



NATIONAL AUDIT
OFFICE OF LITHUANIA
• BRINGING BENEFITS •

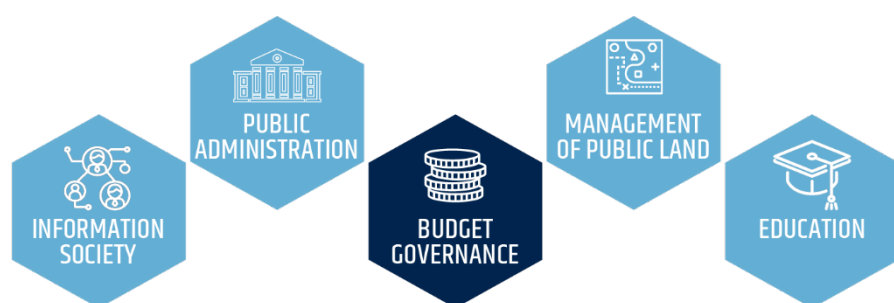
REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS

12 March 2020

No YE-4



The report on the implementation of recommendations reviews the main recommendations of the public audit grouped by priority audit areas selected by the National Audit Office of Lithuania and other public sector areas:



The report presents the data of the monitoring of the recommendations for the second half of 2019 of 28 February 2020. Up-to-date detailed information about the implementation of all audit recommendations is made available in Lithuanian on the National Audit Office website at http://www.vkontrole.lt/atviri_duomenys_rekomendacijos.aspx.

The report on the implementation of the recommendations has been submitted to the Committee on Audit of the Seimas of the Republic of Lithuania, the Office of the President of the Republic of Lithuania, the Government of the Republic of Lithuania.

TABLE OF CONTENTS

TABLE OF CONTENTS	3
KEY FACTS.....	4
1. IMPLEMENTED RECOMMENDATIONS ARE NOT ACTIONS BUT A CHANGE THEY MAKE.....	5
2. STATE BUDGET GOVERNANCE REFORM	6
3. RECOMMENDATIONS IN THE AREA OF EDUCATION	11
4. RECOMMENDATIONS IN THE AREA OF PUBLIC ADMINISTRATION	14
5. RECOMMENDATIONS IN THE AREA OF PUBLIC LAND MANAGEMENT	21
6. RECOMMENDATIONS IN THE AREA OF INFORMATION SOCIETY DEVELOPMENT	23
7. KEY RECOMMENDATIONS IN OTHER AUDITED AREAS	27
8. LAWS NEEDED TO IMPLEMENT THE RECOMMENDATIONS	41

KEY FACTS

2017–2020*

**In individual cases, the recommendations of the previous year's public audit are included*

31 %

recommendations implemented
and their monitoring is
completed

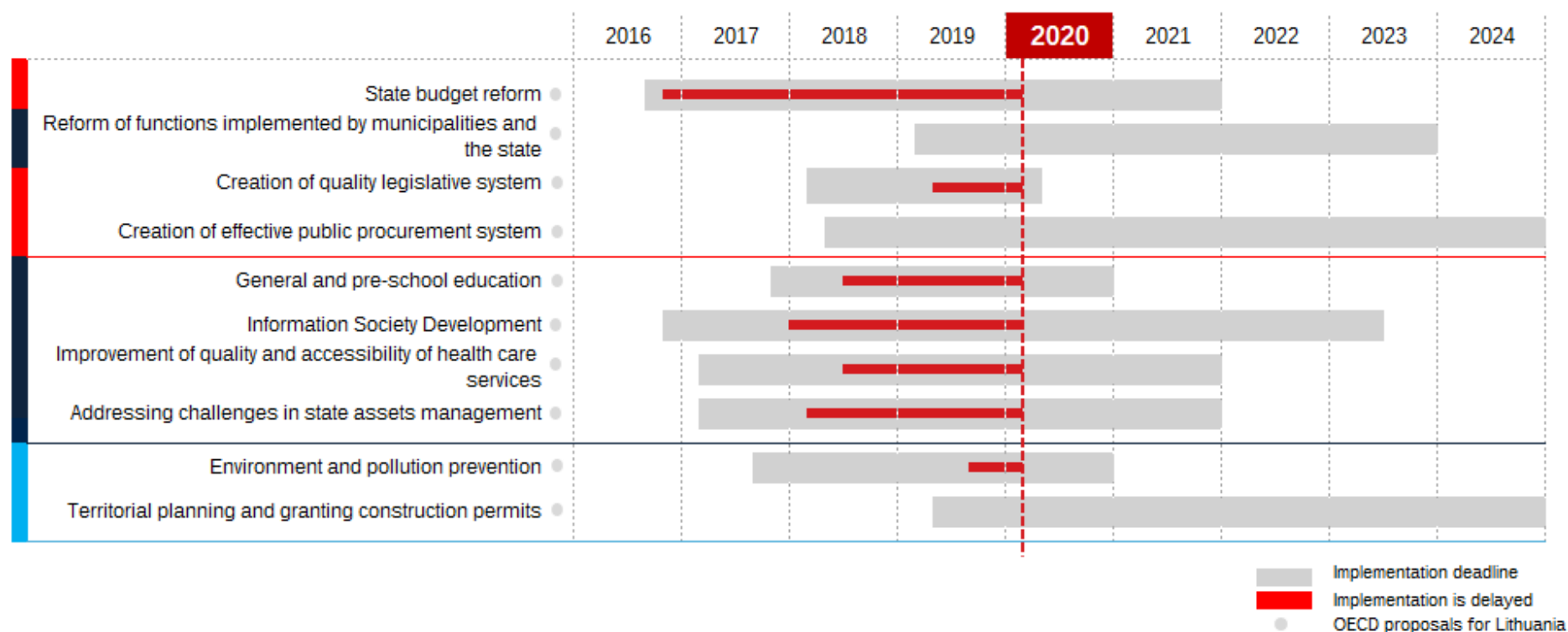
30 %

implementation of
recommendations is delayed
against agreed deadlines

39 %

deadline for the
recommendations has not
expired

Key recommendations are monitored according to audited areas



1. IMPLEMENTED RECOMMENDATIONS ARE NOT ACTIONS BUT A CHANGE THEY MAKE

Four years ago, when we started living in the rhythm of the 2020 Strategy of the SAI, we challenged us to actively contribute to the implementation of the changes proposed in audit reports and invited audited entities to plan the measures and deadlines for implementing the recommendations in a responsible manner during the process of their coordination, so that we would not later have to abandon or delay the made commitments. Having opened up our data on the implementation of the recommendations to the public, today we are taking a step further and link the final implementation of the recommendations not to the actions of audited entities, but to the change that these actions have made¹. To this end, we will use indicators for measuring changes that will measure not only the change that has been created but also the direct and indirect benefits for the public sector.

Having assessed the changes in autumn and spring reports on the implementation of the recommendations, we see that this half-year has not been effectively used to implement the recommendations, especially those that we have indicated as fundamental – reform of the State budget governance, public procurement system, legislative, students training and education system. As has been the case up to now, the identified minor operational shortcomings have been addressed and the lack of important, framework decisions in the State governance.

Lithuania's progress in implementing the recommendations is low; this is also noted by the European Commission (EC) in its latest country report "Lithuania 2020"². It is stated that despite the fact that strong economic growth creates favourable conditions for social and economic reforms, Lithuania is characterised by relatively inefficient use of resources. These are just some of the areas where the National Audit Office of Lithuania is still waiting for the implementation of public audit recommendations:

- draft State budget enshrining for 3 years the financing of areas of State activities and target results;
- the new strategic planning system of the State and its implementation;
- systematic changes to the public investment planning framework.

In the previous report on the implementation of recommendations, we encouraged decision-makers, analytical centres, research institutions and experts to use products developed by the National Audit Office and to promote evidence-based management rather than opinion-based one. Today, we see that the above-mentioned report by the European Commission mentions the National Audit Office in more than ten positions and quotes its findings and recommendations. If implemented in time, it would have been possible to observe the emerging positive change in the life of the country.

¹ Since 02/01/2020, the Public Audit Impact Assessment Methodology and the Description of the Procedure for the Public Audit Recommendations Provision and Implementation Monitoring entered into force.

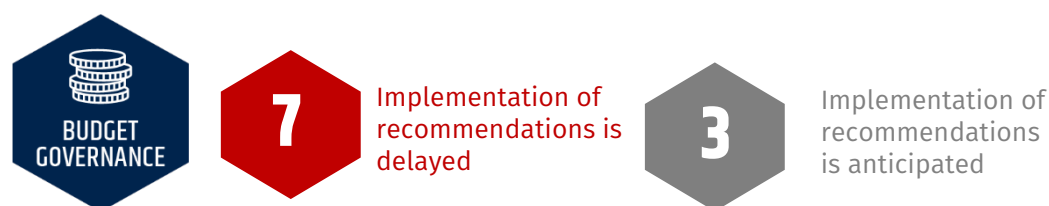
² A Report addressed to Lithuania by the European Commission published on 26/02/2020.

2. STATE BUDGET GOVERNANCE REFORM

As the Government continued the reform of the system of strategic planning and budget formation, a new model of the strategic management system has been developed, which is embedded in the draft Law on Strategic Management³ submitted to the Seimas together with draft amendments to the related laws.

In 2019, when having assessed the progress of the reform⁴, we see a risk that the medium-term budget will not be approved at the planned time (2021–2023), as due to the protracted coordination the draft legal acts prepared by the Government, none of the acts necessary for the drawing up of a new quality State budget have yet been approved. Its planning work should start in spring 2020 and the final phases of the transformation are delayed by 1–1.5 years. Implementation of actions and measures planned in the short term (until the end of 2019) is also delayed as part of the review of the system of functions performed by municipalities.

Key recommendations that we are looking forward to being implemented



Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
2016 audit "Regularity of 2015 set of consolidated statements of the State and assessment of state budget execution", monitoring information (recommendations 1–2). 2018 audit "Assessment of Data of 2017 Set of National Financial Statements and Public Debt and its Management", monitoring information (recommendation 3). 2016 audit "Programme Budget System: Setting up Strategic Action Plans and Monitoring their Implementation", monitoring information (recommendations 4–5). 2016 audit "Management of the Programme for Investment in 2015", monitoring information (recommendation 6). In 2019, "Does the System of Municipal Functions and their Funding Provide Conditions for Efficient Operation?", monitoring information (recommendation 7(1–3)).		
1. To improve the budget preparation system: to reduce the scope of duplicated work that does not create an added value, and administrative burden for the entities of the public sector, to possess clear information that would be useful for decision making, improve the system for planning and reporting on the achievement of goals and priorities of the Government while spending State budget funds. 2. In order to ensure compliance with the provisions of the Constitution, to initiate amendments to legal acts, after having decided what financial	Preparation and approval of the draft State budget for 2021–2023, in which funding for policy areas for 3 years is enshrined alongside with expected results. (In 2018, the Government, alongside with draft budgets of the general government for 2019 provided the budget for citizens "2019 Budget at a Glance". To achieve the key change, the Government should ensure the appropriate dissemination of this reform measure. We anticipate a new quality and full scope medium-term State budget for 2021–2023 to be prepared).	Government 31/12/2020

³ Draft Law on Strategic Management No XIII P-4294 of 10/12/2019; Accompanying draft laws, No XIII P-4295–No XIII P-4334 of 14/01/2020.

⁴ 10/12/2019 Assessment of Changes in Strategic Planning and Budgeting, <https://www.vkontrole.lt/failas.aspx?id=4042>

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/ deadline	
indicators and how many of them must be approved by the Seimas and how many rights should be granted to the Government in the execution of the budget.			
3. To ensure that when reporting for the Seimas for the results of activities, the Government also submits sets of consolidated reports, it is necessary to coordinate the reporting deadlines.	To prepare draft amendments to legal acts related to the deadlines for the submission of the consolidated report of the State and resource funds and the activity report prepared by the Government to the Seimas. (Draft Law ⁵ amending Law on Public Sector Accountability No X-1212 has been prepared and submitted to the Seimas, which provides for shorter deadlines for drawing up and submitting a set of State-based consolidated reports in order to ensure that the set of reports together with the Government's activity report is submitted to the Seimas during the spring session.)	Ministry of Finance 31/12/2019	
4. To ensure that strategic plans reflect essential goals established in other planning documents, it is necessary to determine which elements of planning documents should be transferred to strategic plans, and which ones should be only related. 5. To optimise the number of strategic planning documents, to make planning, monitoring, and assessment clearer.	Preparation, approval, and implementation of amendment of strategic planning methodology, encompassing a new system of strategic planning. (measures of transitional period implemented: a part of provisions of Strategic Planning Methodology was amended ⁶ ; detailed classification of management expenditure in strategic plans according to the programmes was refused, it is essential to calculate aggregate expenditure on management of institutions, State institutions were recommended to apply not higher than determined number of assessment criteria. The number of assessment criteria applied by ministries in 2019, compared to 2017, decreased by around 20 per cent, from almost 1750 to 1400 units, but only 2 (out of 14) ministries follow the recommendation of this methodology to apply the set number of assessment criteria according to levels. Draft amendments to the Law on Strategic Management and related laws have been prepared ⁷ . The draft Law on Strategic Management enshrines a new model of this management system, which integrates the processes of strategic, regional and territorial planning, establishes the principles of the new strategic management system, the levels and types of planning documents and their impact on the planning of funds for progress and continuous activities, as well as provisions for the management of this system. The new model makes it possible to eliminate the shortcomings of the existing system: an excess of strategic planning documents, lack of links and uncertainties between them, a large number of assessment criteria and indicators. Upon adoption of the Law on Strategic Management, the Methodology of Strategic Management detailing the implementation of the provisions of this Law must be approved.)	Government 31/12/2020	

⁵Registered in Register No 19-10300(3) on 13/02/2020.

