evidence-based governance, implemented in order to decrease the scope and related costs of public governance and increase the transparency, effectiveness and results of public authorities².

Programme assessment – a means of evidence-based governance, implemented in order to assess the appropriateness, effectiveness, results, usefulness and continuity of the programmes implemented by public authorities, and to specify and justify decisions necessary for achieving better programme results³.

Cultural and / or arts establishment – a public legal person which implements cultural and artistic activities (related to libraries, museums, cultural centres, theatres, concert establishments, arts galleries, etc.) defined in relevant legislation.

Cultural community – employees of budgetary and non-governmental cultural institutions, artists, creators and managers of culture.

Focus group (or a discussion group focused on a specific, broad or narrow, topic) – an organised conversation in a small group, a discussion.

Research – all culture-related research, analyses, assessments and studies conducted in 2012–2015.

Guidelines – Guidelines on the Lithuanian Cultural Policy Development⁴.

Sunset Commission – Commission for the Improvement of Public Management⁵.

IIP “Culture” – the inter-institutional action plan of the horizontal priority “culture” of the National Development Programme’s for the Period of 2014–2020⁶.

¹ Page 2.1 of the Methodology of the Review of Functions of Institutions Accountable to the Government of the Republic of Lithuania, approved by Order No. 968 of 17 August 2011 of the Republic of Lithuania,

² Ibid, page 2.2.

³ Order No. 1K-281 of 16 August 2011 of the Minister of Finance of the Republic of Lithuania “On the Approval of the Programme Assessment Methodology”.

⁴ Order No. XI-977 of 30 June 2010 of the Seimas of the Republic of Lithuania “On the Approval of the Guidelines on the Lithuanian Cultural Policy Development”.

⁵ Order No. 50 of 28 January 2009 of the Government of the Republic of Lithuania “On the Creation of the Commission for the Improvement of Public Management”.

⁶ Order No. 269 of 19 March 2014 of the Government of the Republic of Lithuania “On the Approval of the National Development Programme for the Period of 2014–2020 Horizontal Priority “Culture” Inter-Institutional Action Plan”.

Culture Support Foundation – a programme of the strategic action plan of the Ministry of Culture, which, in accordance with the Law on Culture Support Foundation of 2012 of the Republic of Lithuania, is administered by the budgetary institution Lithuanian Council for Culture, established by the Ministry of Culture. The funds of the Culture Support Foundation are also used for cultural and arts projects, programmes and other means, selected by way of public tender in accordance with the Guidelines for the Funding of Cultural and Arts Projects, approved by the Minister of Culture⁷.

⁷ The Law on Culture Support Foundation No. X-1260 of 04 July 2007 of the Republic of Lithuania (edition No. XI-2219 of 18 September 2012).

SUMMARY

The Ministry of Culture is responsible for the development, organisation, coordination and control of cultural policies, while the responsibility for the implementation of said policies lies with the establishments related to the areas of management assigned to the Minister of Culture. In 2012–2015, the Ministry, 46 subordinate establishments and 12 establishments related to the area of management implemented around 625 million EUR from the state budget.

In 2010, given that culture is the foundation of the state and that the state of culture in Lithuania requires critical engagement, attention and positive changes, the Seimas of the Republic of Lithuania had approved⁸ the Guidelines on the Lithuanian Cultural Policy Development. This is the main political document which regulates changes in the planning and implementation of cultural policies, designed to create the conditions necessary for changing the role culture plays in the state. This document establishes 10 guidelines for the change of cultural policies, see Annex No. 1.

As part of the implementation of one of the priority actions of the guidelines for the change of cultural policies – the separation of the development and implementation of cultural policies – the Lithuanian Council for Culture, subordinate to the Ministry, was established⁹ in 2012 and assigned the functions pertaining to the implementation of said policies. The recommendation regarding the separation of the development and implementation of the policies was also submitted by the National Audit Office¹⁰. The aim was to democratise the cultural management model and ensure that the Ministry of Culture, which previously was mostly engaged with the administration of the funds of the Lithuanian Council for Culture, undertakes active development of cultural policies and implements the aforementioned guidelines and other strategic documents.

