



NATIONAL AUDIT
OFFICE OF LITHUANIA
• BRINGING BENEFITS •

REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS

2 September 2020

No YE—7



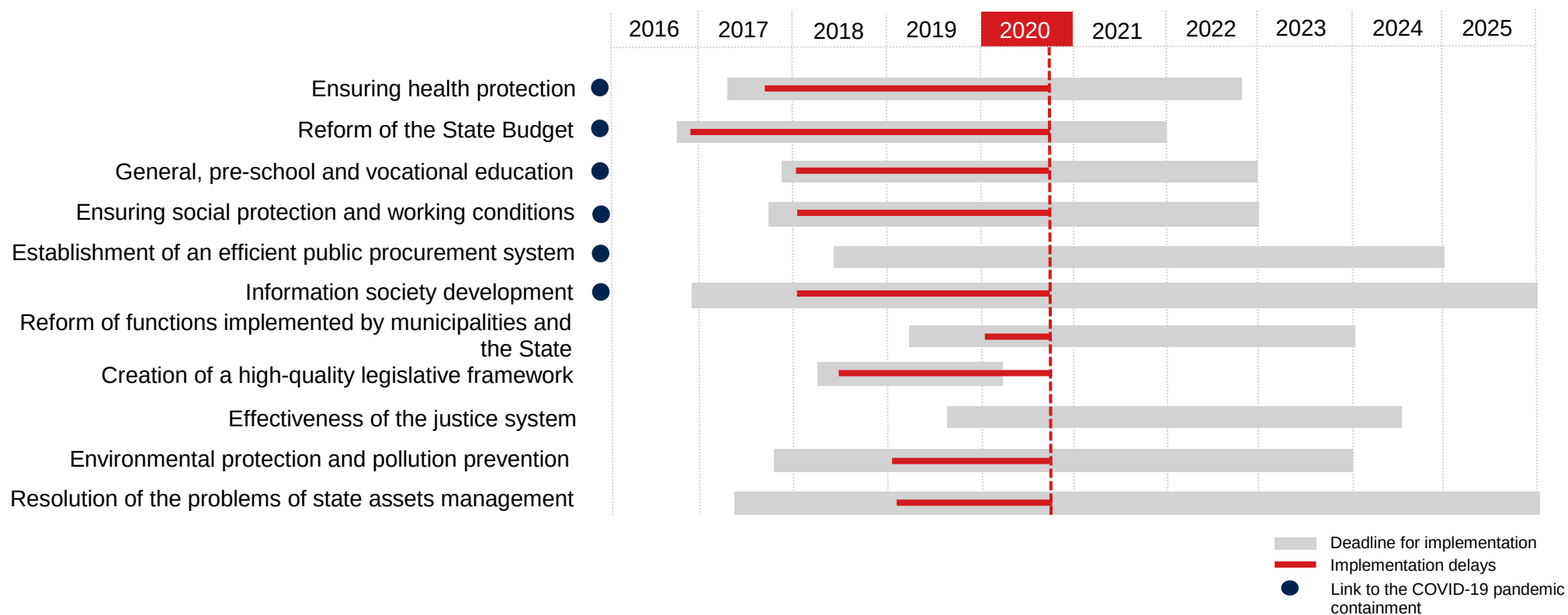
The report on the implementation of recommendations reviews the key recommendations of the public audit. The report provides data of 31 August 2020 on the follow-up of the recommendations of the first half of 2020. Detailed information about the implementation of all audit recommendations is being regularly updated on the website of the National Audit Office in Lithuanian at http://www.vkontrole.lt/atviri_duomenys_rekomendacijos.aspx.

The report on the implementation of the recommendations has been submitted to: the Parliamentary Committees on Audit, Budget and Finance, Education and Science, Economics, State Administration and Municipalities, Health Affairs, Social Affairs and Labour, Environmental Protection, Legal Affairs, the Office of the President of the Republic of Lithuania, the Government of the Republic of Lithuania, State institutions and bodies responsible for the implementation of key recommendations.

CONTENT

INTRODUCTION	5
1. RECOMMENDATIONS THE IMPLEMENTATION OF WHICH COULD FACILITATE RESPONSE TO A PANDEMIC CAUSED BY CORONAVIRUS DISEASE (COVID-19)	7
2. RECOMMENDATIONS WITH A SUBSTANTIAL IMPACT ON PUBLIC GOVERNANCE	11
3. LAWS REQUIRED TO IMPLEMENT THE RECOMMENDATIONS	13
ANNEXES	16
Annex 1. Reform of the State Budgetary Governance	16
Annex 2. Recommendations in the Area of Education	24
Annex 3. Recommendations in the Area of Public Administration	29
Annex 4. Recommendations in the Area of Information Society Development	35
Annex 5. Environmental Protection and Pollution Prevention	39
Annex 6. Improving Health Care	43
Annex 7. Ensuring Social Protection and Working Conditions	51
Annex 8. Ensuring Effectiveness of the Justice System	55
Annex 9. Transport and Infrastructure Development	57
Annex 10. Resolution of the Problems of State Assets Management	59

AUDITED AREAS WHERE KEY RECOMMENDATIONS ARE BEING MONITORED

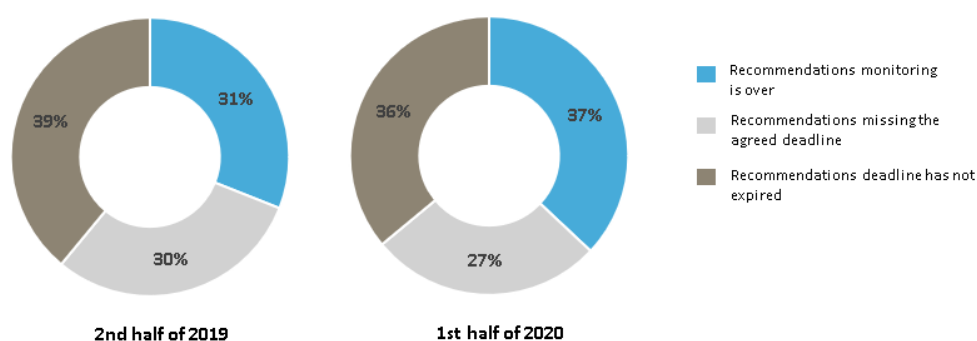


INTRODUCTION

When assessing the results of the implementation of recommendations of public audits for the first half of 2020, it is important to note that the unprecedented state of emergency caused by coronary virus disease (COVID-19) in the country and the world has had a significant impact on the implementation of public audit recommendations as well as on the activities of the supreme audit institution. We wanted to act in such a way as not to disturb the work of the most important institutions of the country in the event of an emergency, but time has come when assessing the suitability of the institutions' actions in implementing the commitments made to both the residents of the country and the supreme audit institution becomes very important while monitoring the implementation of the recommendations on public audits.

Compared to the previous period, in the first half of 2020, we observe some progress in implementing the recommendations (see Fig. 1) and hope that this progress in implementing the recommendations will continue in the future and will shape positive trends.