⁶Resolution No 397 by the Government of 25/04/2018 amending the Resolution No 827 by the Government of 06/06/2002 "On the approval of strategic planning methodology".

⁷10/12/2019 draft Law No XIII-4294 on Strategic Management; 14/01/2020 accompanying draft Laws No XIII-4295-No XIII-4334.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/ deadline	
6. To amend the procedure for planning and accounting of all State investment, to integrate the processes of strategic investment planning and accounting.	Preparation and implementation of the amended Procedure for State Investment Planning. (In 2017–2018, the Government⁸ specified the rules of planning, specification, use, accounting, and control of State funds allocated to State capital investments. Project selection for State investments became tighter, investment projects up to EUR 360 thousand and IT projects up to EUR 100 thousand are no longer planned or prepared, projects are being monitored for 5 years after their completion. The Government draft Law amending Articles 2 and 14 of the Law of Investments No VIII-1312⁹ provides that the State investment programme will be implemented until 31/12/2020 for the implementation of planned and selected investment projects and no longer than 31/12/2020.)	Government 30/06/2020	
7. To ensure that the system of functions performed by municipalities would ensure efficient and effective performance thereof:	Short-term actions and measures 1. To propose to include the directions of changes in the system of functions by municipalities in 2021–2030 National Progress Programme.	Government 31/12/2019	
7.1. to review the system of functions performed by municipalities and assess what functions can best be performed by the central government and local self-government and take the decisions necessary to implement changes;	2021–2030 Draft on National Progress Plan¹⁰ provides for an assessment of the functions performed by the State together with municipalities and a determination of the most effective level of performance. This Plan is coordinated, was not submitted to the Seimas. Pending implementation.)		
7.2. to assess the expediency of division of functions into State (delegated by the State to municipalities) and independent functions and taking decisions necessary to implement changes;	2. To carry out a review of the said functions of the State and municipalities, assessing the expediency of their division into State and municipal functions and taking into account the division of municipal functions into State (delegated by the State to municipalities) and independent expediency, also to establish the essential criteria of such allocation:	Ministry of the Interior 31/12/2019	
7.3. to reduce the administrative costs of performing a part of State functions, review State functions and eliminate temporary activities of a temporary nature, performed in an episodic manner, circumstantial or only by few municipalities.	2.1. State functions of municipalities (delegated by the State to municipalities) – fire safety; to submit the results of the review to the Government; The working group formed by the Order of the Minister of the Interior¹¹ analysed the organisation of fire safety in Lithuania, the implementation of fire safety functions delegated to municipalities, existing problems and needs. It was decided to postpone the adoption of a decision on centralisation of the State fire safety function transferred to municipalities until 31/10/2020. Part of it has been implemented, we look forward to the implementation of the decisions taken by the working group.)		
	2.2. State functions of municipalities (delegated by the State to municipalities) - participation in preparing population polls and	Ministry of the Interior 31/12/2019	

⁸ Government Resolutions: No 749 of 2017-09-20 and No 794 of 13/08/2018 amending the Government Resolution No. 478 "On the approval of the rules of planning, specification, use, accounting and control of State funds allocated to State capital investments" of 26/04/2001.

⁹ Registered in Register No XIII-4327 on 10/12/2019.

¹⁰ Presented for public hearing on 20/11/2019.

¹¹ Order of the Minister of the Interior No 1V-486 of 27/05/2019.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
	other civic (residents) initiatives provided for by law; to present the results of the review to the Government, where necessary – to draft and submit to the Government the relevant legal acts; A draft amendment to the Law on Local Self-government¹² proposed to abandon the State function (delegated by the State to municipalities) – participation in the preparation of local population polls and other statutory civil/resident initiatives was drafted. Pending implementation.)	
	2.3. State functions of municipalities (delegated by the State to municipalities) - organisation of secondary health care and organisation of emergency medical treatment; to submit the results of the review to the Government; (In Lithuania, the provision of emergency medical treatment is decentralised. The reform of the emergency medical treatment system – proposals to centralise the provision of these services is the subject of discussions between stakeholders. Pending implementation.)	Ministry of Health 31/12/2019 
	2.4. independent functions of municipalities - planning and provision of social services; to submit the results of the review to the Government. (The drafts of the Law on Social Services and the Law on Local Self-government¹³ have been prepared with the aim of creating a uniform system of accreditation of social care in all municipalities, which would help municipalities to control the social services establishments providing this supervision. Pending implementation.)	Ministry of Social Security and Labour 31/12/2019 
	3. To perform the monitoring of ensuring the availability of the services set out in the Basic Family Service Package in municipalities. (The Ministry conducted a survey of municipalities and, on the basis of the information received, in cooperation with other ministries concerned within their remit, will prepare recommendations on the ensuring accessibility and/or improving accessibility of services specified in the Basic Family Service Package. The Ministry¹⁴ must provide for permanent criteria for monitoring the availability of services specified in the Basic Family Service Package in municipalities, as well as the frequency of monitoring. Pending implementation.)	Ministry of Social Security and Labour 31/12/2019 

Recommendations or measures to be implemented in the first half of 2020

2019 audit “Does the system of municipal functions and their funding provide conditions for efficient operation”, [monitoring information](#) (recommendations 1 and 2).

¹² 03/12/2019 draft Law amending Articles 3, 4, 7, 12, 13, 14, 15, 16, 19, 20, 24, 26, 27, 29, 32, 32¹, 33, 35¹, 53 and Chapter 9 of the Law on Local Self-government No I-533, registered in the Register No XIII P-2834(2).

¹³ Draft Law supplementing the Law No X-493 with Articles No 25¹ and 25² and amending Articles 8, 13, 19¹, 34, 36 and the title of Chapter 6 and the draft Law amending Article 6 of the Law on Local Self-government No I-533, register in the Register No XIII P-4346 and No. XIII P-4347 of 16/12/2019.

¹⁴ According to Paragraph 2 of the Resolution on the Approval of the Basic Family Service Package” No 618 of 19/06/2019

2018 audit "Assessment of Data of 2017 Set of National Financial Statements and Public Debt and its Management", monitoring information (recommendation 3).

1. In order to ensure that the system of functions performed by municipalities would ensure efficient and effective performance thereof, to assess the expediency of division of functions into State (delegated by the State to municipalities) and independent functions and to take decisions necessary for the implementation of the changes.	Mid-term actions and measures: a decision was made to include the horizontal priority of changes in the public sector – the review of the system of functions performed by municipalities – in the 2021–2030 National Progress Programme.	Government 31/03/2020	
2. In order to ensure that the system of financing of municipal functions would motivate municipalities to act more efficiently and seek better results, to establish that objectives, target indicators and results are set when allocating funding to municipalities.	In accordance with the established procedure, when allocating State budget funds to municipalities, the objectives, targets to be achieved and results to be attributed to regions and municipalities are set.	Ministry of Finance 31/03/2020	
3. In order to allow the data of national financial statements set to be used for budget planning, for calculating fiscal, economic indicators and for other purposes, to extend the coverage of public sector entities currently being consolidated up to the general government.	To implement the recommendation, it is envisaged: 1. To carry out a comparative analysis of the financial statements of general government entities not attributed to public sector entities and the financial statements prepared in accordance with the public sector accounting and financial reporting standards by identifying differences in drawing up of such statements. 2. To carry out an analysis of the scope and content of the national financial statements with a view to assessing the usefulness of information for decision making and the appropriateness of the approving procedure in the Seimas. 3. To identify alternatives to the implementation of the recommendation and select the least resource-intensive ones after the analysis. 4. Under the preferred option, propose legislative changes, considering the time needed to implement the amendments, and setting an appropriate date for the entry into force.	Ministry of Finance 31/12/2021	

3. RECOMMENDATIONS IN THE AREA OF EDUCATION

There have been no significant changes in the State education policy to improve students' educational outcomes, and the Ministry of Education, Science and Sport affirm that it has no power to ensure that municipalities implement the national goal of improving educational outcomes.

The implementation of the recommendations provided in the public audit reports, 2017 audit "Could Lithuanian Students Perform Better?"¹⁵ and 2018 audit "Do We Use Early Childhood Education Opportunities to Ensure a More Successful Future for Children"¹⁶ is continued to be monitored. In 2020, the results of the public audit "Is Vocational Training Organized Effectively"¹⁷ were published, the progress of the education system is currently being assessed, it is planned to conduct a higher education audit and assess whether the preconditions have been created to ensure the quality of higher education. In the opinion of the National Audit Office of Lithuania, the recommendations made must be implemented in a targeted manner and without delay. A quality educational process and rational use of resources are the main goals in reorganising the Lithuanian school network. Only an optimally organised school system, that evenly ensures the good quality of children's education, creates preconditions for improving educational outcomes and reducing people's social exclusion.

During the monitoring of the implementation of the recommendations, the changes implemented in the area of education, which today and in the future will allow recording a similar or even more significant change than it is presented in the following examples of the implementation of public audit recommendations, are recorded:

- **Ample opportunities for teachers to acquire competencies for teaching another subject**

Legal preconditions have been created that enable teachers to work and study another subject or subject module programme and acquire the necessary competencies within two to three years. In 2018–2019, more than 700 teachers acquired the right to work as a teacher of another subject. This would address the issues of the shortage of teachers and their workload.

- **More in-depth monitoring of education is beginning**

State education monitoring indicators have been approved and monitored, and more indicators related to student achievement are being monitored. Conditions for monitoring the educational situation in municipalities and making data-based decisions are created in this way.

¹⁵ 28/11/2017, <https://www.vkontrole.lt/failas.aspx?id=3778>.

¹⁶ 27/09/2018, <https://www.vkontrole.lt/failas.aspx?id=3888>.

¹⁷ 31/01/2020, https://www.vkontrole.lt/audito_ataskaitos.aspx?tipas=2.

Key recommendations and their measures delayed to be implemented



Implementation of recommendations is delayed

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
2017 audit "Could Lithuanian Students Perform Better?", monitoring information (recommendations 1 and 2). 2018 audit "Do we use the pre-school education opportunities to ensure a more successful future for children", monitoring information (recommendation 3).		
1. To ensure education according to the individual education/learning needs of every student: to encourage inclusive education by amending the Law on Education in regards to ensuring the rights of students with special education needs, legitimising teacher's and student's assistants; legitimising the target of teaching funds dedicated to the needs of students with special education needs so they reach the student, and accounting for their usage.	1. To amend the Law on Education by strengthening the legal regulation of inclusive education. (A draft amendment to the Law on Education is being prepared to establish the principle of inclusion in education).	Ministry of Education, Science and Sport 30/06/2018
	2. To amend the Description of the Procedure for the Provision of Special Support in Schools (except higher educational establishments), approved by the Order No V-1229 of the Minister of Education, Science and Sport of 08/07/2011 (to replace the term 'teacher's assistant' to 'student's assistant'). (The implementation of the measure has not started. Amendments to the Law on Education are anticipated).	31/03/2018
	3. To amend the Description of the Procedure for the Organisation of Education of Students with Special Education Needs, approved by the Order No V-1795 of the Minister of Education and Science of 30/09/2011 (to envisage events where 2 pedagogues should participate in the education process (teacher and special pedagogue or second teacher). (The Ministry is planning to abandon the Description of the Procedure for the Organisation of Education of Students with Special Education Needs. Amendments to the Law on Education and legal acts implementing the law are anticipated.)	30/06/2018
	4. To create positions for teacher's assistants in general education schools alongside with municipalities. (In the framework of the EU project implemented in 2018–2019 by the National Centre for Special Needs Education and Psychology, 34 positions of teacher's assistants were established in 34 schools which implement whole-day school organisation models.)	31/12/2018
	5. To prepare and approve the amendment of the Order No V-312 of the Minister of Education, Science and Sport of 10/04/2014 "On transfer of special targeted grants (except for financing capital investments) to municipalities and reporting of municipalities for the use of these funds to the Ministry of Education, Science and Sport": by determining the possibility to report for usage according to the purpose of the teaching funds dedicated to students with special needs, in order for the funds to be used for education support of these students. (The procedure for reporting for the usage of funds ¹⁸ dedicated education support has been approved, however, the reporting for the usage according to the purpose of funds dedicated to students with special needs is not specified enough to allow to use	31/12/2018

¹⁸ The Order No V-55 of the Minister of Education, Science and Sport of 25/01/2019.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
	the funds for education support of these students. Further implementation is being monitored).	
2. Reorganisation/optimisation of the network of municipal schools must ensure improving achievements of students and teaching/learning results, efficient and effective maintenance of infrastructure, therefore amendments to legal acts are required in order to ensure that they define mandatory and clear goals/objectives for reorganisation of the municipal schools network aiming at improving students achievements and teaching/learning results; criteria for reorganisation of the school network, among which is the ban to merge 5–8th grades.	1. To prepare the draft amending Resolution No 768 by the Government “On the approval of the rules of creation the of the network of schools implementing programmes of formal education” of 29/06/2011, to establish minimum requirements for the size of the school, the size of class/group, for the formation of joint. (Rules for the Creation of the School Network Implementing Programmes of Formal Education¹⁹ have been amended, however, criteria dedicated to encouraging quality education are not only introduced but just the opposite. defective education is legitimised by allowing to join forms 5-8 in all types of education institutions. The implementation of recommendations and the measure are still being anticipated.)	Ministry of Education, Science and Sport 01/01/2018
3. In order to ensure the quality of education, it is necessary to attract as many competent specialists as possible to work in institutions implementing early education programme, therefore it is essential to ensure that their work conditions would not be worse than those of primary school teachers: - to ensure that early education teachers would receive payment for work equal to that of primary school teachers, in order early education teachers would choose working in the establishments implementing early education programme; - to increase the number of non-contact hours for early education teachers to allow them to prepare for education activities, etc.	Legal preconditions have been created for the implementation of the provisions (on the salaries and non-contact hours of early education teachers). (Following the adoption of amendments to the Law by the Seimas²⁰, from 01/09/2020, the coefficients of the fixed part of the salary of pre-school educators have been equalised with the coefficients of other teachers. The number of non-contact hours is planned to be increased in the collective agreement of employees in education and science, but the legal acts have not been adopted yet.)	Ministry of Education, Science and Sports 30/06/2019

¹⁹ Government Resolution No 682 of 11/07/2018.