The Guidelines specify that the development and implementation of cultural policies are ineffective and do not allow to appropriately address challenges and ensure the continuity and renewal of cultural processes. Even though, in 2012, the Ministry had established the Lithuanian Council for Culture and assigned it with functions pertaining to the financing of cultural projects, it continues to spend a lot of time on the implementation, rather than the development, of policies, and continues to finance programmes and projects by way of public tender. The recommendations related to the development of policies, submitted by the Sunset Commission, are implemented in a fragmented manner. There is much discussion in the public sphere about the Ministry's failure (or success) in developing policies. This was the impetus behind auditing its activities.

The goal of the audit was to assess whether the Ministry of Culture appropriately develops state policy, and organises, coordinates and controls its implementation. We have examined whether the separation of the development and implementation of cultural policies had resulted in:

- the Ministry actively undertaking the development of state policy;
- the Ministry organising and controlling the implementation of cultural policy;
- the activities of the Ministry meeting the expectations of the cultural community;
- the structure and functions of the Ministry changing appropriately/being optimised.

⁸ Order No. XI-977 of 30 June 2010 of the Seimas of the Republic of Lithuania “On the Approval of the Guidelines on the Lithuanian Cultural Policy Development”.

⁹ Order No. 1410 of 21 November 2012 of the Government of the Republic of Lithuania “On the Establishment of the Lithuanian Council for Culture”

¹⁰ National Audit Report of 29 May 2009 “Implementation of Cultural Policies by Partial Funding of Programmes and Projects”.

Audit subject – the Ministry of Culture of the Republic of Lithuania.

Data for the audit was collected at the Ministry of Culture and subordinate establishments (we surveyed 36 and visited three of them), see Annex No. 2.

We have learned of the cultural community's opinion by organising two focus group surveys of the representatives of cultural, non-governmental establishments and establishments subordinate to the Ministry. In total, we have interviewed 18 representatives of the cultural community who take an active part in various cultural fields. Their opinions are cited in the report (see Annexes 7 and 8).

Audit time period – 2012-2015. Data from previous and subsequent years was used in analysing different tendencies and changes.

After assigning the Lithuanian Council for Culture with functions pertaining to the implementation of policies, the Ministry was supposed to take a more active part in the development of policy and the implementation of positive changes in the management of cultural affairs. In order for the changes to become long-term and systemic, they were supposed to have been planned and implemented with reference to reliable data. However, no system for the continuous monitoring of cultural processes has been created, and the Ministry does not have sufficient and reliable evidence necessary for the development of cultural policy.

Given the lack of a system for monitoring, the Ministry, the Office of the Government, and the Ministry of Finance had arranged for the collection of information necessary for making political decisions, and submitted a number of recommendations regarding the development of policy. The study carried out in 2012-2015 cost 341,600 EUR, but only 30 percent of the submitted recommendations were implemented. Recommendations decisive in realising the planned changes, e.g. the reorganisation of the Heritage Register proposed in a study¹¹ commissioned by the Office of the Government, have not been implemented to this day. This recommendation was also submitted to the Ministry by the National Audit Office in 2010 and 2014¹². The Ministry had planned to reorganise the Register in three to four years, but according to the study¹³, valuable qualities were identified in the Register for only around 30 percent of the units of heritage. Before the Register is reorganised, results-oriented protection of cultural heritage is unlikely – this is the priority in the field of heritage affairs.

The National Development Strategy "Lithuania 2030" specifies the goal of having 60 percent of the population take an interest in cultural and artistic activities by 2020. The very first study on the accessibility of culture and the level of public participation in culture was carried out in 2014. The study showed that a large part of the Lithuanian public – as many as 62.8 percent of respondents – do not take part in creative and artistic activities. The goal of reaching the European Union average level of cultural participation¹⁴ by 2015, specified in the Guidelines, was not achieved.