Figure 1. Status of the implementation of recommendations



Source: SAI

We have seen the long-awaited progress in the first half of 2020 on some of the recommendations, but this is not yet an expected impact, as the creation of legal preconditions is only the first step towards change:

- A new model of strategic management system has been developed, which is enshrined in the Law on Strategic Management¹ adopted by the Seimas. This makes it possible to address the current weaknesses of the system (governance of strategic planning documents, gaps and uncertainties between them, a large number of performance criteria) and a more coherent approach to strategic objectives and a more efficient and targeted use of financial resources. However, we are still awaiting

¹ Law on Strategic Management, 25/06/2020, No XIII-3096 (entry into force 01/01/2021).

implementation of the provisions of this law, integrated strategic and investment planning.

- Amendments to the Law on Education² have been adopted which have enabled inclusion in education to be strengthened, together with the development of support measures in lessons/education activities. However, we are still looking forward to systemic changes in the reform of the school network so that pupils can receive education that meets their needs.
- An amendment to the Law on Public Administration³ has been adopted, which provided legal preconditions for improving the system of public administration, but it is still not ensured that public and administrative services meet the needs of society.

This report presents the results of the implementation of the specific recommendations by public sector areas and aims to highlight three aspects of their implementation, that are of particular importance in the recent period:

- the recommendations, implementation of which may facilitate emergency response due to an outbreak of Coronavirus disease (COVID-19) (marked with the symbol  in its annexes),
- the recommendations, which, in our opinion, are fundamental – modifying important aspects of state governance and relevant under any conditions existing in the State;
- the legislation to be adopted to bring about changes in the country based on the recommendations of public audits.

² Law Amending Articles 5, 14, 21, 29, 30, 34 and 36 of the Law on Education No. I-1489 and Supplementing it with Article 45-1, 30/06/2020, No. XIII-3268 (entry into force 01/09/2024).

³ Law Amending the Law on Public Administration No. VIII-1234, 28/05/2020, No. XIII-2987 (entry into force 01/11/2020).

1. RECOMMENDATIONS THE IMPLEMENTATION OF WHICH COULD FACILITATE RESPONSE TO A PANDEMIC CAUSED BY CORONAVIRUS DISEASE (COVID-19)

The situation facing the world and our country at the beginning of this year is an unprecedented state of emergency in public health protection, with a huge impact on the country's economy. The Supreme Audit Institution has a key role to play in responding to emergency management mechanisms, maintaining public finance management discipline, and ensuring transparency and accountability.

In assessing the recommendations made to public sector institutions in 2017-2020, we have clearly identified those the implementation of which could contribute to more effective management of critical situations in the country and facilitate emergency response in a timely manner.

Improving the quality and accessibility of healthcare services

- The Ministry of Health was recommended to carry out monitoring and analysis of the availability of healthcare services and patient flows, but the Early Patient Appointment Reservation System has not been actively used in all healthcare institutions (implementation date 31/03/2019), reports are not produced to obtain objective information about queues (implementation date 31/03/2020).⁴ If the recommendation were implemented, the Ministry of Health would have reliable and objective information on the availability of healthcare services in an emergency and could take appropriate measures to reduce queues (see more details [here](#)).
- The Ministry of Health must prepare the model for professionals' competency assessment and qualification development (implementation date 01/12/2020).⁵ Accelerating the development and implementation of this model would contribute to the acquisition of the necessary qualifications of health professionals and to prepare for work in a pandemic situation (see more details [here](#)).
- The Ministry of Health was recommended to periodically analyse the collected undesirable event data in order to identify and apply preventive measures (implementation date 01/10/2020), continuously improve the management of undesirable events (implementation date 01/03/2020).⁶ This would improve patient safety and reduce undesirable effects on patients' health (see more details [here](#)).
- Implementation of the recommendations of the electronic health system audit, which should allow to avoid repeating errors in the development of this system (date 30/09/2018) ⁷ would ensure a more efficient operation of the system and, accordingly, of healthcare institutions (see details [here](#)).

⁴ 2018, "The Accessibility of Personal Health Care Services and Orientation Towards the Patient", <https://www.vkontrole.lt/failas.aspx?id=3894>.

⁵ 2018, "Quality of Personal Health Care Services: Security and Efficiency", <https://www.vkontrole.lt/failas.aspx?id=3892>.

⁶ Ibid.

⁷ 2017, "Creation of Electronic Health System", <https://www.vkontrole.lt/failas.aspx?id=3707>.

Programme budget system and state investment

- The government has already had to improve the system for budget formation, strategic planning and reporting on the achievement of operational objectives and priorities (implementation date 30/06/2017⁸).⁹ If the recommendation were implemented, budget allocations would be clearly linked to the results to be achieved, which would allow, in changed circumstances, for a more targeted allocation of budget resources to the areas that are most relevant at the time (see more detail [here](#)).
- The Government had to initiate amendments to legal acts upon deciding what and how many financial indicators the Seimas must approve and the extent of rights to be granted to the Government to implement the budget (implementation date 30/06/2017).¹⁰ The Law on the Budget Structure in force since 2015 and the Law on Financial Indicators for the corresponding year grant the Government the right to finance with the funds borrowed on behalf of the State the expenditure of the state budget which has not been approved by the Seimas. Such practice shows not only weaknesses in planning (when a part of possible planned public expenditure financial indicators is not indicated in the Law), but also increases the risk of breaching the requirements of fiscal discipline. This problem was particularly evident in 2020, when implementing the Plan for Economic Stimulus and Mitigation of Consequences of Coronavirus disease (COVID-19) approved by the Government **the limit of the net change in Government debt liabilities was increased** (from EUR 904 602 thousand up to EUR 5 401 437 thousand) and additional expenditure from the state budget is foreseen, without changing the amounts of appropriations approved in the 2020 budget (see more details [here](#)).
- The Government had to optimise the number of strategic planning documents (implementation date 30/06/2017, according to the project timetable implemented by the Ministry of Finance it is planned to be implemented by 31/12/ 2020¹¹)¹² Timely implementation of strategic planning changes, optimising the number of planning documents and assessment criteria, would allow to focus attention and resources on the most relevant targets of the state and their achievement, thus speeding up the elimination of the effects of Coronavirus disease (COVID-19) (see more details [here](#)).
- The government had to change the procedure for planning and reporting on all state investments, to integrate strategic and investment planning and reporting processes (implementation date 30/06/2020).¹³ A common framework for the management of national and international investments would have contributed significantly to the implementation of the future economic DNA plan launched in 2020, the planning of the 2021-2027 Multiannual Framework and the Recovery and Resilience Fund to address the challenges of the emergency and economic growth (see more details [here](#)).

⁸ According to the timetable for strategic planning and budget formation reform implemented by the Ministry of Finance, it is planned to implement the recommendation by 31/12/2020.

⁹ 2016, "Regularity of 2015 set of consolidated statements of the state and assessment of state budget execution", <https://www.vkontrole.lt/failas.aspx?id=3582>.

¹⁰ Ibid.