²⁰ 05/12/2019 amendment Law No XIII-2606 to the Law on Remuneration of Employees of State and Municipal Institutions No XIII-198.

4. RECOMMENDATIONS IN THE AREA OF PUBLIC ADMINISTRATION

4.1. Creation of a quality legislative framework

The legislative framework sets out certain requirements for those involved in the legislative process: obliges them to assess the impact of the proposed regulation and all possible regulatory alternatives when drafting legislation, to ascertain the necessity and adequacy of existing regulation, to monitor regulation, and to consult with the public at all stages of legislation.

According to the National Audit Office of Lithuania, proper implementation of the recommendations would help to create a coherent, consistent, and efficient legal framework, and to organise the legislative process more efficiently and smoothly.

On 28 November 2019, the Seimas adopted an amendment to Articles 162 and 164 of the Statute of the Seimas No. I-399, regulating more tightly when draft laws may be deliberated under the procedure of urgency or special urgency²¹.

It is observed that when by a ruling of 16 April 2019 the Constitutional Court recognised Article 164(1) (3 May 2016 recast) of the Statute of the Seimas to the extent that in accordance with the legal regulation established therein, draft laws and other acts of the Seimas may be deliberated under special urgency procedure not only in exceptional constitutionally grounded cases, where it is necessary to immediately ensure the vital interests of the society and the state in the event of such a threat to the state or public security, the elimination of which requires urgent decisions of the legislator, to be in conflict with Article 5(2) and (3) of the Constitution, the constitutional principles of a state under the rule of law and responsible governance, laws are adopted less frequently under the procedure of urgency or special urgency.

Having evaluated the results of the monitoring of the recommendations of the 2018 public audit “Legislative Process”²², it should be noted that the Government should pay more attention to the reform of the systems for assessing the impact of the planned legal regulation and monitoring the legal regulation.

²¹ It has been established that the urgency procedure for the deliberation of draft laws may be applied only in special cases when due to political, social, economic or other circumstances it is urgent to establish new or change the existing legal regulation in order to ensure important public and state interests and protect other constitutional values. The special urgency procedure for the deliberation of draft laws may be applied only in cases where there is an urgent need to safeguard the vital interests of society and the state, i.e. in the event of the imposition of martial law or the state of emergency and its revocation, declaration of mobilisation or demobilisation, a decision to use the armed forces in the event of an armed attack and/or, if necessary, to fulfil international obligations as a matter of urgency, in the event of a natural disaster or other extreme circumstances, or in the event of such a threat to the security of the state or society, the elimination of which requires particularly urgent decisions of the Seimas.

²² 16/03/2018, <https://www.vkontrole.lt/failas.aspx?id=3789>.

Key recommendations or measures delayed to be implemented



Implementation of
recommendations is
delayed



Implementation of
recommendations is
anticipated

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
2018 audit "Legislative Process", monitoring information		
1. With a view to a consistent and targeted improvement of existing legal regulation and effective use of human resources for this purpose, to reorganise the monitoring system for legal regulation in a way that competences of different institutions for the evaluation of legal regulation would be concentrated to ensure the transition from fragmented evaluations of legal regulation to relevant and problematic systematic evaluations of problematic areas.	To prepare a model and guidelines for a systematic review of existing legal regulation, present them and discuss them with interested parties. (The Ministry of Justice has been designated as the coordinating body for the impact assessment of the current legal regulation (hereinafter referred to as the <i>ex post</i> evaluation ²³). As the amendments to the Law on Legislative Framework on <i>ex post</i> evaluation will enter into force on 1 April 2020, it is planned to prepare a methodology for the impact of legal regulation in the first quarter of 2020. To have a common framework for the evaluation of existing legal regulation, it has been decided to develop guidelines for a systematic review of existing legal regulation, together with an <i>ex post</i> evaluation methodology.)	Government 30/04/2019
2. In order to ensure timely preparation of draft legal acts meeting the interests of the society and the state to reorganise the system of impact assessment in a way to ensure an appropriate evaluation of the possible impact of the new legal regulation on persons or their groups to whom it is applicable, on economics, state finances, social environment, public administration, the scope of corruption, administrative burden, etc. as well as the presentation of evaluation results and their supporting data to the entity adopting the legal act.	If needed, to specify the methodology for the evaluation of the impact of new legal regulation and/or other related legal acts. (Amendments to the methodology for assessing the impact of the envisaged legal regulation and, if necessary, other draft legislation are expected to be prepared in the first half of 2020.)	Government 30/09/2019

Recommendations or measures to be implemented in the first half of 2020

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
2018 audit "Legislative Process", monitoring information		
1. In order to ensure that sufficient time is devoted to the preparation of legislation, and the urgency and special urgency procedure is applied only in exceptional cases when unforeseen particular social, economic or political circumstances of the state so require, we propose to establish clear and specific criteria in the	To establish clear and specific criteria in the Statute of the Seimas, by which it would be possible to propose to the Seimas to deliberate draft laws under the procedure of urgency or special urgency and to resolve the issue regarding the expediency of changing the term set for the Government to submit conclusions on the draft under deliberation. (The part of the recommendation proposing to address the question regarding the expediency of changing the term set for the Government to submit	Board of the Seimas 16/03/2020

²³ Government Resolution No. 69 "On the implementation of the law on the legislative framework of the Republic of Lithuania" of 29/01/2020.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
Statute of the Seimas, by which it would be possible to propose to the Seimas to deliberate draft laws under the procedure of urgency or special urgency and to resolve the issue regarding the expediency of changing the term set for the Government to submit conclusions on the draft under deliberation.	conclusions on the draft under deliberation has not been implemented.)	

4.2. Creation of an effective public procurement system

During the implementation of the key recommendations of the 2018 public audit “The functioning of the public procurement system”, which [are anticipated in the period from 31/12/2020 to 31/12/2024](#)²⁴, we observe insignificant but positive changes:

- The Ministry of the Economy and Innovation has established the Commission for Monitoring the Functioning of the Public Procurement System (hereinafter referred to as the Commission), the purpose of which is to monitor the functioning of this system, to examine problems in the application of public procurement regulation, make proposals for improving legal regulation and/or more efficient functioning of the procurement system.
- The Commission has approved the objectives, tasks, and indicators for monitoring the public procurement system for 2020–2024 and plans to monitor their evolution. Monitoring will help to identify problem areas of this system and to find ways to address specific issues within the remit of each institution.
- The Commission has discussed the issue of reducing the administrative burden in simplified procurement, proposals from the Public Procurement Office, the Office of the Government, the Construction Association were received, further consultations with contracting authorities, suppliers’ representatives, and draft legislation are planned.
- The Government has approved the draft Public Procurement Professional Development Plan prepared by the Ministry of Economy and Innovation and instructed the Ministry to coordinate its implementation. The Plan envisages the development of training programmes, preparation of useful methodological tools, and the search for solutions on how to motivate contracting authorities and public procurement specialists to carry out procurements more efficiently.
- In 2018–2019, 10 new procurement modules were added to the CPO (Central Procurement Organisation) catalogue.
- Amendments to the Law on Public Procurement initiated by the President of the Republic of Lithuania and submitted for public consultation, aimed at increasing the efficiency and transparency of the public procurement system, are planned to be included in the agenda of the spring session of the Seimas.

We will provide information on the changes in the implementation of the public audit recommendations in other reports on the implementation of recommendations.

²⁴ 04/05/2018, [monitoring information](https://www.vkontrole.lt/stebesena_pdf.aspx?id=19328) https://www.vkontrole.lt/stebesena_pdf.aspx?id=19328

4.3. Effective public administration system

There are over 4 thousand public administration institutions in Lithuania financed by the State and municipal budgets. Most of them provide administrative services and/or administer public services to the public. Over EUR 8 billion is allocated to their activities each year.

The results of the 2017 audits “Human Resource Management in Public Administration Institutions”²⁵, “Does the Involvement of the State and Municipalities in the Management of Public Institutions Ensure the Benefit to the Society”²⁶, “On Preparedness for Making Decisions Regarding the Restructuring of the Provision of Administrative and Public Services”²⁷ showed that:

- the existing human resources management system in the public sector is not a sufficient tool to achieve the goals of the institutions in the most efficient way, it does not promote a transparent selection of employees and efficient use of the State budget funds;
- reliable and comprehensive data on administrative and public services have not been managed in a centralised manner, there is still no common understanding of the concept of public service in the state and it has not been decided which public services should be provided only by public administration institutions and which services would benefit from including other service providers;
- neither state nor municipal institutions have set exclusive or priority objectives for public benefit activities, for the implementation of which public institutions are necessary;
- state/municipal public institutions should perform state/municipal functions: provide only public services and, in exceptional cases, perform public administration functions; however, their concept is not clear and it was only during this audit that public institutions began to interpret their concepts and content.

A targeted process of improving the public administration system requires a consistent, systematic approach, as well as the desire of all participants in the system to improve the system. Active leadership of decision-makers could be a tool for a systematic approach to effective public administration.

²⁵ 13/02/2017, <https://www.vkontrole.lt/failas.aspx?id=3655>.

²⁶ 25/04/2017, <https://www.vkontrole.lt/failas.aspx?id=3706>.

²⁷ 29/09/2017, <https://www.vkontrole.lt/failas.aspx?id=3735>.

Key recommendations or measures delayed to be implemented



Implementation of recommendations is delayed

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
2017 audit "Human Resource Management in Public Administration Institutions (overall results of the audits in the areas of governance of three ministries)" monitoring information (recommendation 1). 2017 audit "Does the Involvement of the State and Municipalities in the Management of Public Institutions Ensure the Benefit to the Society" monitoring information (recommendations 2 and 3). 2017 audit "On Preparedness for Making Decisions Regarding the Restructuring of the Provision of Administrative and Public Services" monitoring information (recommendations 4 and 6).		
1. To formulate or improve the legal regulation of the evaluated area in order for it to be clear, consistent, transparent, and that it would eliminate the possibility of different interpretations of legal provisions, which presuppose the issues identified in the report, and would ensure efficient use of funds.	Taking into account the conclusions of the audit report, prepare and submit to the Government draft amendments to the Law on Civil Service, the Law on Public Administration (and other legal acts if necessary) on the scope and definition of public administration, public administration powers, equal requirements and responsibilities, transparent remuneration for all public administration staff. (Following the adoption of the law amending the Law on Civil Service²⁸ and the law amending Article 11 of the Law on Public Administration²⁹, which entered into force on 1 January 2019, the concept of civil service and the structure of the public administration entity have been changed, the number of management staff in public administration has been reduced and the conditions for reducing the number of managerial staff in public administration institutions have been created. However, a draft amendment to the Law on Public Administration³⁰ (other legal acts) on the scope and definition of public administration, the granting of public administration powers, equal requirements and responsibilities has not been adopted. The new legal regulation proposes to clarify the definition and scope of public administration, to improve the procedure for granting the powers of this administration, and to establish a provision that persons applying for the positions of employees employed under employment contracts assigned to perform the functions of this public administration must be subject to the requirements of good repute laid down in the Law on Civil Service and the qualification requirements set by the head of the institution ensuring proper implementation of the delegated functions. The draft law only partially addresses the issue of unequal requirements and responsibilities for employees performing public administration: it is not foreseen to apply to employees working under the employment contract the requirements for recruitment to the post by public tender, declaration of income and property, and limitation of age; and there is no provision for equalising material liability of civil servants and employees working under an	Government 31/03/2018 Ministry of the Interior The Office of the Government Civil Service Department 31/12/2017

²⁸ 29/06/2018 No. XIII-1370.