¹¹ UAB "ESTEP". An Assessment of the System of Immovable Cultural Heritage Protection Incentives, 2015.

¹² The Preservation of Cultural Heritage, 19 February 2010; The Assurance of the Protection of Immovable Heritage in Estates, 30 April 2014.

¹³ UAB "ESTEP". An Assessment of the System of Immovable Cultural Heritage Protection Incentives, 2015.

¹⁴ 62 percent participation in creative and artistic activities.

In 2011-2014, the Ministry had commissioned or carried out a number of reviews of functions related to the development of policy. Although a number of recommendations were implemented, some of the key ones are still lagging: e.g., a system for tying the funding of establishments subordinate to the Ministry to assessment results has not been developed to this day. This means that the Ministry lacks an important policy development tool, necessary for ensuring positive results in the field of culture management.

Another important policy development task in democratising the management of culture – the development and implementation of a long-term model for the funding of non-governmental, cultural organisations together with the Ministry of Finance – has neither been implemented, nor incorporated as a plan. Even though non-governmental organisations and establishments subordinate to the Ministry both submit their projects for funding to the Lithuanian Council for Culture, their competitive conditions are not equal because establishments subordinate to the Ministry are covered by the state budget, while the non-governmental organisations are not. We have determined that during the audited period, the Lithuanian Council for Culture assigned around 37 percent of its administered funds via projects to subordinate establishments every year.

After separating the development of policy from its implementation, the Ministry was found to still be engaged in the administration of projects (by implementing the financing of tenders), with the number of related employees dropping only slightly. In 2015, the Ministry had distributed 218,000 EUR by way of tenders, which means it is still engaged in the implementation of policy, thereby confusing the cultural community, which does not know who to submit projects for funding to – the Lithuanian Council for Culture or the Ministry.

Another relevant policy development task which was not implemented is the development of an effective system for the continuous training and certification of cultural experts, important in the development of results-oriented management. In sum, cultural workers are not being motivated to strive for better results, and those who lack expertise are not being provided with opportunities to improve and raise their qualifications.

Having assessed the evidence collected during the audit, we present the national audit conclusions and recommendations, which, if implemented, would aid in the implementation of key policy development tasks, the clarification of the functions of the Ministry, the assurance of improvements in the functioning of the Ministry and its subordinate institutions, superior planning of activities focused on results, and assuming accountability for them.

CONCLUSIONS

Although the Ministry took action in order to implement the recommendations regarding the improvement of governance, submitted by the National Audit Office, the Sunset Commission and assorted experts, the key policy development tasks have not been implemented to this day. Having failed to implement the important and relevant recommendations, the Ministry was not able to ensure that activities carried out by its subordinate establishments, as well as the Ministry itself, would be result-oriented.