¹¹ According to the timetable for strategic planning and budget formation reform implemented by the Ministry of Finance, it is planned to implement the recommendation by 31/12/2020.

¹² 2016, "Programme Budget System: Setting up Strategic Action Plans and Monitoring their Implementation", <https://www.vkontrole.lt/failas.aspx?id=3612>.

¹³ 2016, "Management of the Programme for Investment in 2015", <https://www.vkontrole.lt/failas.aspx?id=3615>.

Improving the competences of educators

The Ministry of Education, Science and Sport was to set up a system for the career and evaluation of teachers (implementation date 30/06/2018).¹⁴ If the recommendation were implemented, this system would already have identified gaps in the competences of educators (e.g.: digital competences, psychological training, ability to recognise special needs and work with pupils with special needs) and timely measures would have been taken to improve their qualifications in these areas. As a result, distance training during the quarantine period would have been smoother and adapted more quickly (see more details [here](#)).

Management and safety of information resources

The Ministry of Economy and Innovation had to develop the national information architecture and its management mechanism, which would allow to objectively identify the importance of the state information resources and properly control this process (implementation date 01/12/2019)¹⁵. Critical data are accumulated and processed in state information resources, based on which electronic services of critical importance to the State and society are provided. Implementation of the recommendation would create conditions for a higher maturity of state information resources management, which would reduce the risk of data reliability, integrity, confidentiality and loss, and ensure the continuous provision of electronic services, as they become even more relevant during emergencies (see more details [here](#)).

An effective public procurement system

The Government was recommended to ensure unified development of public procurement policy (implementation date 31/12/2020), to coordinate the institutions' actions, to optimise the public procurement process (implementation date 01/07/2021).¹⁶ The creation of a centralised procurement system could contribute to a smoother implementation of public procurement in the event of an emergency. We note that up to now there are about 4 thousand contracting authorities, which makes the procurement process difficult in the event of emergencies (see more details [here](#)).

In this report, we would also like to draw attention to the recommendations that we look forward to be implemented in 2022-2025, as we believe that accelerating their implementation would also contribute to more effective emergency management.

Effectiveness of social assistance

The Ministry of Social Security and Labour must develop measures upon application whereof municipalities would be able to establish, plan and monitor social assistance intended for a person or a family, its effectiveness (implementation date 31/12/2022)¹⁷. Implementation of the recommendation would ensure the application of the model of complex provision of social assistance in municipalities, which would create conditions for ensuring comprehensive social assistance in the event of an emergency for persons

¹⁴ 2017, "Could Lithuanian Students Perform Better", <https://www.vkontrole.lt/failas.aspx?id=3778>.

¹⁵ 2018, "Management of Critical State Information Resources", <https://www.vkontrole.lt/failas.aspx?id=3816>.

¹⁶ 2018, "The Functioning of the Public Procurement System", <https://www.vkontrole.lt/failas.aspx?id=3806>.

¹⁷ 2019, "Does Social Assistance Ensure the Minimum Consumption Needs of People Living in Poverty and Promote the Labour Market Integration", <https://www.vkontrole.lt/failas.aspx?id=3977>.

who have lost their jobs, their subsistence income or who need it most (pensioners, persons with disabilities, large families, etc.).

Fighting cybercrime

The Ministry of the Interior was recommended to ensure inter-institutional planning, coordination and impact measurement of cybercrime activities (implementation date 30/06/2022). For the Police Department – to review and improve the business model of cybercrime specialised units (implementation date 31/12/2025)¹⁸. The introduction of quarantine during a pandemic caused by Coronavirus disease (COVID-19) led to even more digitisation of society, which also increased the possibilities for cybercrime. Implementation of the recommendations would improve the prevention and investigation of cybercrime and increase public security in cyberspace.

¹⁸ 2020, "Is Cybercrime Combated Effectively", <https://www.vkontrole.lt/failas.aspx?id=4101>.

2. RECOMMENDATIONS WITH A SUBSTANTIAL IMPACT ON PUBLIC GOVERNANCE

This year, the plans for the implementation of recommendations had to be adjusted as a result of the declaration of emergency in the country due to an outbreak of Coronavirus (COVID-19). In particular, the institutions have made efforts to reduce the effects of virus spread, leading to delays in part of the work due to this situation. Aware of the delay in the implementation of some recommendations, we pay particular attention to those that, in our opinion, initiate major changes in the governance of the state and are even more relevant during crisis and emergency periods, which are creating changes not only in the state's governance itself, but also giving a positive impetus during the recovery period.



In the area of state budget governance, we are still waiting for:

- The prepared medium-term government budget of a new quality (3 years);
- Implementation of provisions of the Law on Strategic Management, integrated strategic and investment planning;
- A coordinated process of budget planning and accountability for government activities;
- The reviewed system of functions implemented by municipalities in order to enable them to be implemented effectively and efficiently in the state (see more details [here](#)).



In the area of education, we look forward to:

- Education meeting individual needs of each pupil;
- Restructuring of the network of municipal schools, which would provide conditions for improving the results of pupils' education, maintain the infrastructure in a cost-effective and efficient manner, and ensure the full workload for teachers in one educational establishment;
- Continuous development of relevant competences and teachers in the education sector (see more details [here](#)).



In the area of public administration, we are waiting for:

- Reformed system for monitoring and impact assessment of legal regulation;
- Clear system of public establishments which would enable the best results to be achieved in the management of a public establishment;
- High-quality administrative and public services that meet the needs of society (see more details [here](#)).



In the area of development of the information society:

- Establishment of the most appropriate model of financing/licensing of public sector data provision for Lithuania;
- Efficient use of state electronic communications networks infrastructure (see more details [here](#)).

To assess the impact of the audit recommendations, we monitor the implementation of all recommendations. Detailed information on the expected implementation recommendations for the second half of 2020 is available in Annexes 1 to 10 of the report by public sector.

3. LAWS REQUIRED TO IMPLEMENT THE RECOMMENDATIONS

At the VIII (spring) session of the Seimas, 8 out of 11 draft legal acts indicated in the Report on the implementation of the recommendations of the National Audit Office 12/03/2020 were adopted¹⁹. The Seimas adopted 5 draft legal acts implementing recommendations of public audits²⁰ which did not appear in the said report.

Currently, the Seimas is expected to adopt 10 draft laws proposing to solve the problems identified during the audits.