²⁹ 29/06/2018 No. XIII-1372.

³⁰ 07/11/2019 draft Law No. XIIP-4142 amending Law No. VIII-1234 on Public Administration, registered in the Register No. XIIP-4142.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
	employment contract for the damage caused in the performance of public administration activities. Monitoring continues.)	
2. To create a clear system of state and municipal functions and institutions implementing them, to establish criteria in legal acts by which the State or municipal institutions would choose the most appropriate legal form of the institution in accordance with the activities performed, allowing to achieve the best results in the management of the institution.	To prepare a draft concept for the improvement of the system of public sector institutions. (The Government has approved the guidelines for improving the system of public sector institutions and an action plan for their implementation ³¹ . The guidelines provide that any new body in the sector is to be set up only when it is reasonably necessary and there is no possibility of achieving the objectives pursued by other means. In all cases, the possibility of delegating new functions to an existing body or the possibility of reorganising or restructuring existing bodies in the sector involved in new functions must be assessed. Criteria have been established according to which state or municipal institutions choose the legal form of the institution to be established (budgetary, public institution, State, and municipal undertaking). The guidelines set out the aspirations for the restructuring of these institutions, and the plan provides for measures to implement the restructuring. The deadline for the implementation of the guidelines is the fourth quarter of 2020. Monitoring will continue until the envisaged measures and the criteria set out in the legislation for choosing the appropriate legal form for the institution have been implemented.)	Government 31/12/2017 
3. To improve the legal framework: to establish the possibility for the State to establish new public service providers only in cases when other providers do not provide such services or cannot provide them to the population economically and of good quality.	To prepare a draft amendment to the Law on Public Administration. Article 20 (6) of the draft Law amending the Public Administration Law No. VIII-1234 ³² proposes new requirements for the administration of the provision of public services, which include the requirement to establish or initiate the establishment of a public service provider only in the event that it is impossible to ensure that the required quality service could be provided by existing legal entities in which the rights and duties of the owner, sharer or shareholder are exercised by the state or municipalities. The draft law does not provide for the assessment of the possibilities of the private and non-governmental sector to provide a public service by establishing new providers of these services.)	Government 31/12/2017 
4. In order to ensure the provision of services of good quality and meeting the needs of the society and the rational use of State resources allocated for this purpose, the Ministry of the Interior, when formulating the state policy in the field of the provision of administrative services and the administration of the provision of public services, should determine the administrative and public services to be provided by the State.	1. To identify administrative services and make proposals to the Government for services that could be waived or integrated. 2. To identify the institutions performing public service administration and the service providers administered by them. 3. To identify public services that the state could refuse to provide. (The Government tasked the ministries and recommended the municipalities to carry out an assessment of the administrative services provided (until 31/12/2019) ³³ . In line with the delegated task, the Minister of the Interior set up inter-institutional working groups, which also included representatives of municipalities. They must draw up model lists of	Ministry of the Interior 31/12/2019 

³¹ Resolution No 495 of 16/05/2018.

³² 07/11/2019 draft Law No. XIIP-4142 amending Law No. VIII-1234 on Public Administration, registered in the Register No. XIIP-4142.

³³ Minutes of the Government Meeting No. 7 of 07/02/2018.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline	
	administrative services administered and provided by municipalities.)		
5. In order to provide reliable systematised data necessary for the formulation of public policy in the field of administrative and public service provision and other management decisions, proper data collection and management must be ensured, therefore, the Ministry of the Interior should establish a clear description of the public service so that service providers could classify the services provided into the relevant type of service, and provide recommendations to help service providers prepare service descriptions.	1. To prepare and submit to the Government a draft amendment to the Law on Public Administration, which would clarify the concept of public service in order to facilitate the identification of public services and their separation from administrative services and other functions. (A draft amendment to the Law on Public Administration has been prepared³⁴. The new legal regulation proposes to clarify the concept of public service. The measure is partially implemented because the definition of public service in the draft law does not correspond to the matters provided for in the implementing measure.) 2. To clarify the legal provisions (description of PASIS provisions and/or the procedure for descriptions of the provision of public and administrative services) updating the requirements for the provision of public service descriptions in line with the new concept of public service. (Pending implementation.)	Ministry of the Interior 31/12/2018	
6. To ensure the provision of services of good quality and meeting the needs of the society and the rational use of state resources allocated for this purpose, the Ministry of the Interior, when formulating the State policy in the field of the provision of administrative services and the administration of the provision of public services, should establish a mechanism for the administration of the provision of public services, which would allow selecting the most appropriate public service provider.	1. To prepare and submit to the Government a draft law amending the Law on Public Administration, which provides for new requirements for the administration of public service provision, refining the competence (duties) of public service institutions and strengthening their responsibility for the quality of administered public services. (A draft law amending the Law on Public Administration has been prepared³⁵, it proposes to strengthen the responsibility of the subjects of this administration for the provision of public services administered by them, providing that they have: - to organise the supervision (control) of the activities of the public service provider or to directly supervise (control) its activities; - to set objectives (tasks) in its activity planning documents, which would be focused on the improvement of the quality of the provision of administered public services, or to set tasks for the public service provider to improve the quality of the public service; - to ensure that the operational objectives (tasks) set in the activity planning documents of the administered public service provider would correspond to the objectives (tasks) provided for in the activity planning documents of the public administration entity administering the provision of these services regarding the improvement of public service provision; - to set public service quality requirements or indicators, to measure and assess the quality of this service (the service provider may be obliged to measure the quality). Waiting for the law to be passed.)	Ministry of the Interior 31/12/2018	

³⁴Registered in Register No XIII-P-4142 on 07/11/2019.

³⁵Registered in Register No XIII-P-4142 on 07/11/2019.

5. RECOMMENDATIONS IN THE AREA OF PUBLIC LAND MANAGEMENT

The National Audit Office of Lithuania made recommendations to the Ministry of Environment to resolve problems identified during the audits in 2019 “Territorial planning”³⁶ and “Granting Construction Permits and Compliance of Construction Process to the Set Requirements”³⁷.

- When preparing a new comprehensive plan of the territory of the Republic of Lithuania, to formulate a system of indicators for monitoring its solutions under which it would be possible to monitor the environmental changes ongoing in the State and assess them from economic, social, environmental, and cultural aspects.
- To carry out state supervision of territorial planning based on risk assessment to reduce administrative burdens and use resources efficiently.
- In an effort to prepare territorial planning documents in time and in a high level of quality, to provide measures to reduce the number of cases of automatic approvals, the participation of the same institutions in issuing planning conditions and subsequent coordination of territorial planning document, the publicity process in order to comply with the established deadlines for the approval and registration of territorial planning documents.
- For a construction permit to be issued legally, to establish measures that help the entities assessing the construction project to more accurately evaluate the construction to be built and the authorities supporting the project of the construction as well as to develop and implement measures to educate the public and increase their awareness of construction processes.
- To establish measures ensuring the limits of responsibility of the entities involved in the construction process for the quality of construction projects and allowing the entry of the construction into service without additional requirements.
- To prevent arbitrary registration of construction, to establish that during the examination of a building performed by a private entity, not only its technical condition but also legitimacy would be assessed.
- To identify and implement measures to increase public awareness of the issues encountered in purchasing premises in non-residential buildings where it is planned to live when the building has many joint owners.
- To prepare and submit for approval the amendments to existing legislation regarding the permit to build more than one building on one plot without dividing it and forming a new plot of land.

³⁶ 17/06/2019, <https://www.vkontrole.lt/failas.aspx?id=3964>.

³⁷ 11/06/2019, <https://www.vkontrole.lt/failas.aspx?id=3962>.

Significant changes in their implementation are expected in the period from 31/12/2020 to 30/12/2022 and the information on their implementation will be provided in other reports on recommendation of implementation.

6. RECOMMENDATIONS IN THE AREA OF INFORMATION SOCIETY DEVELOPMENT

In Lithuania, more and more social relations of the society are being transferred to the virtual space. The active use, reliability, and security of electronic communications networks and information systems are becoming crucial for economic and social activity.

Critical state information resources – critical electronic information – are managed in the first category of state information systems, registers, and cadastres (hereinafter referred to as IS). These systems are used to implement important public functions, such as management of public finance, tax administration, health care. The loss of critical information and the availability of the IS that handles this information can have dire consequences for public security and well-being and the economy.

When opening up public sector data, the State must assess the possibilities and choose such a model for funding the collection, opening up, and dissemination of data in this sector that clearly answers the questions of which data will be free, which will be paid and why. It is recommended that as much data as possible should be opened free or at self-cost only.

In the second half of last year, no significant changes took place in the implementation of the recommendations of the 2016 audit “Is the Opening of Public Sector Data Ensured”³⁸, the 2017 audit “Development of the State Electronic Communications Infrastructure”³⁹ and the 2018 audit “Management of Critical State Information Resources”⁴⁰.

Key recommendations or measures delayed to be implemented



Implementation of recommendations is delayed



Implementation of recommendations is anticipated

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
2016 audit “Whether Disclosure of the Public Sector Data is Ensured” monitoring information (recommendation 1). 2017 audit “Development of State Electronic Communication Infrastructure”, monitoring information (recommendation 2). 2018 audit “Management of Critical State Information Resources”, monitoring information (recommendation 3).		
1. Having assessed the impact and benefits of provision of free public sector data, establish a financing (licensing) model, which would establish the most appropriate principle for the data order description and determine a financing provision of public sector data for	Prepare an amendment to the Government resolution “On the confirmation of compensation for the documents, including registry data, registry information, documents and/or their copies, provided to the registry, state information system (licensing) model, which would install the public	Government 30/06/2019

³⁸ 29/11/2016, <https://www.vkontrole.lt/failas.aspx?id=3640>.

³⁹ 14/07/2017, <https://www.vkontrole.lt/failas.aspx?id=3724>.

⁴⁰ 28/06/2018, <https://www.vkontrole.lt/failas.aspx?id=3816>.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
Lithuania and ensure the reasonableness of reimbursement of costs when data are provided free of charge.	sector data provision for repeated use principle, which is the most appropriate for Lithuania, and would ensure the compensation mechanism for when the data is provided free of charge. (Payment order description of the compensation for the documents, including registry data, registry information, documents and/or their copies, provided to the registry, state information system data provision has been approved⁴¹; a mechanism for supervising the financing of the provision of free documentation is established. The impact and benefits of free public sector data provision and the funding/licensing model that would establish the most appropriate payment principle for the provision of data in this sector for Lithuania have not yet been assessed. Information Society Development Committee plans to hold a discussion on compensation for the free provision of free data to private persons.)	
2. To ensure the efficient use of public electronic communications network infrastructure, eliminate duplication of physical infrastructure and services, and develop a model for state-owned electronic communications networks and standardised services, provided to the public sector.	1. To carry out an inventory of state-owned electronic communications networks. (The Ministry carried out an inventory of the infrastructure of state-owned networks and prepared a report on state-owned electronic communications networks in 2018. However, not all infrastructure of these state-owned communication networks was inventoried. To obtain detailed information, the Ministry of Transport and Communications initiated an amendment to Government Resolution No. 1056 of 18/12/2017. Public limited companies and/or private limited companies where the State owns shares providing more than 1/2 of the votes at the general meeting, it is recommended to provide information regularly to the Ministry or its authorised institution or body about the electronic communications networks managed by them, the offered provision of electronic communications services and their rates. The measure has been partially implemented and monitoring is ongoing.) 2. To analyse infrastructure and service optimisation possibilities and alternatives. (According to the Order of the Minister of Transport and Communications⁴², it is planned to compile information on state-run e-communications networks into a Geographic Information System (GIS) map, to establish a list of standardised services that could be provided on these networks and rates that are made public. Public e-communications infrastructure resources would be open to use by both the public sector and the market when needed. Administrative processes would be managed by "Plačiajuostis internetas". VšĮ. To receive all information, the Ministry initiated an amendment to Government Resolution No. 1056 of 18/12/2017, which supplemented the planning procedure for state-operated e-communications networks with requirements for the general use of state e-communications network infrastructure. Public limited companies and/or private limited companies where the State owns shares providing more than 1/2 of the votes at the general meeting, it is recommended to provide information regularly to the Ministry or its authorised institution or body	Ministry of Transport and Communications 31/12/2017 Ministry of Transport and Communications 30/06/2018

⁴¹ Government Resolution No. 45 of 10/01/2018.