Regarding the development of cultural policy

1. The Ministry pays too little attention to the implementation of its main function – the development of cultural policy – because:
 - 1.1. The structure of the Ministry does not conform to the provisions of the Law on Public Administration, human resources are inappropriately distributed for the implementation of functions, not all of the functions assigned to the Minister are attributed to subdivisions, the provisions of the departments of the Ministry were not renewed in a timely manner and did not conform to the functions assigned to employees in their job descriptions, functions specified in the provisions of the departments were not assigned for implementation to employees or the employees carried out functions that were not specified in the provisions of the department. The Ministry has not assessed the effect/benefits of the implemented structural changes and lacks the information necessary to further improve its activities and ensure positive results (Chapter 1).
 - 1.2. Even though the development and implementation of cultural policy were separated, the Ministry is still engaged in functions related to the implementation of policy (by administering funds and projects) – in the assessed departments, the number of employees responsible for the administration of projects and funds, i.e., the implementation of policy, had decreased only marginally (22 to 17). The development of cultural policy fails to meet the expectations of the cultural community – a result of the vagueness of the national cultural priorities, which leads to a lack of focus in funding (Chapter 1).
 - 1.3. The Ministry lacks sufficient and comprehensive monitoring data necessary for the development of cultural policy:
 - 1.3.1. No centralised system for the collection and analysis of data was developed, and the different areas of culture lack approved, main indicators appropriate to them. As long as there is no informational system, there is no opportunity to monitor (collect and process) the action plans of the Ministry and its subordinate establishments. Information that is not processed by way of systemic means is not used sufficiently effectively in taking decisions relevant to cultural development (Section 3.1).
 - 1.3.2. The indicators of the annual action plan assessments show no result or effect. This spells the failure to ensure that planning be focused on results and added value (Section 3.1).
 - 1.3.3. The map of establishments that provide cultural services in regions has not been developed, and the Ministry does not know (or keep statistics of) the total number of cultural establishments in the country (Section 3.1).
 - 1.3.4. Qualitative studies are planned for only one year and the planned important studies are not carried out, part of the data from such studies is not used, important recommendations are disregarded, and no heed is taken regarding which recommendations had already been implemented and which had not. This way, the effects of studies and effective use of funds assigned for them are not ensured (Section 3.2).
 - 1.3.5. On its website, the Ministry has published 67 percent of the planned and implemented cultural studies, while the Lithuanian Council for Culture has published 70 percent of its financed studies, therefore failing to provide the public with the opportunity to learn about all (100 percent) of the study results and demand positive changes and evidence-based decisions (Section 3.2).

- 1.3.6. Given that no monitoring is carried out regarding whether the quality of cultural services conforms to the needs of the public, it is not clear what improvements should be made, and whether the services are beneficial to the public (Section 3.3).
- 1.4. The activities implemented by experts of arts and culture (councils, committees and working groups) in helping with the development of cultural policy is ineffective because not all of the assigned functions are being carried out, those that are assigned tend to overlap, and the usefulness of experts is ignored, which makes the impact of councils, committees and working groups on the development of policy unclear (Chapter 4).
- 1.5. The accessibility of information relevant to the public is not being ensured because legislation (e.g., orders of the Minister regarding the composition of working groups for the development of legislation), the provisions of councils and committees, the matters they address and the decisions they make are not being made public. There is also a lack of information on key decisions, which prevents the public from observing the state of their implementation (Chapter 4).
- 1.6. The development of legislation – one of the most important functions of policy development – is not being implemented appropriately: important legal acts that regulate and determine the individual directions of different areas of culture are not being prepared in time – their development takes up to six years. Legislation, especially laws, developed with delay stalls positive changes and may become irrelevant (Chapter 5).

Regarding the organisation of the implementation of cultural policy

2. The organisation of the implementation of cultural policy is flawed because:
 - 2.1. The planning documents approved by the Government and the Ministry of Culture are not coordinated. The goals specified in the key strategic documents (the Guidelines on the Lithuanian Cultural Policy Development¹⁵ and the Government Programme¹⁶) and the documents approved by the Ministry are not being implemented in a timely manner, implemented only partially or not at all, and their provisions are not being transferred to the plans of the Ministry, which leads to the failure to ensure the effectiveness of its activities (Chapters 6 and 7).
 - 2.2. Significant recommendations of experts and the Sunset Commission regarding the reorganisation of cultural and arts-related establishments and the reconsideration of the functions of the Department of Cultural Heritage are not being implemented (e.g., only one in five recommendations submitted by the experts and two in five related to the reconsideration of the Department's functions have been implemented to date). The failure to implement and incorporate the key recommendations into the action plans of the Ministry and its subordinate establishments prevents positive changes in the area of culture (Chapter 2).

Regarding the monitoring of the implementation of cultural policy

3. The inconsistent monitoring of subordinate cultural and arts-related establishments fails to ensure that their activities be oriented towards results:

¹⁵ Order No. XI-977 of 30 June 2010 of the Seimas of the Republic of Lithuania "On the Approval of the Guidelines on the Lithuanian Cultural Policy Development".