Serial No	Draft law	Expected impact	Audit report
1.	Draft law Amending Articles 2, 36, 37 and the Title of Section Eleven of the Law No. IX-1565 on Heat Sector, 05/06/2019 No. XIII-3445(2). <i>(Pending an adoption procedure. The lead committee is the Committee on Economy, additional committee is the Committee of State Administration and Local Authorities. Deliberated in the Committees, 13/06/2019 deliberations in the Seimas)</i>	Upon adoption of the law, provisions will be waived that municipalities should take into consideration 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, "The Renting out of Heating Sector in Municipalities".
2.	Draft Law on the Basics of Cultural Policy, 04/02/2020 No. XIII-4463. <i>(presented to the Seimas 14/05/2020)</i>	The draft law proposes to establish the exclusive functions of national cultural institutions.	2018, "Is the Effective Activity of Theatre and Concert Institutions Ensured".
3.	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 Section Nine of the Law No. I-533 on Local Self-Government and Supplementing the Law with Article 15 ¹ , 03/12/2019 No. XIII-2834(2). <i>(presented to the Seimas 06/04/2020)</i>	Article 7(20) of the Law establishes the state function (delegated by the state to municipalities) "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 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, "Does the System of Municipal Functions and their Funding Provide Conditions for Efficient Operation?".
4.	Draft Law Amending Articles 4, 7, 9 ¹ , 12 ¹ , 15, 17, 18, 20, 21, 23, 26, 26 ¹ , 26 ² , 27, 28, 29, 30, 31, 36, and Chapter V and Repealing Articles 32, 33, 34, and Chapter VI of the Law No. I-1343 on Health	It is planned to optimise the activities of the Compulsory Health Insurance Fund and simplify its management structure by merging the State and Territorial Health Insurance Funds into a single legal person.	2018, "Assessment of regularity of 2017 sets of consolidated financial and budget execution statements, and legality of management, use

¹⁹ 21/05/2020 Law No. XIII-2945 amending Articles 2, 8, 13, 15, 16, 17, 19¹, 20, 30, 34, 36, the Title of Section Six of the Law No. X-493 on Social Services and supplementing the Law with Articles 19², 25¹, 25²; 21/05/2020 Law No. XIII-2946 amending Article 6 of the Law No I-533 on Local Self-Government; 28/05/2020 Law No. XIII-2987 amending Law No. VIII-1234 on Public Administration; 04/06/2020 Law No. XIII-3028 amending Law No. IX-1161 on Forensic Investigation; 25/06/2020 Law No. XIII-3096 on Strategic Management; 25/06/2020 Law No. XIII-3109 amending Articles 2, 8, 17, 18, 32 of the Law No. I-430 on the Budget Structure and supplementing the Law with Article 14¹; 25/06/2020 Law No. XIII-3128 amending Articles 2 and 14 of the Law No. VIII-1312 on Investment; 25/06/2020 Law No. XIII-3144 amending Article 90 of the Law No. XI-242 on Science and Studies; 30/06/2020 Law No. XIII-3228 amending Law No. I-1623 on Mobilisation and Host Nation Support.

²⁰ 14/01/2020 Law No. XIII-2779 amending the Law on Consumer Protection; 25/06/2020 Law No. XIII-3158 amending the Law No. VIII-1183 on Pollution Tax; 07/05/2020 Law No. XIII-2883 Amending Articles 3, 6, 7, 9, 10, 11, 15, 17, 21 and 23 of the Law No. IX-1675 on Cash Social Assistance for Poor Residents; 29/06/2020 Law No. XIII-3204 amending Articles 2, 3, 4 and 7 of the Law No. IX-1871 on Youth Policy Framework; 30/06/2020 Law No. XIII-3268 amending Articles 5, 14, 21, 29, 30, 34 and 36 of the Law No. I-1489 on Education and supplementing it with Article 45-1.

Serial No	Draft law	Expected impact	Audit report
	Insurance, 11/06/2020, No. XIIIIP-4827(2). (Deliberated in the Main Committee (Committee on Health Affairs). The Board of the Seimas adopted a decision on independent expert evaluation of this draft law)		and disposal of funds and property of the Compulsory Health Insurance Fund".
5.	Draft Law Amending Articles 2, 3, 6, 7, 11, 13, 14, 15, 16, 17, 18, 20, 23, 25, 26, 27, 28, 30, 31, 33, 35, 37, 39, 47, 49 of the Law No I-1120 on Territorial Planning and Draft Law Amending Article 6 of the Law No. XII-459 on State Supervision of Territorial Planning and Construction; 05/06/2020, No. XIIIIP-4942 and No. XIIIIP-4943. (Not presented to the Seimas)	It is foreseen that coordination of the territorial planning document should involve the persons who have issued the planning conditions (who should have issued), the publicity of the prepared territorial planning document would be documented in the information system and the time limit for the approval of the detailed plans would be extended by 5 working days.	2019, "Territorial Planning".
6.	Draft Law Amending Articles 2, 12, 28, 30, 30 ¹ , 30 ² , 35 ¹ of the Law No. VIII-787 on Waste Management and Supplementing the Law with Articles 25 ¹ , 30 ³ , 30 ⁴ , 30 ⁵ , 30 ⁶ , 30 ⁷ , 30 ⁸ , 30 ⁹ , 31 ¹ , 31 ² , 31 ³ , Section Seven ¹ and Seven ² , 11/06/2020, No. XIIIIP-4988. (presented to the Seimas on 18/06/2020)	It is foreseen to authorise the National Energy Council to approve the regional price and a ceiling of rate for incineration of 1 ton of municipal waste.	2017, "Application of the Producer Responsibility Principle".
7.	Draft Law Amending the Law No. X-1212 on Public Sector Accountability, 25/06/2020, No. XIIIIP-4539(2). (Deliberated in the Main Committee (Committee on Audit). The main committees shall: 1) Committee on Audit (No. XIIIIP-4539 and its accompanying acts No. XIIIIP-4540 – No. XIIIIP-4550) – have deliberated; 2) Committee of Legal Affairs (accompanying acts No. XIIIIP-4551 and No. XIIIIP-4552) – deliberation procedure is ongoing)	The draft provides for supplementing the set of the state annual reports with the State Progress Report - information on whether the main objectives set in the National Progress Plan and the values of their assessment indicators in the respective financial year were achieved – and to harmonise the deadlines for the submission of the reports submitted separately to the Seimas by the Government in such a way that when the Government reports on the performance results, they could be linked to the financial results of the relevant year.	2016, "Assessment of regularity of 2015 set of consolidated statements of the state and assessment of state budget execution" 2018, "Assessment of data of 2017 set of national financial statements and public debt and its management".
8.	Draft Law Amending the Law No IX-904 on Prevention of Corruption, 01/07/2020, No. XIIIIP-5042. (Not presented to the Seimas)	It is planned to create an anti-corruption environment in Lithuania by promoting voluntary activities and involvement of entities; to develop new and updated existing proven anti-corruption measures; to update the system of entities implementing anti-corruption measures and specify their rights, duties and responsibilities.	2013, "How do public bodies carry out corruption prevention?".
9.	Draft Law Amending the Law of the Republic of Lithuania on the Register of Employees in the Public Sector, Draft Law Amending Articles 9, 34, 51, 55, and Repealing Articles 53, 54 of the Law of the Republic of Lithuania No. VIII-1316 on Civil Service, Draft Law Amending Articles 20, 25, 27, 40 and 60 of the Law of the Republic of Lithuania No. I-599 on the Prosecution Service, Draft Law Amending Article 81 of the	It is planned to establish the Register of Public Sector Employees (on the basis of the Register of Civil Servants and the Register of Officers of the Interior) to accumulate, analyse and provide data necessary for the state governance (for making systemic decisions on human resources management, ensuring control and prevention, planning of the budget (wages), monitoring of public administration, taking personnel management decisions by the heads of state and municipal institutions and entities, etc.), not only on civil servants and employees working under an employment contract in state and municipal	2017, "Human Resource Management in Public Administration".