⁴²No. 3-165 "On the Optimization of Electronic Communications Networks Managed by State Enterprises and Joint-Stock Companies in the Regulatory Area of the Ministry of Transport and Communications" of 04/04/2019.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
	about the e-communications networks managed by them, the offered provision of these communications services and their rates. The measure has been partially implemented and monitoring is ongoing.)	
	3. To develop an optimisation model or common network architecture and standard services package for the public sector. (The Ministry initiated the amendment to the Government Resolution No. 1056 of 18/12/2017, which supplemented the planning procedure for state-operated electronic communications networks with requirements for the general use of the state electronic communications network infrastructure. Regarding this amendment, it is planned to amend the order ⁴³ of the Minister of Transport and Communications. The measure has been partially implemented.)	Ministry of Transport and Communications 30/06/2018
	4. To review the legal framework and initiate changes in the necessary legal acts. (The Ministry initiated the amendment to the Government Resolution No. 1056 of 18/12/2017. Regarding this amendment, it is planned to amend the Order of the Minister of Transport and Communications ⁴⁴ .)	Ministry of Transport and Communications 31/12/2018
3. To develop a national information architecture and its governance mechanism, that would allow to objectively determine the importance of state information resources and adequately control this process, as well as to coordinate mechanisms for identifying critical state information resources and critical information infrastructure.	1. To provide a description of the guidelines for assessing the importance of electronic information making up state information resources and for classifying state information systems, registers and other information systems, including impact assessment on national information architecture and critical information infrastructure objects. (A draft Description of the Guidelines for Assessing the Level of Impact of Information Processed by State Information Resources was prepared. It sets out the principles for assessing the impact of these resources on the scale of the impact of breaches of the confidentiality, availability, and integrity of the data processed. The draft submitted to the Ministry of Economy and Innovation.)	Ministry of National Defence 01/03/2019
	2. According to internationally recognised organisational architecture principles, to define a desired national information architecture that would include operational architecture, data architecture, application/information system architecture and technology architecture, and its maturity monitoring and change management processes. (A draft model of state information resources management and infrastructure consolidation has been prepared, which is planned to be established by adopting a new Law on State Information Resources Management, secondary legislation, and methodological technical documents. It is planned to submit the draft law to the Seimas in 2020. After the adoption of the law, secondary legislation, and other documents as well as change management and monitoring measures will be prepared. The measure is expected to be implemented by the end of 2022.)	Ministry of the Economy and Innovation 01/12/2019

⁴³ No. 3-165 "On the Optimization of Electronic Communications Networks Managed by State Enterprises and Joint-Stock Companies in the Regulatory Area of the Ministry of Transport and Communications" of 04/04/2019.

⁴⁴ Ibid.

Recommendations or measures to be implemented in the first half of 2020

During the 2019 audit “Smart Tax Administration System”⁴⁵, it was assessed whether the developed and under development solutions will ensure that the goals set by the smart tax administration system to reduce the shadow economy, improve tax administration, and reduce the administrative burden on business are achieved. New technologies and data analytics offer opportunities to improve tax administration, and the developed and applied models allow the identification of risky business segments, however, the potential of data analytics is not exploited nationwide in the fight against the shadow economy.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
<u>2019 audit “Smart Tax Administration System”, monitoring information</u>		
1. To make a greater contribution to the reduction of the shadow economy and maximisation of its impact at the national level on all its manifestations as well as to improve the tax administration process and reduce the administrative burden of taxes by making use of the existing institutional and inter-institutional capacity for data analysis, to evaluate the alternatives of the STI data analysis and competence centre further activities at the national level and to make decisions on the national activity model of this centre and its implementation.	According to the competence in the area of reduction of the shadow economy and related negative phenomena, the stakeholders (Ministry of Economy and Innovation, Ministry of Energy, Ministry of Social Security and Labour, Ministry of Transport and Communications, Ministry of the Interior, Ministry of Agriculture) have to identify the institutional needs for data acquisition, storage, processing and analysis in their field that could be implemented through i.MAS and/or the alternative centre for analysis and competencies as well as to formulate insights into the optimal functioning model of the alternative national analysis and competence centre.	Ministry of Finance 31/03/2020

⁴⁵ 17/09/2019, <https://www.vkontrole.lt/failas.aspx?id=3981>.

7. KEY RECOMMENDATIONS IN OTHER AUDITED AREAS

7.1. Improvement of the quality and accessibility of health services

In 2019, the National Audit Office of Lithuania performed an assessment of the health care system⁴⁶, where the audits performed over 9 years were reviewed and key issues that should be addressed were identified. To ensure the sustainability of health insurance and the quality of health care, it is essential to consider the repeated findings of audits and to properly implement the recommendations.

When implementing the audit recommendations, the Seimas approved the Law amending Article 9 of the Law on Health Insurance and supplementing it with Article 9(2) and Article 9(3)⁴⁷, implementing legal acts approved by the Minister of Health in 2019, which regulate the inclusion of personal health care services in the list of services paid from the budget of the Compulsory Health Insurance Fund and an assessment and decision-making process on the financing of new technologies was established. This has created the preconditions for making treatment with new technologies more accessible and increasing the quality of health care services.

The Ministry of Health is taking measures to improve the quality, accessibility, and orientation towards the patient of personal health care services in formulating and implementing health policy, however, prerequisites have not yet been made to ensure their safety and effectiveness, and shortcomings identified during the audit in the availability of services remain.

Key recommendations or measures delayed to be implemented

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
2018 audit "The Accessibility of Health Care Services and the Orientation Towards the Patient", monitoring information (recommendations 1–2).		
2018 audit "Quality of Personal Healthcare Services: Security and Effectiveness", monitoring information (recommendation 3).		
1. To implement monitoring and analyse the impact of the availability of services, their receipt, and patient flows, as well as the application of measures to reduce queues and to implement measures to eliminate the causes of queues.	To develop the integration of the Patient Appointment Reservation System (IPR IS) with ESPBI IS. (Integration of the Patient Appointment Reservation System with the Electronic Health Services and Cooperation Infrastructure Information System (ESPBI IS), it is installed in the ESPBI IS production environment. Documentation of integration interfaces with personal health care institutions (PHCI) has been prepared and coordinated, and documentation of various recommendations for integration is being prepared. By February 2020, 82 contracts were concluded with PHCI; medical institutions are carrying out preparatory work, specialists are being trained to use IPR IS. To	Ministry of Health 31/03/2019

⁴⁶ 15/04/2019, <https://www.vkontrole.lt/failas.aspx?id=3944>.

⁴⁷ 13/12/2018 Law No. XIII-1764 amending Article 9 of the Law on Health Insurance and supplementing the law by Articles 92 and 93.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
	encourage medical institutions to use the IPR system, one of the indicators of performance evaluation of health care institutions (its target values) has been established ⁴⁸ – “PHCI is a participant of the Patient Appointment Reservation System”. Monitoring is continued to assess the activity of IPR IS generated by institutions and patients.)	
2. To develop a demand planning system for all healthcare professionals based on data analysis.	To approve the Order of the Description of the Planning Model for Personal Healthcare Professionals. (The Ministry has approved the Description of the Planning Model for Personal Healthcare Professionals⁴⁹, which determines principles for the execution of the complex planning of personal healthcare professionals in order to determine the optimal number of trained, existing, and missing professionals; what data is used and its sources; indicators to determine the number of professionals and the need of them, as well as other provisions. According to the Description, the state order for the training of professionals is formed by determining the number of places to be offered for admission to state-funded residency studies (family doctors, doctors-specialists; dental practitioners, dental practitioners-specialists) by residency programmes and universities. A draft amendment and supplement project to the above-mentioned Description is prepared and agreed with the interested parties, envisaging to expand the concept of state order formation to include other licensed personal health care professionals (nurses, midwives, oral care professionals) determining the planning of the total number for admissions of the students to be offered in the integrated medical and dental studies. Monitoring is continued until the amendments to the description are approved and the state order of all personal health care professionals is formed according to the new description.)	Ministry of Health 31/03/2019 
3. To review and modify the professionals' qualification improvement system: that it would be based on competence assessment; ensure that professionals improve their professional qualifications in line with the competences set out in their medical standards; that professional development programmes be developed and adapted for this purpose; so that compliance with license terms would be monitored during the supervision.	Set up a working group to consider and propose an optimal model for competency assessment and qualification development after analysing national and foreign best practices, which would be enabling the professional associations of doctors and determine their role in these processes. (By the Order of the Minister of Health⁵⁰, a working group was set up to analyse domestic and foreign good practice, consider and propose an optimal model of competence assessment and qualification development until 01/12/2019 (later, the deadline was extended to 01/12/2020). The working group prepared a questionnaire for EU countries, which would help to select EU countries whose competency assessment and qualification development model could be applied in Lithuania. The results are currently under assessment.)	Ministry of Health 01/12/2019 

⁴⁸No. V-731 of 20/06/2019.

⁴⁹No. V-1495 of 21/12/2018.

⁵⁰No. V-1035 of 29/08/2019.

7.2. Developing an e-Health system management model

During the period from the recommendation report of 10 September 2019, the description of the Minimum Quality Requirements for Personal Health Care Services has been amended: it was envisaged that in order to ensure proper management and improvement of the quality of personal health care services, the head of the institution shall determine the need for equipping the workplaces with information technology tools, ensure adequate provision of these tools and control over their provision and their functioning.⁵¹ The implementation of some of the recommendations are still being anticipated.

Key recommendations or measures delayed to be implemented

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline	
<u>2017 audit "Creation of an Electronic Health System", monitoring information</u>			
To provide measures to ensure that the new stage of e-health system development would not repeat the mistakes of the earlier stages of the development:	Harmonised strategic provisions in the strategic planning documents related to the development of the e-health system:	Ministry of Health 30/09/2018	🔴
- non-harmonised provisions in the strategic planning documents related to e-health system; - failure to develop measurable quantitative and qualitative indicators of e-health system programme and their measurement methodology; - failure to develop a sustainable e-health system management model covering the phases of identification, development, and maintenance of information systems; - the publicity of the established system was not ensured, neither the mechanism of promotion/sanctions of its use, as well as sufficient and appropriate provision of information technology tools at workplaces; - duplicate and failed solutions are being created.	1. An e-health financing model was approved by the Order of the Minister, which would include the assessment of the funding needed for the maintenance of already created and planned information systems. (Information resources of municipal healthcare institutions must be maintained by the Compulsory Health Insurance Fund (CHIF), paying for the healthcare services provided. However, the cost of these services is not based on the objectively estimated costs of providing them, as stated in the 01/10/2018 Public Audit Report⁵². Therefore, it is not possible to ascertain whether the cost of maintaining the e-health system in municipal healthcare systems is part of the cost of this service. The Ministry has committed itself to implement 01/10/2018 Audit⁵³ recommendations and prior to the first quarter of 2020, review the pricing of personal healthcare services and transfer to the objective cost-based pricing of personal healthcare services, including IT costs). 2. According to the information resource management procedure and funding model, to review the 2015–2020 development programme and activities, specified therein, and make adjustments as necessary. (Approved and updated Lithuanian e-Health System Development Programme for 2017–2025⁵⁴, which was updated with detailed programme implementation qualitative and quantitative assessment criteria with provided descriptions and assessment methodology. This measure is expected to be implemented as the necessary changes to the development programme will be made only after the implementation of the recommendation measure ("Regarding the calculation of an objective cost-	Ministry of Health 31/07/2017 Ministry of Health 31/12/2017	🔴 🔴 🔴

⁵¹No. V-1296 of 15/11/2019.

⁵² "Assessment of regularity of 2017 sets of consolidated financial and budget execution statements, and legality of management, use and disposal of funds and property of the State Social Insurance Fund", 01/10/2018, <https://www.vkontrole.lt/failas.aspx?id=3910>.

⁵³ Ibid.

⁵⁴ Orders of the Minister of Health: No. V-878 of 17/07/2017 and No. V-99 of 24/01/2019.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
	based on personal healthcare service price, which would include the information system maintenance").	

7.3. Strengthening the financial sustainability and performance of Compulsory Health Insurance and State Social Security Funds

During the previous financial and performance audits and the assessment of the health care system carried out in 2019⁵⁵, the National Audit Office of Lithuania repeatedly drew attention to the use of the funds of the Compulsory Health Insurance and the State Social Security Funds, the results of the audits and their recommendations.

The following changes are still being anticipated:

- Establishment of a social security system financed from the budgets of the State and the State Social Insurance Fund.
- Determining the purpose of compulsory health insurance contributions and the scope of services financed by the Fund.
- Optimisation of structure and management of Compulsory Health Insurance and the State Social Insurance Funds.