¹⁶ Order No. XII-51 of 13 December 2012 of the Seimas of the Republic of Lithuania "On the Approval of the Programme of the Government of the Republic of Lithuania".

- 3.1. In 2014, the Ministry had allocated 69,700 EUR for a study that was necessary for the development of a system for the assessment of subordinate institutions and motivation in 2015, but the system has not been developed and the establishments remain unmotivated to strive for better results (Sections 8.1 and 8.2);
- 3.2. The coordinators of cultural and arts-related establishments are not carrying out all of their assigned functions designed to improve the effectiveness of their activities;
- 3.3. Functions implemented by subordinate establishments overlap and the implementation of important functions assigned to them is not being ensured (Section 8.3).

RECOMMENDATIONS

Taking into account the issues determined during the audit, we recommend the following:

To the Ministry of Culture of the Republic of Lithuania:

1. The Ministry must take a more active part in the development of cultural policy and the organisation of its implementation for there to be positive changes such as the democratisation of cultural management and the orientation of activities towards achieving results. This implies the need to take action in order to make the structure of the Ministry conform to the provisions of the Law on Public Administration and other legal acts, and to clarify its functions:
 - 1.1. coordinate the provisions of the Ministry and its subdivisions, and ensure that established functions correlate with the functions that are actually being implemented (Conclusion 1.1);
 - 1.2. justify any planned reorganisation or other changes to the structure of the Ministry, specify the process of assessing the results, and assess the effects of the implemented reorganisation (Conclusion 1.1);
 - 1.3. decrease the number of functions that are not related to the development of state (Government) policy (Conclusion 1.2).
2. Cultural policy must be development on the basis of reliable evidence. This implies the need to monitor the field of culture:
 - 2.1. collect and organise statistical data on the field of culture in a centralised data base and install an informational data collection system; data should be analysed and easily accessible to the public (Conclusion 1.3.1);
 - 2.2. determine the need for cultural research, develop a long-term research plan, and use research data when planning activities and making decisions, such that funds allocated to research would be used effectively; ensure and monitor the implementation of important recommendations and report to the public (Conclusion 1.3.4);
 - 2.3. all research related to the monitoring of cultural processes should be made public (Conclusion 1.3.5).
3. The impact/benefits of the involvement of cultural and arts experts, councils and committees in the Ministry's development of policy must be ensured. In order to accomplish that, the need for them must be assessed in accordance with the priorities of the Seimas, the Government and the Ministry of Culture:

- 3.1. assess the duration of the functions assigned to experts (continuous, long-term or short) and, based on that, make a decision regarding which form they should assume – that of a council, a committee or a working group (Conclusion 1.4);
- 3.2. clearly regulate and equalise the payment to members/experts (Conclusion 1.4);
- 3.3. ensure that all orders regarding working groups be made public, thereby informing the public about the implementation of the most important decisions (Conclusion 1.5).

This would ensure transparency, clear assignment of responsibility, help to avoid the overlap of functions, save the time of experts, inform the public about expert decisions and provide it with an opportunity to observe their implementation.

4. The management of the field of culture must be oriented towards achieving results, and the monitoring of the implementation of policy carried out such that it would encourage establishments to improve the effectiveness of their activities:
 - 4.1. implement the recommendations submitted in reviews of previously implemented functions, and implement other important and relevant recommendations submitted by the Sunset Commission, presented in commissioned studies, etc. (Conclusions 1.3.4 and 2.2);
 - 4.2. develop systems for the assessment/certification and qualification-raising of cultural workers (Conclusion 2.1);
 - 4.3. discuss the implementation of a quality management system in cultural and arts-related establishments, thereby improving the quality of cultural services and meeting the expectations of the public (Conclusion 2.2);
 - 4.4. develop a system for the assessment of the quality of activities implemented by national cultural establishments and other establishments subordinate to the Ministry, which would tie their funding to the assessment results (Conclusion 3.1).

The plan for implementing the recommendations is provided in pages 45-48.