Serial No	Draft law	Expected impact	Audit report
	Statute of the Internal Service of the Republic of Lithuania, Draft Law Amending Articles 1, 5, 9, 11 and 14 of the Law of the Republic of Lithuania No. IX-904 on the Prevention of Corruption, Draft Law Amending Article 2 of the Law of the Republic of Lithuania No. I-1338 on Declaration of Assets of Residents, and Draft Law Amending Articles 5, 29, 31, 33, 42, 69, 71 and 72 of the Law of the Republic of Lithuania No. VIII-1012 on Diplomatic Service, 13/02/2020 Nos. XIIIIP-4483 – XIIIIP-4489. <i>(Presented to the Seimas 04/04/2020. The main committee, the PSC, deliberated and proposed to refer these draft laws back to the initiators for improvement)</i>	institutions and entities, but also on state politicians, lawyers, prosecutors.	
10.	Draft Law Amending Articles 3.51, 3.52, 3.53, 3.61, 3.66, 3.67, 3.73, 3.77, 3.79, 3.85, 3.103 and 5.7 of the Civil Code, Supplementing the Code with Articles 3.54(1), 3.76(1) and accompanying draft laws, 15/07/2020 Nos. XIIIIP-5059 – XIIIIP-5065. <i>(Not presented to the Seimas)</i>	It is planned to reduce the workload of district courts in civil proceedings by refusing a part of the settlement of non-judicial issues (dissolution of marriage and legal separation with the spouses' consent, where the spouses do not have minor children, the authorisation of the court to amend the marriage contract, as well as the authorisation of the court to conclude transactions in an immovable, which is a family property), by passing the decision on these issues to notaries. To distribute the workload to district and district courts more efficiently, create preconditions for faster civil proceedings, reduce the costs of proceedings, and ensure mutual compatibility of procedural provisions enshrined in different legal acts.	2020, "Judicial System".

ANNEXES

Report on the implementation
of recommendations
Annex 1

Reform of the State Budgetary Governance

Budgetary governance, covering both the issues of drawing up and implementing the budget and reporting on the results achieved and the use of financial resources, has a decisive influence on the effective implementation of the objectives of the State using the available financial resources. Budgetary governance is the basis for rational and transparent allocation and use of state resources. Proper budgetary formation and governance are important to manage negative economic consequences, to address the rise in public debt or non-transparent financial management.

As the Government continues the reform of the system of strategic planning and budget formation during the first half of 2020:

- A new model of strategic management system has been developed, which is enshrined in the Law on Strategic Management²¹. This model makes it possible to address the shortcomings of the existing system: excess of strategic planning documents, lack of links and uncertainties between them, large number of performance criteria. The Law will allow for a more consistent achievement of strategic objectives and a more efficient and targeted use of financial resources;
- The supplemented Law on the Budget Structure²² will allow to link strategic objectives and target indicators of the National Progress Plan from 2022 to the financial indicators of the state and municipal budgets;
- The adopted amendments to the Law on Social Services²³ and the Law on Local Self-Government²⁴ extend the rights of municipalities in the provision of social services.

By the end of 2020, the Government plans to approve the Strategic Management methodology detailing the implementation of the provisions of the Law on Strategic Management, which will replace the current Strategic Planning Methodology. We are still looking forward to significant changes:

- the prepared medium-term government budget of a new quality (3 years);
- Implementation of provisions of the Law on Strategic Management, integrated strategic and investment planning;
- Coordinated process of budget planning and accountability for government activities;
- Revised system of functions implemented by municipalities to enable them to be implemented effectively and efficiently in the state.

²¹ Law on Strategic Management, 25/06/2020 No. XIII-3096 (entry into force 01/01/2021).

²² Law Amending Articles 2, 5, 8, 17, 18, 32 of the Law No I-430 on the Budget Structure and Supplementing the Law with Article 14¹, No XIII-3109. 25/06/2020.

²³ Law Amending Articles 2, 8, 13, 15, 16, 17, 19¹, 20, 30, 34, 36 and the Title of Chapter VI of the Law No. X-493 on Social Services and Supplementing it with Articles 19², 25¹ and 25², 21/05/2020 No. XIII-2945.

²⁴ Law Amending Article 6 of the Law No. I-533 on Local Self-Government, 21/05/2020 No. XIII-2946.



**Implementation of
recommendations
delayed**



**Implementation of
recommendation is
anticipated**

Key recommendations and their measures delayed to be implemented

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
2016, "Regularity of 2015 set of consolidated statements of the Republic of Lithuania state and assessment of state budget execution", monitoring information (Recommendations 1 and 2). 2016, "Programme Budget System: Setting up Strategic Action Plans and Monitoring their Implementation", monitoring information (Recommendations 3 and 4). 2016, "Management of the Programme for Investment in 2015", monitoring information (Recommendation 5). 2018, "Assessment of data of 2017 set of national financial statements and public debt and its management", monitoring information (Recommendation 6). 2019, "Does the System of Municipal Functions and their Funding Provide Conditions for Efficient Operation?", monitoring information (Recommendations 7, 8, 9).		
 1. To improve the budget formation system by: with a view to reducing the scope of non-value-added and duplication work, the administrative burden on public sector entities, to have clear and useful information to take decisions, to improve the system of planning and reporting for achievement of the goals and priorities of the Government using state budget funds.	The proposal involves major changes in the structure and strategic planning of the budget ("reform"), and it is therefore envisaged to prepare a plan of measures to implement the changes.²⁵ (On 25/06/2020 the Law on Strategic Management No. XIII-3096 and related amendments to laws were adopted. They will allow for a more coherent approach to strategic objectives and a more efficient and targeted use of financial resources. By the end of 2020, the Government plans to approve a new methodology for strategic management detailing the implementation of the provisions of this Law. The National Progress Plan shall be prepared in compliance with this Law, covering all areas of activities of the State, setting strategic objectives, progress targets, impact indicators, specifying horizontal principles, setting out the participants of the strategic management system responsible for their implementation, as well as financial projections. The progress achieved shall be accounted for in accordance with the procedure laid down by the Law on the Public Sector Accountability. With the Resolution No. 156 of 26/02/2020, the Government submitted a package of laws to the Seimas, including a Draft Law Amending the Law No X-1212 on Public Sector Accountability²⁶. It provides for adding the State Progress Report to the set of annual reports of the State – information on whether the main objectives set out in the National Progress Plan and the values of their assessment indicators in the fields of activities of the State in a respective financial year were achieved – and to harmonise the deadlines for the submission of the reports submitted to the Seimas by the Government in such a way that when the Government reports on the performance results, they could be linked to the financial results of the relevant year.	Government 30/06/2017 

²⁵ Preparation and adoption of the Draft State Budget 2021-2023, which sets out the funding of policies for 3 years and the expected results.

²⁶ Draft Law Amending the Law No. X-1212 on Public Sector Accountability, 25/06/2020, No. XIII-4539(2).