Key recommendations or measures delayed to be implemented

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
2017 audit "Assessment of Regularity of the 2016 sets of Consolidated Financial and Budget Execution Reports and the Legality of Management, Use and Disposal of Funds and Assets of the State Social Insurance Fund", monitoring information (recommendations 1 and 3).		
2017 audit "Assessment of Regularity of 2016 Sets of Reports and Legality of Management, Use, and Disposal of Funds and Assets of Compulsory Health Insurance Fund", monitoring information (recommendations 4 and 5).		
2018 audit "Assessment of Regularity of the 2017 Sets of Consolidated Financial and Budget Execution Reports and the Legality of Management, Use and Disposal of Funds and Assets of the State Social Insurance Fund", monitoring information (recommendation 6).		
2018 audit "Assessment of Regularity of 2017 Sets of Reports and Legality of Management, Use, and Disposal of Funds and Assets of Compulsory Health Insurance Fund", monitoring information (recommendations 7 and 8).		
1. Considering the established principles of the social security system and its part – state social insurance, to consider the reasonableness of the regulation of remuneration of additional costs from the state social insurance funds. Where a decision is made not to refuse such a possibility of using social insurance contributions, the laws regulating state social insurance shall clearly define the concept and/or a finite list of additional expenses covered with the budget of the State Social Insurance Fund.	1. To consider the justification of the regulation of State Social Insurance Fund costs, which are not related with the costs of compensating lost income of insured persons due to insured events and provide proposals to the Seimas and the Government. 2. Having decided not to refuse such a possibility of using social insurance contribution funds, to prepare and submit to the Government a draft Law amending Article 2 of the Law on State Social Insurance, clearly defining the concept and/or exhaustive list of additional costs (expenses) covered with the budget of the State Social Insurance Fund.	Ministry of Social Security and Labour 30/06/2018 31/12/2018

⁵⁵Assessment of the Health Care System, 15/04/2019, <https://www.vkontrole.lt/failas.aspx?id=3944>.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
	At the end of 2017, the concept of state social insurance was clarified: its purpose was not only to compensate for lost income but also to pay benefits of determined size in cases, prescribed by other laws, however legal provisions regulating the corresponding type of social insurance are still not changed – they continue to stipulate the principle of lost income compensation, although some of the benefits are paid without adhering to this principle. The Ministry plans to revise the provisions of the laws regulating the types of social insurance, however with such unspecified regulation, situations occur where the in the field of social policy, the state undertakes obligations to increase paid benefits in order to solve social problems, improve conditions for families and/or people with lesser income (i.e. maternity benefits) or obligations to pay benefits with the social insurance funds, which have characteristics of social welfare (loss of the breadwinner, compensation for special working conditions, benefits to persons who bury lost pension recipients.)	
2. In order to create a social protection system combining the state social insurance and social support (from the state budget), to carry out monitoring of legal regulation, assessing the relevance and necessity of the Law on the Basics of the Social Support System. Considering the results of the assessment, to initiate the necessary amendments to legislative regulation to define the social security system, the principles specific to social security and/or each of its types.	1. To monitor the legal regulation of the Law on the Basics of State Social Support System. Considering the results, to adopt a decision to improve the legal regulation. 2. Define the principles of social security system and individual types of the state social insurance and the scope of their application in the Law on the Basics of the State Social Support System or the Law on State Social Insurance in order to separate the parts of state social insurance and social support. Law on Repeal of the Law on the Basics of State Social Support System No. I-696 has been adopted⁵⁶. When other laws regulating this insurance do not clearly define the social security system, the principles specific to social insurance and/or its types and the scope of their application, conditions are created for paying the benefits having characteristics of social support with the Fund budget, because the concept of state social insurance established in the Law on State Social Insurance allows to do this if the cases of payment of benefits are established by law.)	Ministry of Social Security and Labour 31/12/2018 
3. When preparing the draft Law on Budget Indicators of the State Social Insurance Fund for the coming year, to plan such tariff rates of types of state social insurance contributions that would ensure sufficient funding for all types of social insurance or to consider covering social guarantees not covered by social insurance contributions from the State budget funds as part of the improvement of the demographic situation pursued by the State or other social policy.	1. If it is not possible to increase the tariffs of unbalanced social insurance benefits, to apply to the Ministry of Finance regarding the possibility to finance the costs of the relevant social insurance benefits not covered by social insurance benefits from the State budget funds as of 01/01/2019. 2. To review the tariffs of all social insurance contributions, to analyse the possibilities of balancing individual social insurance contributions and benefits and to submit proposals to the Seimas Committee on Social Affairs and Labour, the Government. (Draft budget of the State Social Insurance Fund for 2020 reviewed the rates of types of social insurance, some types of insurance were balanced, but, as the adopted law⁵⁷ shows, maternity social insurance remains unbalanced in 2020.)	Ministry of Social Security and Labour 30/06/2018 31/12/2017 
4. To improve the legal regulation by establishing a clear scope (volume) of paid (from health insurance contributions) personal	1. In conjunction with the competent institutions, to review and reassess the definition of insured event of compulsory health insurance as stipulated in the Law on Health Insurance and the compliance of the	Ministry of Health 31/12/2019 

⁵⁶ Adopted on 14/11/2019, No. XII-2525

⁵⁷ Law on the Approval of Indicators of the State Social Insurance Fund Budget for 2020, 2019-12-17, No XIII-2697.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
health services and to provide that only those costs, that meet the purpose of the insurance and are not covered by state funds, should be covered by health insurance contributions.	health care functions covered by the Compulsory Health Insurance Fund (hereinafter referred to as the CHIF) with the budget funds as well as functions delegated by the state budget to the CHIF budget with the definition of an insured event.	30/06/2018
	2. Draft legal acts providing that the costs of health care corresponding to the definition of compulsory health insurance event should be covered by the funds of the CHIF budget accumulated from health insurance contributions, however those not corresponding - with funds from another source. (A draft Law amending the Law on Health Insurance No I-1343 ⁵⁸ is being prepared)	31/12/2019 
5. To initiate a discussion with institutions responsible for social support policy in order to assess the need for more extensive health care services provided to socially sensitive groups, its conformity to the content of social support and to initiate amendments to legal regulation so that such social support would be financed with funds other than compulsory health insurance contributions.	1. To identify and assess the need for wider healthcare provision to socially sensitive groups and its relevance to the content of social assistance. (The interinstitutional dialogue with the President's Office, the Government, the Ministry of Social Security and Labour, representatives of health care institutions and other social partners on the challenges of an ageing population and the needs of long-term health care and social services were conducted in a consistent manner. An interinstitutional working group on reducing costs for the low-income population has been set up.)	Ministry of Social Security and Labour 31/12/2018 
	2. To prepare legislative regulation changes to finance social support through non-CHI contribution funds, ensuring lower medication costs for low-income residents, and increasing coverage of dental services paid by the CHIF. A law amending the Law on Health Insurance ⁵⁹ was adopted, allowing low-income earners to receive subsidised medicines and medical supplies without paying the patient's allowance, such as those financed from the State budget funds. An interinstitutional working group on reducing costs for the low-income population has been set up.) The draft Law amending the Law on Health Insurance No. I-1343 provides for compensation from the CHIF budget for all insured persons, with no distinction between certain social groups.)	30/06/2019 
6. Regulate inclusion and removal of personal health care services from the list of services compensated by the fund in accordance with the criteria approved by law, considering the prices of the provision of services and objectively assessed fund possibilities. Fix the frequency of updating and reviewing the list of compensated services.	Upon adoption by the Seimas of a draft Law amending Article 9 of Law on Health Insurance No I-1343 and supplementing the law with Articles 92 and 93 (No XIII-2367 of 25/06/2018), to draft secondary legislation on the inclusion of services and removal from the list of services compensated from the CHIF budget, establishing the frequency of updating and reviewing the list, taking into account the time limits set by the law. (The legal preconditions ⁶⁰ have been created, nevertheless, the recommendation has not been followed, the steps not agreed on the cost of providing services and the assessment of the objective possibilities of the fund.)	Ministry of Health 30/09/2019 

⁵⁸ Registered in Register No. 19-15804(2) on 11/02/2020.

⁵⁹ Law No XIII-2492 amending Articles 2, 10, 11 and 15 of the Law on Health Insurance No I-1343 adopted on 17/10/2019.

⁶⁰ Law amending Article 9 of Law No. I-1343 on Health Insurance and supplementing the law with Articles 92 and 93 No. XIII-1764 of 25/06/2018 and its implementing legislation.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
7. To optimise the activities of the State Social Insurance Fund and to simplify the management structure, thirteen existing fund administration institutions should be merged into one legal entity.	1. To analyse the proposals submitted by the Fund Board regarding the merger of the Fund administration institutions into one legal entity and decide on the optimisation of the fund's activities and simplification of the management structure. 2. To amend legislation. (During the implementation of these measures, a decision was made to merge the State Social Insurance Fund Board Foreign Benefit Office and the Military and equivalent structures division with the Vilnius Territorial Division as of 1 July 2020. The Ministry plans to merge 10 territorial divisions of the Board in 2021 into 4 new territorial divisions. In 2022, a cost-benefit analysis is planned for the reorganisation of the Fund's Board and territorial divisions into a single legal entity, followed by a decision on further direction.)	Ministry of Social Security and Labour 30/06/2019
8. To optimise the performance of the Compulsory Health Insurance Fund and to simplify its management structure, combine the six existing bodies administering the fund into one legal entity.	1. To carry out an analysis of the management and functions of institutions administering the Compulsory Health Insurance Fund and, taking into account the results of the analysis, to make decisions on optimisation of activities (functions) carried out by the National Health Insurance Fund (hereinafter referred to as NHIF) and Territorial Health Insurance Funds (hereinafter referred to as THIFs), including the conclusion of only one contract with each PHCI, and alternatives to the optimal restructuring of institutions administering the Fund, assessing also the possibilities of the reorganisation of institutions. 2. To amend legislation. (Draft amendment to the law is being prepared ⁶¹ .)	Ministry of Health 31/12/2018
		31/12/2019

Recommendations or measures to be implemented in the first half of 2020

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
2018 audit "Assessment of Regularity of 2017 Sets of Consolidated Financial and Budget Execution Statements, and Legality of Management, Use and Disposal of Funds and Property of the Compulsory Health Insurance Fund", monitoring information		
After the implementation of the recommendations made in previous audits and knowing the Fund's clear financial possibilities, move to the price of personal health care services based on objective costs, which would be periodically recalculated according to established criteria.	1. To implement the recommendations on the specification of a health insurance event. (A draft Law amending the Law on Health Insurance ⁶² is being prepared with the aim of clarifying the regulation of health care compensated by compulsory health insurance for the insured.) 2. To implement the recommendations on the use of the state property transferred to medical institutions free of charge. (The approved Law ⁶³ amending the Law on Health Care Institutions would transfer the property to medical institutions by the right of trust under a trust agreement. Property must be transferred by 01/11/2020.) 3. To evaluate the effectiveness of the network of medical institutions, considering the findings of the	Ministry of Health 31/03/2020
		31/03/2020
		31/03/2020

⁶¹A draft Law amending the Law on Health Insurance No. I-1343, registered in Register on 11/02/2020 No. 19-15804(2).

⁶²Ibid.

⁶³Law No XIII-2443 amending Articles 3 and 36 of the Law on Health Care Institutions No I-1367 of 26/09/2019.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
	Organisation for Economic Co-operation and Development. (The analysis and proposals on consolidation and optimisation of the network of personal health care institutions have been carried out in Lithuania's active treatment hospital services and regional location of hospitals. The draft order of the Minister of Health "On the Approval of the Implementation Plan of Consolidation of Personal Health Care Institutions Providing Inpatient Active Treatment Services" was prepared.)	
	4. To adopt criteria for reviewing the basic prices of personal health care services. (A working group was set up to draw up a draft list of criteria for reviewing basic prices for personal healthcare services.)	31/03/2020 

7.4. Addressing challenges in state assets management

Effective asset management means not only sales, renting of buildings, etc. It is a long-term strategy, asset valuation and accounting.

Taking into account the findings detected in 2018 audits "Management of State's Real Estate"⁶⁴; 2017 audit "Are the Assets of State Universities Managed and Used in a Targeted Manner – for Research Activity and Studies"⁶⁵ and 2017 audit "Management of State Assets Transferred to Public Healthcare Institutions"⁶⁶, the National Audit Office of Lithuania recommended to draft guidelines on state real estate management: predict the number and long-term nature of assets that will be needed to perform the functions and how much they can be leased, developed or sold in the long term in order to maximise their benefits; to decide on the refusal to transfer the assets under the lending right, and in legal acts to limit the possibility to transfer state-owned buildings into the ownership of municipalities, to assess the optimisation of assets in universities and their plans, and to make decisions related to more efficient assets management and use, optimisation of the university network.

Following the adoption of the amendments to the Law⁶⁷, the manager of health care assets will be changed: from 1 January 2020, the Ministry of Health will be replaced by public health care institutions, to which the assets will be transferred under a trust agreement. This will ensure more efficient asset management and will contribute to solving the issue of the objective price of services.

We continue to monitor the implementation of the recommendations and, although progress has been made in solving the problems of state assets management, significant changes in the implementation of the audit recommendations on the State Real Estate Management Guidelines, on the restriction of the possibility of obtaining state immovable property on the basis of lending right, [we are waiting until 01/12/2020](#)⁶⁸. We will report on them in the next reports on the implementation of the recommendations.

⁶⁴ 24/01/2018, <https://www.vkontrole.lt/failas.aspx?id=3784>.

⁶⁵ 30/06/2017, <https://www.vkontrole.lt/failas.aspx?id=3722>.

⁶⁶ 20/04/2017, <https://www.vkontrole.lt/failas.aspx?id=3697>.

⁶⁷ Law No XIII-2443 amending Articles 3 and 36 of the Law on Health Care Institutions No I-1367 of 26/09/2019.

⁶⁸ Monitoring information: https://www.vkontrole.lt/stebesena_pdf.aspx?id=19186.