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
	Together with the Law on Strategic Management, ²⁷ the Law on the Structure of the Budget has been supplemented, which provides that the Law on the Approval of Financial Indicators of the State Budget and Municipal Budgets for the corresponding year shall specify the key progress targets set in the National Progress Plan, the actual values of these indicators for the nearest subsequent period and approve the target values for the respective budget year. The provisions of this Law shall apply when drafting the Law on the Approval of Financial Indicators of the State Budget and Municipal Budgets for 2022 and subsequent years and strategic action plans for 2022-2024 and subsequent years.)	
 2. In order to ensure compliance with the provisions of the Constitution, to initiate amendments to legal acts upon deciding what and how many financial indicators must be approved by the Seimas and extent of rights to be granted to the Government to implement the budget.	The proposal involves major changes in the structure and strategic planning of the budget ("reform"), and it is therefore envisaged to prepare a plan of measures to implement the changes. (When carrying out the work on strategic planning and reform of the budget formation system, it is planned to prepare a Draft Law amending the Budget Structure in 2020, which will harmonise the relevant provisions with the Law on Strategic Management²⁸. It is planned that the Draft Law amending the Budget Structure will be prepared and submitted to the Seimas for deliberation by the end of 2020.)	Government 30/06/2017 
 3. In order to ensure that the strategic action plans reflect the essential objectives set out in other planning documents, determine which elements of the planning documents must be transferred to the strategic action plans and which must be linked only. 4. Optimise the number of strategic planning documents in order to clarify planning, monitoring, and evaluation.	Preparation, approval, and implementation of the reform of strategic planning methodology enshrining the new strategic planning system. (On 25/06/2020 the Law on Strategic Management No. XIII-3096 was adopted, which establishes the principles of the new strategic management system, the levels and types of planning documents, their interlinkages and influence on fund planning, the participants of the strategic management system, their rights and duties, and the provisions of strategic management system management. By the end of 2020, the Government plans to approve the Strategic Management Methodology detailing the implementation of the provisions of this Law, which will replace the current Strategic Planning Methodology. The recommendations are planned to be implemented through the development of a new strategic planning system in the IV quarter of 2020 and the preparation of a medium-term budget for 2021-2023 (following the timetable for projects implemented by the Ministry of Finance "Development and implementation of a new strategic planning system including the process of strategic, regional and territorial planning" and "Medium-term planning of public expenditure and linking to the results".)	Government 30/06/2017 (in accordance with the timetable for the reform of the strategic planning and budget formation system conducted by the Ministry of Finance, it is planned to implement the recommendation by 31/12/2020) 
 5. In order to change the procedure for planning and accounting of all state investments, to integrate strategic and investment planning and reporting processes.	Preparation and implementation of the updated State Investment Planning Procedure. (On 25/06/2020 upon adoption by the Seimas of the Law on Strategic Management No. XIII-3096, the Government plans to approve the Strategic Management Methodology detailing the implementation of its provisions by the end of	Government 30/06/2020 

²⁷ Law Amending Articles 2, 5, 8, 17, 18, 32 of the Law No I-430 on the Budget Structure and Supplementing the Law with Article 141, No XIII-3109.25/06/2020.

²⁸ Law on Strategic Management, 25/06/2020, No XIII-3096.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
	2020, which will establish the procedure for planning and managing investments. New strategic management system at the programming level, i.e. development programmes, must plan all new investments from 2021 onwards and will be subject to common justification, selection, monitoring and reporting procedures, regardless of their source of funding. Law No. XIII-3128 Amending Articles 2 and 14 of the Law on Investment No. VIII-1312 was adopted together with the Law on Strategic Management on 25/06/2020, which 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 31/12/2025. The Government implemented transitional measures for the State Investment Programme in 2017-2018: revised the rules for the planning, adjustment, use, accounting and control of State funds allocated for state capital investments. The selection of state investment projects has been tightened, the programme does not plan and does not prepare investment projects up to EUR 360 thousand and IT projects up to EUR 100 thousand. The projects are monitored for 5 years after their completion.)	
6. In order to ensure that when reporting to the Seimas for the results of activities, the Government also submits sets of consolidated statements, it is necessary to coordinate the deadlines for reporting.	Draft amendments to the legal acts related to the set of consolidated statements of the State and Resources Funds and the activity report drawn up by the Government to the Seimas. (A Draft Law Amending the Law on Public Sector Accountability²⁹ was registered in the Seimas proposing that the Government should report to the Seimas with one package of reports before 15 May.)	Ministry of Finance 31/12/2019 
7. With a view to ensuring that the system of functions implemented by municipalities would ensure efficient and effective performance thereof: 7.1 To review the system of functions implemented by municipalities and assess what functions can best be performed by central government and local self-government and take the decisions necessary to implement changes; 7.2. To assess the expediency of division of functions into state (delegated by the State to municipalities) and independent functions and take decisions necessary for the implementation of changes; 7.3. With a view to reducing the administrative costs of performing a part of state functions, to review state functions and eliminate activities of a temporary nature, performed in an episodic manner, minor activities or performed by several municipalities only.	Short-term actions and measures: 1. To propose to include the directions of changes in the system of functions implemented by municipalities into the National Progress Programme 2021-2030. (draft National Progress Plan 2021-2030 submitted for public consideration on 20/11/2019 provides for an evaluation of the functions implemented by the state together with municipalities and a determination of the level at which they are implemented most effectively. The Law on Strategic Management³⁰ stipulates that the Government has to approve the National Progress Plan for 2021-2030 by 31/12/2020.) 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 expediency of division of municipal functions into state (delegated by the State to municipalities) and independent functions, also to establish the essential criteria of such division: 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 set up by an order of the Minister of the Interior analysed the	Government 31/12/2019 Ministry of the Interior 31/12/2019  

²⁹ Draft Law amending the Law No. X-1212 on Public Sector Accountability, 25/06/2020 No. XIII-P-4539(2).

³⁰ Law on Strategic Management, Article 25(3) p. 2.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
	organisation of fire safety in Lithuania, the implementation of the fire safety function delegated to municipalities, existing problems, needs and adopted the following decisions:³¹ 1.To instruct the Fire Protection Department under the Ministry of the Interior to assess the state of fire safety in each municipality and to establish the specific objectives and measurable indicators to be achieved for the measures in the field of fire prevention established by municipal fire prevention services. 2.Considering the threats of centralisation of the state-owned fire safety function delegated to municipalities during the review³², postpone the adoption of a decision on centralisation of this function for one year, i.e. until 31/10/2020. The Department assessed the state of fire safety in each municipality and³³ included in the 2020-2022 strategic action plan of the management areas assigned to the Minister of the Interior a measure “to co-ordinate the performance of the fire safety function of municipalities” and indicators.)	
	2.2. State functions of municipalities (delegated by the State to municipalities) - participation in preparing population polls and 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; (The draft amendment to the Law on Local Self-Government³⁴ proposed to abandon the state function (delegated by the State to municipalities) “Participation in the preparation of local population polls and other statutory civic (residential) initiatives”, as such activities are not considered as a separate function in which municipalities have the right of initiative for decisions established by law and which must be financed with special targeted grant funds according to the methodology for calculating these funds. On 02/06/2020, the Legal Department of the Office of the Seimas presented the conclusion that the provision of the draft law proposing to abandon this function is disputed. The Department noted that the local population poll instrument could also be used by the State (state institutions) in performing its functions. We look forward to further decisions.)	Ministry of the Interior 31/12/2019 
	2.3. State functions of municipalities (delegated by the State to municipalities) - organisation of secondary health care and organisation of ambulance service; to submit the results of the review to the Government; (Ministry of Health carried out an analysis of the deployment of Ambulance Service brigades and decided to draft the Law on Ambulance Service	Ministry of Health 31/12/2019 

³¹ A Report on the Review of the State Fire Safety Function Transferred to Municipalities.

³² Centralisation of the function performed by municipal fire prevention services would cause certain social and financial problems; On 01/01/2010 the Fire and Rescue Department ceased its activities in many municipalities and transferred the commands belonging to the State Fire and Rescue Service, etc.

³³ Order of the Minister of the Interior, 17/02/2020 No. 1V-137.

³⁴ 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 IX of the Law No. I-533 on Local Self-Government and Supplementing the Law with Article 15¹, 03/12/2019, No. XIII-P-2834(2

³⁴ Order of the Minister of Health, 23/05/2019 No. V-600.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
	regulating the legal basis for the organisation of ambulance service in Lithuania, the ambulance service system, the competences, rights and obligations of state and municipal institutions in the field of ambulance services. Having evaluated the results of the inspection of personal health care institutions presented by the State Health Care Accreditation Agency, the Ministry of Health reviewed the scope of the provision of secondary personal health care services and improved the requirements: excessive, obsolete provisions have been discarded.³⁵Currently, other contexts related to the secondary health care organisation in municipalities are being examined and the needs of amending legal acts are being considered. No proposals concerning the organisation of these functions have been submitted to the Government. We look forward to further decisions.)	
	2.4. independent functions of municipalities-planning and provision of social services; to submit the results of the review to the Government. (Ministry of Social Security and Labour carried out a review of the independent function of municipalities, i.e. planning and provision of social services. Following the review, amendments to the Law on Social Services³⁶ and the Law on Local Self-Government³⁷ have been prepared and adopted, which extend the rights of municipalities in the provision of social services: a municipality shall organise social services for persons (families), i.e. it shall finance social attendance and social care by concluding an agreement with an accredited social services establishment or a social care establishment providing social care on the financing of expenses of the social services provided to a person (family), where these establishments are selected by the recipient (guardian, custodian) of these services himself, other lawful representatives of the person and where the need for the person's (family's) social services is established for these services. A municipality shall control the quality of general social services and social attendance provided in its territory, accredit social attendance provided by social services establishments in accordance with the procedure laid down by the Minister of Social Security and Labour. We look forward to the adoption of the law implementing legislation.)	Ministry of Social Security and Labour  31/12/2019
	3. Monitor the availability of services set out in the package of basic services for the family in municipalities. (The Ministry of Social Security and Labour on 25/03/2020 planned a meeting with the institutions in charge of basic services regarding monitoring of the process of these services provision for the family, however due to the declared quarantine in the country the	Ministry of Social Security and Labour  31/12/2019

³⁶ Draft Law amending Articles 2, 8, 13, 15, 16, 17, 19¹, 20, 30, 34, 36, and the Title of Chapter Six of the Law No. X-493 on Social Services and Supplementing it with Articles 19², 25¹ and 25², 21/05/2020 No. XIII-2945.

³⁷ Draft Law Amending Article 6 of the Law No I-533 on Local Self-Government, 21/05/2020 No. XIII-2946.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
	meeting has been postponed. The Ministry plans to extend meetings with interested institutions regarding further cooperation in improving the monitoring processes of the package of basic services for families and ensuring monitoring of availability of basic services in municipalities. The Ministry applied to the Research Council of Lithuania with a proposal to carry out the commissioned research ³⁸ on "The need for services provided in the basic family service package, the applicability of the criteria for the provision of these services to the assessment, monitoring and forecasting of the demand and availability of services".)	
8. With a view to ensuring that the system of municipal functions would ensure efficient and effective performance thereof, 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 decisions necessary for the implementation of the changes.	Medium-term actions and measures: a decision was taken to include the horizontal priority of developments in the public sector, the review of the system of functions performed by municipalities, into the National Progress Programme 2021-2030. (The draft National Progress Plan 2021-2030 provides for an evaluation of the functions performed by the state and municipalities and the identification of the level at which they are most effective. The Law on Strategic Management ³⁹ stipulates that the Government must approve this plan by 31/12/2020.)	Government 31/03/2020 
9. With a view to ensuring 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 shall be set. (According to subparagraph 1 of paragraph 1 of Article 3 of the Law of the Republic of Lithuania on the Approval of Financial Indicators of the State Budget and Municipal Budgets for 2020 ⁴⁰ , state institutions and agencies are under an obligation not only to distribute special targeted grants to municipal budgets, but also to notify the municipalities receiving these grants of the objectives set for them and the criteria for assessing their achievement. The Strategic Management Methodology implementing the Law on Strategic Management is under preparation and is planned to be approved in the fourth quarter of 2020. Once the methodology has been adopted, the format of the strategic activity plan will be revised: when awarding grants to municipalities, the managers of state budget appropriations will set target indicators and their values which municipalities will have to achieve when using these funds.)	Ministry of Finance 31/03/2020 

³⁸ The Commissioned Research Projects Facility is designed to finance state-driven short-term urgent applied research. It shall be research according to the themes of research and experimental (social, cultural) development programmes of particular importance to the State and proposed by the ministries of the Republic of Lithuania and other interested state institutions.

³⁹ Law on Strategic Management, Article 25(3) p. 2.

⁴⁰ Law on the Approval of Financial Indicators of the State Budget and Municipal Budgets for 2020, 17/12/2019 No. XIII-2695.

Recommendations or their measures, that we are looking forward to being implemented in the second half of 2020.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
2019, "Does the System of Municipal Functions and their Funding Provide Conditions for Efficient Operation?", monitoring information.	Short-term actions and measures: to submit an application for a project financed with the funds of the 2014-2020 Operational Programme for the European Union Funds Investments, priority 10 "Society-oriented smart public administration", the purpose of which is to establish criteria, areas and ways of reviewing the functions performed by municipalities. Upon approval of the funding, the project shall be implemented. In the event of failure to approve funding, to provide for other measures and ways to carry out a systematic review of municipal functions.	Ministry of the Interior 31/12/2020 
With a view to ensuring that the system of functions performed by municipalities would ensure efficient and effective performance thereof: 1. To review the system of functions performed by municipalities and assess which functions can best be performed by the central government and local self-government and take decisions necessary for the implementation of changes; 2. To assess the expediency of division of functions into state (delegated by the State to municipalities) and independent functions and take decisions necessary for the implementation of changes; 3. With a view to reducing the administrative costs of performing a part of state functions, to review state functions and eliminate temporary, occasional, small-scale activities or activities performed by only several municipalities.		