The following changes are still being anticipated:

- Maximise the limitation of the possibility to transfer state-owned buildings to municipal ownership.
- Take decisions on the more efficient management and use of their assets as part of the reform of the university network.

Key recommendations or measures delayed to be implemented

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
2018 audit "The Management of State Real Estate", monitoring information (recommendation 1). 2017 audit "Are the Assets of State Universities Managed and Used in a Targeted Manner – for Research Activity and Studies?", monitoring information (recommendation 3).		
1. In legislation, maximise the limitation of the possibility to transfer state-owned buildings to municipal ownership for the purpose of to perform their independent functions.	To draft and submit to the Seimas for deliberation the Law amending the Law on the Management, Use and Disposal of State-owned and Municipal Property and to lay down the procedure and conditions of transfer of the state immovable property to municipalities. (After the adoption of the amendments to the Law ⁶⁹ , the immovable property belonging to the State by the right of ownership and recognised as the redundant immovable property will be transferred into the ownership of municipalities for the purpose of performing their independent functions in accordance with the procedure laid down by the Government. We are waiting for the Government to establish the conditions and procedure for transferring these assets into the ownership of municipalities.)	Government 30/04/2018
2. To assess the ongoing optimisation and/or plans of assets in universities and to make decisions linked to more efficient asset management and use and optimisation of the university network.	(The Plan for Optimisation of the Network of State Universities ⁷⁰ and its implementation measures ⁷¹ has been approved. Decisions for optimising the network of some universities have been adopted. We look forward to further steps towards optimising university assets in the context of the restructuring of the university network.)	Ministry of Education, Science and Sports 31/12/2018

7.5. Environmental protection and pollution prevention

The waste management system does not ensure the effective implementation of the principle of producer responsibility, since producers and importers are provided with the conditions to manage not all product and packaging waste which they must handle and not pay the pollution tax. Therefore, the State must take care of the management of this waste and residents must additionally pay for the management of product and packaging waste.

Lithuania generates on average 163 thousand tons of hazardous waste each year. Their handling remains a serious problem: this waste is not properly identified, the efficient

⁶⁹ Law amending Articles 5, 6, 10, 12, 14, 15, 16, 19, 20, 21, 24 of the Law on the Management, Use and Disposal of State and Municipal Property and repealing Article 18 of the Law on the Management, Use and Disposal of State and Municipal Property, No XIII-2398 of 25/07/2019.

⁷⁰The Seimas Resolution No. 45 of 29/06/2017.

⁷¹Government Resolution No. 947 of 22/11/2017.

collection of such waste generated by households is not ensured, cases where waste managers, having terminated the recovery or disposal activities of hazardous waste, leave unmanaged waste which, in order to avoid negative consequences, must be managed with state funds.

A comprehensive control mechanism of waste managers has not been established, the institutions exercising state control of environmental protection shall not coordinate actions or cooperate with other institutions. This creates preconditions for issuing documentary evidence of waste management for illegally managed waste.

The auditors pointed out that waste managers provide incorrect data on the quantities of waste managed and do not eliminate the identified inaccuracies within the set time limits, therefore publicly available information on waste managed in Lithuania is unreliable.

In implementing the audit recommendations, we look forward to changes in ensuring that:

- the State should have fair and reliable information on the products and packaging made available on the internal market and the management of their waste;
- producers and importers should organise and finance the management of all product and packaging waste;
- an effective mechanism for monitoring and supervising the application of the principle of producer responsibility should be in place.

Key recommendations or their measures, which are delayed and which we look forward to in the first half of 2020.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline	
2017 "Application of the Producer Responsibility Principle" monitoring information ; (recommendation 1). 2018 audit "Hazardous Waste Management", monitoring information (recommendations 2 and 5).			
1. To ensure that producers and importers fulfil the obligation assigned to them to manage the product and packaging waste placed on the internal market, and, in the event of mishandling of waste, pay a pollution tax:	1. An assessment of the effectiveness of the existing waste management infrastructure and an assessment of the need for additional infrastructure and related investments.	Ministry of Environment 31/03/2020	●
• to introduce additional measures so that all those placing products and packaging on the internal market are compulsorily registered in the Register of Producers and Importers and declare the products and packaging placed on the market; • periodically review, revise and update the data of the Register of Producers and Importers; • provide for an obligation on producers and importers to finance the management of packaging waste entering the mixed municipal waste stream;	2. Amendment to the Law on Waste Management on the setting of prices for regional waste management, operation of regional waste management facilities, financing of products and packaging waste from the mixed municipal waste stream at the expense of producers and importers. (The Ministry of the Environment has not carried out an assessment of the effectiveness of the existing waste management infrastructure and an assessment of the need for additional infrastructure and related investments. The Law on Waste Management on the setting of prices for regional waste management, operation of regional waste management facilities, financing of product and packaging waste from the mixed municipal waste stream has not been amended at the expense of producers and importers.)	31/12/2018	●

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
• provide for measures to ensure that producers and importers of electrical and electronic equipment finance the collection and management of electrical and electronic equipment waste; • provide for an obligation for tyre manufacturers and importers to finance the operation of bulky waste collection sites; • determine which producers and importers have been exempted from the pollution tax and ensure that the tax is paid; • develop a transparent and objective system for selecting producers and importers to ensure that the riskiest producers and importers are selected for checks; • to establish common principles and methods for all regional environmental departments to carry out checks on producers and importers and to assess equally the actions of producers and importers.		
2. To ensure that hazardous waste is managed safely, without jeopardising public health and the environment, strengthen the control of waste holders to prevent hazardous waste from being managed as non-hazardous.	To create a mechanism for methodological assistance on the identification of hazardous waste to responsible authorities, economic operators, and municipalities.	Ministry of Environment 31/12/2020 
3. In order to ensure that hazardous waste is managed in a safe manner without endangering public health and the environment, to assess the efficiency of the measures taken by municipalities for the collection of hazardous waste produced in households and to implement measures to prevent hazardous waste from entering landfills of non-hazardous waste and mechanical biological treatment facilities.	To carry out an analysis of the effectiveness of the measures implemented by municipalities for the collection of hazardous waste produced in households and to prepare recommendations for municipalities on measures to prevent hazardous waste from entering landfills of non-hazardous waste and mechanical biological treatment facilities. (Pending implementation.)	Ministry of Environment 31/12/2019 
4. In order to ensure that waste managers recovering or disposing of hazardous waste, after the termination of their activities, the waste remaining unmanaged is managed without using state budget funds to provide and implement the measures which would ensure that, by co-ordination of estimates of implementation of the measures provided for in the decommissioning plan submitted by undertakings, the prices for waste management indicated therein are in line with market prices.	To revise the Description of the Procedure for the Preparation, Coordination and Implementation of the Waste Recovery or Disposal Plan approved by Order No 469 of the Minister of Environment of 25/09/2003, to limit the deadline for which guarantors may be issued, to specify the procedure, requirements and responsibilities of the responsible institutions in order to ensure compliance of the estimates of the implementation of the planned measures with market prices, to promptly and effectively control the decommissioning plans, the estimates of implementation of the measures provided for therein and the validity terms of the guarantors. (Ministry of the Environment is drafting a law amending Articles 10 and 11 of the Law on Waste Management. The changes will lead to the abandonment of the activity cessation plan as a separate document. It is also planned to determine the size of the guarantor, considering the characteristics and quantity of the managed waste.)	Ministry of Environment 30/09/2019 
5. In order to ensure that waste manager using or disposing of hazardous waste, after the termination of their activities, the		

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
unused waste is managed without using state budget funds to provide for an obligation for all waste managers to revise, at least every two years, the estimates of the implementation of the measures provided for in the activity cessation plan and to ensure that all waste managers revise them within the set time limits.		

7.6. Key recommendations, the implementation of which will be provided in other reports

● Strengthening children's health

By acceding to the United Nations Convention on the Rights of the Child, Lithuania has committed to take all necessary measures to enforce the rights of the child, including to seek better health for children and adolescents available to every child and young person.

The main factors that affect children's health and whose skills can be developed in educational institutions include work and rest (sleep) regime, diet, physical activity, prevention of tobacco, alcohol, and other psychoactive substances, ability to cope with stress, and sexual behaviour.

Aware of the impact of shaping healthy lifestyle habits on the prevention of the most common diseases and in order to assess the effectiveness of children's health improvement and invested funds, the National Audit Office of Lithuania carried out an audit of child health improvement activities in 2019⁷².

We are waiting for significant changes in the implementation of public audit recommendations and measures until 30/09/2021–30/09/2022⁷³, therefore we will present information about their implementation in other reports on the implementation of the recommendations.

● Improving accessibility, adequacy, and empowerment of social assistance

The results of the 2019 audit "Does Social Assistance Ensure the Minimum Consumption Needs of People Living in Poverty and Promote the Labour Market Integration"⁷⁴ showed that the system set up does not ensure minimum consumption needs of poor people, provides municipal support without taking into account individual needs, does not evaluate information about all the services and benefits provided and therefore cannot harmonise the forms of support (benefits, reductions and services) among themselves and does not use measures to encourage people to employ. Information on social assistance is provided in a complex way to the public, lacks means of identifying people living in poverty, thus preventing access to support for all in need. Moreover, there are

⁷² "Is Promotion of Child Health Ensured?", 02/12/2019, <https://www.vkontrole.lt/failas.aspx?id=4039>.

⁷³ Monitoring information https://www.vkontrole.lt/stebesena_pdf.aspx?id=21629.

⁷⁴ 29/07/2019, <https://www.vkontrole.lt/failas.aspx?id=3977>.

insufficient evaluation indicators and methods to analyse the impact of social assistance at the national and municipal level.

We look forward to significant changes in the implementation of the recommendations in the period 30/09/2020–31/12/2022⁷⁵.

● Ensuring safe and legal participation in the labour market

In 2019, the results of the public audit “How the State Labour Inspectorate Ensures Safe and Legal Participation in the labour Market”⁷⁶ showed that the procedures for controlling safe and legal work were not sufficiently effective, because not all the regulated entities are subject to risk assessment, the impact of control and feedback on the control actions carried out are underestimated. Not all preventive activities are assessed in terms of improving performance and reducing the funds allocated to control.

The number of fatal accidents at work increases the unattractiveness of the professions that are now particularly needed. Without employers ensuring safety requirements at the workplace, workers may develop an occupational disease. In 2015, Lithuania ranked the penultimate, 27th place in the EU according to the occupational safety indicator, which was 3.3 and the EU average – 1.83 fatal accidents at work per 100 thousand employees. In 2018, this indicator was 2.8 in Lithuania.

We look forward to significant changes in the implementation of the recommendations and measures until 31/03/2022⁷⁷.

● Rail transport and infrastructure development

Since 2014, when the General Auditors of the Baltic States first discussed the need for cooperation and information sharing, the Supreme Audit Institutions (SAIs) of Estonia, Latvia and Lithuania actively monitored “Rail Baltica” railway project. This cooperation was formally established in 2016 by the creation of the “Rail Baltica” working group, which consists of representatives of SAIs from Estonia, Latvia, Lithuania and Finland as well as from Poland as part of the “Rail Baltica” project.

After the first joint audit of this type of the “Rail Baltica” project carried out in 2019 by the three Baltic States SAIs found that the rules for the implementation of public procurement and contract management, including supervision, were essentially established and complied with by the undertaking “RB Rail AS”. Nevertheless, there is currently a lack of procedures for managing the project, especially for changes and risks. This entails the risk that the project will exceed both the budget of the grant agreements and the agreed time frame if the existing system is not strengthened to achieve greater efficiency. Moreover, the Baltic States do not have official forecasts or financial assessments and decisions on project financing until the end of the project, including contingency plans or scenarios if the completed project would cost more or the EU co-financing would be lower than foreseen.

SAIs made recommendations to “RB Rail AS” and its shareholders and responsible ministries in all countries. Regarding the implementation of the recommendations, we look forward to major changes in:

⁷⁵ Monitoring information https://www.vkontrole.lt/stebesena_pdf.aspx?id=21526.

⁷⁶ 09/10/2019, <https://www.vkontrole.lt/failas.aspx?id=3989>.

⁷⁷ Monitoring information https://www.vkontrole.lt/stebesena_pdf.aspx?id=21635.

- Matrixes of beneficiaries' decision-making on global project decision-making, including who and when can take decisions concerning the project time schedule and budget.
- A clear change management plan drawn up by beneficiaries, to be applied when deviations occur. To ensure that any deviation is detected in a timely manner, this plan should be linked to the risk management system of a global project. Decisions and mitigation measures taken to mitigate the effects of change should be documented.
- The assessment by the beneficiaries of the potential for national funding for the long-term project, including in case of an increase in the cost of the project or a lower than planned EU funding. These calculations should be regularly presented and explained to national parliaments in each country.

The recommendations will be considered implemented once the above measures have been implemented by all the institutions responsible for the "Rail Baltica" project in Lithuania, Latvia, and Estonia, as well as by "RB Rail AS". We look forward to significant changes in the implementation of the recommendations and measures until 30/10/2020⁷⁸.

⁷⁸ Monitoring information, https://www.vkontrole.lt/stebesena_pdf.aspx?id=21644.

8. LAWS NEEDED TO IMPLEMENT THE RECOMMENDATIONS

At the VII (autumn) session of the Seimas, two draft laws⁷⁹ were adopted from the four draft legislative acts referred to in the previous report on the implementation of the recommendations. The Seimas adopted nine draft legislative acts⁸⁰ implementing recommendations of public audits which did not appear in the previous report.

Currently, adoption of 10 draft laws proposing to solve the problems identified during the audits is pending in the Seimas.

No.	Draft law	Expected impact	Audit report
1.	Draft Law amending Articles 2, 36, 37 and the title of Chapter 11 of the Law on Heat Economy No. IX-1565, 05/06/2019, No. XIII-3445(2) <i>The procedure of deliberation in the committees of the Seimas is ongoing.</i> <i>Additional Committee on State Administration and Local Government, the main Committee on Economy, the committees deliberated, the discussion took place in the Seimas on 13-23 June 2019, the adoption procedure remaining.)</i>	Upon adoption of the Law, provisions will be waived according to the conclusions of the Minister of Energy when concluding contracts for the transfer of management of the heat sector. Municipalities will have to conclude contracts in accordance with the procedure laid down by the Law on Concessions, taking into account the strategic directions, objectives, tasks and implementation measures established in the National Energy Independence Strategy and the National Heat Sector Development Programme.	2017 audit "The Renting out of Heating Sectors in Municipalities".
2.	Draft amendment to the Law No IX-1161 on Forensic Examination, 08/10/2018, No. XIII-2650 <i>The procedure of deliberation in the committees of the Seimas is ongoing.</i> <i>(Presentation to the Seimas on 06/11/2018, the main Committee on Legal Affairs)</i>	The adoption of the Law will create conditions for improving the quality of forensic expert services, improving the control of the activities of forensic experts, efficient administration and management of the field of forensic expert examination, as well as clarification of the institutions of expert examination and their establishment.	2016 audit "Organising Performance of Forensic Examinations".
3.	Draft Law on Strategic Management, 10/12/2019, No XIII-4294 Accompanying draft laws No. XIII-4295–No. XIII-4334. <i>(Submitted on 14/01/2020)</i>	In order to have clear and useful information to take decisions, the Seimas, together with reports on the implementation of the State budget, should also receive information on the results of activities of the Government; therefore, the objectives (priorities) of its activities should be related to the financial indicators (appropriations) of the year concerned and approved by a law. In writing, we drew the	2016 audit "Regularity of the Sets of Consolidated State and Budget Execution Reports of the Republic of Lithuania for 2015 and Assessment of State Budget Execution".

⁷⁹ 19/09/2019 Law No XIII-2427 amending Law No IX-2251 on Social Enterprises; 17/10/2019 Law No XIII-2497 amending Articles 2, 4, 6, 8, 9, 10, 11, 12, 13, 17, 18, 19 of the State Reserve Law No VIII-1908 and supplementing the law with Article 181.

⁸⁰ 17/10/2019 Law No. XIII-2492 amending Articles 2, 10, 11 and 15 of Law No. I-1343 on Health Insurance; 17/10/2019 Law No. XIII-2489 amending Articles 2, 5, 9, 10, 11 and 16 of Law No. IX-110 on Sickness and Maternity Social Insurance; 14/11/2019 Law No. XIII-2525 on the Repeal of the Law No. I-696 on the Principles of the State Social Security System; 17/12/2019 Law No. XIII-2697 approving the indicators of the State Social Insurance Fund budget for 2020; 20/12/2019 Law No. XIII-2762 amending Articles 1, 2, 9, 121, 122, 15, 21, 261, 27 and 30 of the Law on Health Insurance No. I-1343; 09/26/2019 Law No. XIII-2443 amending Articles 3 and 36 of the Law No. I-1367 on Health Care Institutions; 05-05-2019 Law No. XIII-2606 amending the Law No. XIII-198 on Remuneration of Employees of State and Municipal Institutions and Commissions; The Seimas Resolutions: 11/28/2019 Resolution No. XIII-2570 "On Amendment to Articles 162 and 164 of the Statute of the Seimas of the Republic of Lithuania No. I-399"; 17/10/2019 Resolution No. XIII-2493 "On Amendment to Resolution No. XII-964 of the Seimas of the Republic of Lithuania of 26 June 2014 "On Approval of the Lithuanian Health Strategy for 2014–2025".

No.	Draft law	Expected impact	Audit report
		Government's attention to the addition of a provision to the draft Law on the Budget Structure that the indicators of the Seimas in the Law on the Approval of Financial Indicators of Budgets may be changed only by the Seimas. The Office of the Government informed that this proposal would be assessed in 2020 with the revision of the provisions of the Law on the Budget Structure concerning medium-term budgeting and its management rules. A new model of the strategic management system has been created, which will ensure the integrity of strategic and investment planning processes, create conditions to integrate strategic, regional and territorial planning processes. The draft Law on Strategic Management establishes the principles of the new management system, levels and types of planning documents, their interrelation and influence on the planning of funds of progress and continuous activities, participants of the strategic management system, their rights and duties, and provisions of the management of this system.	2016 audit "Programme Budget System: Setting up Strategic Action Plans and Monitoring their Implementation". 2016 audit "Management of the State Investment Programme in 2015".
4.	Draft Law amending Law No VIII-1234 on Public Administration, 07/11/2019, No XIII-4142 <i>(Was not submitted to the Seimas)</i>	1. Article 20(6) of the draft Law proposes new requirements for the administration of the provision of public services, which include the requirement to establish or initiate the establishment of a public service provider only in the event that it is impossible to ensure that the required quality public service could be provided by existing legal entities in which the rights and duties of the owner, sharer or shareholder are exercised by the state or municipalities. 2. The new legal regulation will strengthen the responsibility of entities of public administration for the provision of public services administered by them, these entities will be entrusted with the obligation to set quality requirements or indicators for administrative and public services, to measure and evaluate their quality, and to revise the concept of public service. However, in the draft Law, the definition of public service will not correspond to the matters provided for in the implemented measure, as the newly defined concept does not specify the features that would qualify the activity as a public service. In this context, there will still be a lack of common understanding and a clear definition of the concept. 3. Paragraphs 5 and 6 of Article 37 of the Law on Public Administration, as amended by this draft and laid down by a new recast, are proposed to be assigned the Ministry of Economy and Innovation to the Government and the Seimas each year to submit a report on the state of the supervision of activities of economic entities by imposing an obligation on supervising entities to submit documents and other information necessary for the assessment of the state of supervision of activities of economic entities. 4. After the adoption of the draft Law, the definition and scope of public administration will be revised, the procedure for granting the powers will be improved and the provision will be laid down that persons applying for the positions of employees working under employment contracts which are assigned to perform the functions of this administration	2017 audit "Does the Involvement of the State and Municipalities in the Management of Public Institutions Ensure the Benefit to the Society". 2017 audit "On Preparedness for Making Decisions Regarding the Restructuring of the Provision of Administrative and Public Services". 2018 audit "Is the Lithuanian Business Monitoring System Effective?". 2017 audit "Human Resource Management in Public Administration Institutions (summarised results of the management audit of three ministries)". 2018 audit "Assessment of Data of 2017 set of National Financial Statements and Public Debt and its Management".

No.	Draft law	Expected impact	Audit report
		must be subject to the requirements of good reputation laid down in the Law on Civil Service and the qualification requirements set by the head of the institution ensuring proper implementation of the delegated functions. The draft Law addresses only part of the problem of unequal requirements and responsibility for employees in public administration, such as: 1) it is not foreseen to apply to employees working under the employment contract the requirements for recruitment to the post by public tender, declaration of income and property and limitation of age; 2) there is no provision for equalising material liability of civil servants and employees working under an employment contract for the damage caused in the performance of public administration activities. 5. It is planned to set shorter deadlines for drawing up and submitting the set of state consolidated statements, thus ensuring that the set together with the activity report prepared by the Government is submitted to the Seimas at the spring session. It was planned to submit a draft amendment to this Law (with accompanying draft amendments to the laws) to the Seimas for deliberation at the autumn session of 2019 but has not been submitted.	
5.	Draft Law on the Framework for Cultural Policy, 04/02/2020, No XIIIIP-4463 <i>(Was not submitted to the Seimas)</i>	The draft Law proposes to establish the exclusive functions of national cultural institutions.	2018 audit "Is the Effective Activity of Theatre and Concert Institutions Ensured"
6.	Draft Law amending Articles 2, 8, 17, 18 and 32 of Law No I-430 on the Budget Structure and supplementing the Law with Article 141, 10/12/2020, Law No XIIIIP-4308. <i>(Submitted on 14/01/2020)</i>	State institutions operating in the areas of activities of the State financed from the State budget, the amount of appropriations to be allocated during the budget year for each activity area of the State, and the main objectives and indicators set forth in the National Progress Plan in the fields of activities of the State are disclosed.	2016 audit "Programme Budget System: Setting up Strategic Action Plans and Monitoring their Implementation". 2016 audit "Accuracy of the Sets of Consolidated State and Budget Execution Reports of the Republic of Lithuania for 2015 and Assessment of State Budget Execution".
7.	Draft Law amending Articles 2 and 14 of the Law on Investment No VIII-1312, 10/12/2019, No XIIIIP-4327. <i>(Submitted on 14/01/2020)</i>	The Public Investment Programme is expected to run until 31/12/2020 for selected investment projects until the end of their implementation. This Programme is expected to be discontinued from 2026 when all projects included in it will be completed.	2016 audit "Management of the Programme for Investment in 2015".
8.	Draft Law amending the Law No I-1623 on mobilisation and host nation support, 19/12/2019, No XIIIIP-4355. <i>(Was not submitted to the Seimas)</i>	The draft Law amending Law No I-1623 on mobilisation and host nation support establishes mobilisation management entities and their competences, specifies the provisions relating to the formation and accounting of civilian mobilisation personnel reserve, organisation and implementation of mobilisation and host nation support training, and regulation of mobilisation and use of mobilisation resources. The draft Law rejects the measures to ensure mobilisation, such as property return and temporary seizure of assets, assignment of compulsory works, and restrictions on employment and civil service relations for persons included in the civil mobilisation personnel reserve, leaving provisions referring to the Law on the State of War.	2017 audit "Preparedness of the State, Municipality Institutions and Economic Entities for Individual or Collective State Defence".

No.	Draft law	Expected impact	Audit report
		When the draft Law waives part of the measures ensuring the implementation of mobilisation, we see a risk that mobilisation may be complicated due to the above-mentioned provisions referring to the Law on the State of War (draft Law No XIII-P-4356), which regulates state defence issues, establishing the priority of the provisions of this Law in relation to other laws after the declaration of military status. We also see the risk that other provisions of the law may not solve the problems identified during the audit.	
9.	Draft Law amending Articles 3, 4, 7, 12, 13, 14, 15, 16, 19, 20, 24, 26, 27, 29, 32, 32 ¹ , 33, 35 ¹ , 53 and Chapter 9 of the Law Nr. I-533 on Local Self-Government and supplementing the law with Article 15 ¹ 03/12/2019, No XIII-P-2834(2). <i>(Submitted on 03/12/2019)</i>	The state function (delegated by the state to municipalities) established by Article 7(20) of the Law "to participate in the preparation of local population polls and other statutory civic (residential) initiatives", which in essence cannot be regarded as a separate function of a municipality, because the promotion of citizenship and involvement of the population in decision-making is one of the conditions for the proper functioning of local self-government, especially as a function of the state (delegated by the state to municipalities) and therefore it is proposed to abandon it.	2019 audit "Does the System of Municipal Functions and their Funding Provide Conditions for Efficient Operation?"
10.	Submission to the Seimas of the Draft Law supplementing the Law No X-493 on Social Services with Articles 25 ¹ , 25 ² , amending Articles 8, 13, 19 ¹ , 34, 36 and changing the title of Chapter 6; and the Draft Law amending Chapter 6 of Law No I-533 6 on Local Self-Government, 16/12/2019, No XIII-P-4346 and No XIII-P-4347. <i>(Submitted on 14/01/2020)</i>	Draft laws have been drafted with a view to creating a uniform system of accreditation of social care in all municipalities which would help municipalities to control the social services establishments providing this supervision. It is also proposed to clarify the wording of the autonomous function of municipalities: it is aligned with the competence of municipalities in the field of social services established by Article 13(1) of the Law on Social Care.	2019 audit "Does the System of Municipal Functions and their Funding Provide Conditions for Efficient Operation?"
11.	Draft Law amending Article 90 of Law No XI-242 on science and studies, 05/03/2020, No XIII-P-4570. <i>(Was not submitted to the Seimas)</i>	The draft Law establishes investment criteria, upon the meeting which a higher education institution may invest the assets managed by the right of ownership into legal persons. The criteria would make it possible to ensure that investment is reasonable and beneficial for higher education and society.	2017 audit "Are the Assets of State Universities Managed and Used in a Targeted Manner – for Research Activity and Studies?"

• BRINGING BENEFITS •