Report on the implementation
of recommendations

Annex 2

Recommendations in the Area of Education

High-quality education process and rationally used resources are the main goals of restructuring the network of Lithuanian schools. Only an optimally organised school system, which ensures a good quality children's education, creates preconditions for improving educational results and reducing people's social exclusion.

During the first half of 2020, as a result of implementing the key recommendations of audits conducted in 2017 "Could Lithuanian students perform better"⁴¹, in 2018 "Do we use pre-school education opportunities to ensure a more successful future of children"⁴², the following changes are observed: Law amending and supplementing the Law on Education has been adopted⁴³; the concept of inclusion has been defined and Article 29(10) has been deleted as regards offering pupils with special educational needs to study in other schools. These amendments created legal preconditions for strengthening inclusion in education by rejecting discriminatory provisions regarding learners with special educational needs (allowing schools that, for objective reasons, are unable to ensure educational assistance for these pupils, to offer another school) and at the same time developing measures for assistance in lessons/education activities.

We are still looking forward to the following significant changes in ensuring:

- education according to the education needs of each learner;
- reorganisation of the network of municipal schools, which would provide conditions for improving learners' achievements and educational outcomes, maintaining the infrastructure in a cost-effective and efficient manner;
- necessary competences and continuous development of teachers in the education sector, which is important for the quality of education and for increasing the attractiveness of the teaching profession.

In order to assess whether vocational training policy ensures the quality and added value of vocational education, the supreme audit institution carried out an audit in 2020 entitled "Is Vocational Training Organised Efficiently"⁴⁴. [We are waiting until 31/12/2022](#)⁴⁵ for significant changes in the implementation of public audit recommendations and measures, therefore we will present information about their implementation in other reports on the implementation of recommendations.

⁴¹ 27/09/2018, <https://www.vkontrole.lt/failas.aspx?id=3888>.

⁴² 28/11/2017, <https://www.vkontrole.lt/failas.aspx?id=3778>.

⁴³ Law Amending Articles 5, 14, 21, 29, 30, 34 and 36 of the Law No. I-1489 on Education and Supplementing it with Article 45-1, 30/06/2020 No. XIII-3268 (entry into force 01/09/2024).

⁴⁴ 31/01/2020, <https://www.vkontrole.lt/failas.aspx?id=4069>.

⁴⁵ Monitoring information, https://www.vkontrole.lt/stebesena_pdf.aspx?id=21634.



Implementation of recommendations is delayed



Implementation of recommendation is anticipated

Key recommendations and their measures delayed to be implemented

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
2017, "Could Lithuanian students perform better", monitoring information (Recommendations 1, 2, 3). 2018, "Do We Use the Pre-School Education Opportunities to Ensure a More Successful Future for Children", monitoring information (Recommendation 4).		
1. To ensure education according to the education needs of each learner: to promote inclusive education by revising the Law on Education to ensure the rights of learners with special educational needs, legalising teachers' and learners' assistants; legalising the purpose of teaching funds allocated for learners with special educational needs to reach the learner, and accounting for their use.	1. To draw up guidelines for inclusive education, to anticipate works and funds necessary for their implementation: to revise and supplement the Action Plan on Child Inclusion and Comprehensive Education 2017-2022 approved by Order No. V-527 of the Minister of Education and Science on 27/06/2017. (Action Plan for Inclusion of Children in Learning and Diversified Education 2017-2022 supplemented with new measures on 10/05/2018. A draft plan of measures for the implementation of the amendments to the Law on Education for 2020-2024 has been prepared, aimed at the adaptation of schools to educate learners with various educational needs, attracting the necessary specialists, improving their working conditions and improving their competences. It is planned to be approved by 01/01/2021.)	Ministry of Education, Science and Sport 31/03/2018
	2. To disseminate school experience on progress towards inclusive education goals. (In the fourth quarter of 2020, the Ministry, together with the National Education Agency, plans to launch an information campaign to promote the best practices of schools, debates, and other activities through various measures.)	30/09/2018
	3. To amend the description of the procedure for organising education of learners with special educational needs, approved by Order No. V-1795 of the Minister of Education and Science on 30/09/2011 (for the cases when 2 teachers (teacher and special pedagogue or second teacher) should participate in the education process). (After the adoption of amendments to the Law on Education⁴⁶ regarding inclusion in education, the description of the organisation of education of learners with special educational needs is planned to be abandoned, and provisions on the participation of 2 teachers in the education process are provided for in the implementing legal acts of the Law, which are to be prepared by 31/12/2023.)	30/06/2018
	4. Together with municipalities to establish posts of learners' assistants in general education schools. (The EU project funded 34 posts of teacher's assistant in 34 schools between 2018 and 2019). These posts (and those established during the EU project) are financed from state grants allocated to municipalities for educational assistance and from municipal budgets. According to the Ministry, the number of teachers' assistants in schools is increasing (between 2018 and 2019, there were 1,783,	31/12/2018

⁴⁶ Law Amending Articles 5, 14, 21, 29, 30, 34 and 36 of the Law No. I-1489 on Education and Supplementing it with Article 45-1, 30/06/2020 No. XIII-3268 (entry into force 01/09/2024).

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/ deadline
	and between 2019 and 2020, - 2,069 posts), but there are still some 1,500 posts needed. Upon the entry into force of the amendments to the Law on Education⁴⁷, the posts of a pupil's assistant will be introduced as of 01 January 2024. The actions necessary for attracting them are planned to be included in the plan for the implementation of the amendment of the law, which should be approved by 01/01/2021.)	
	5. To prepare and approve an amendment to Order No. V-312 of the Minister of Education and Science of 10/04/2014 on the "Approval of the Procedure for Transfer of Special Target Grants (with the exception of financing for capital for investment) to Municipalities and Reporting by Municipalities for the Use of these Funds to the Ministry of Education and Science": to establish reporting for the use of teaching funds allocated for learners with special educational needs according to the purpose so that the money would be used for educational assistance of these learners. (A new procedure for reporting for the use of funds allocated for educational assistance ⁴⁸ has been approved, however reporting for the use of teaching funds allocated for learners with special educational needs is not sufficiently detailed. We monitor further implementation following the adoption of the amendments to the Law on Education.)	31/12/2018 
	6. The methodology for calculation and distribution of teaching funds provides for the use of educational assistance funds. (The Description of the Procedure for Calculating, Allocating and Using Teaching Funds⁴⁹ provides for the use of educational assistance funds: for salaries, for services related to psychological, special-pedagogical, special and social-pedagogical assistance, as well as for support to the staff of the school library. However, funds for the provision of special training measures have not been regulated. We monitor further implementation following the amendments to the Law on Education.)	30/09/2018 
2. The restructuring/optimisation of the network of municipal schools must ensure the improvement of learners' achievements and educational results as well as economic and efficient maintenance of the infrastructure; therefore, legal acts must be amended in order to establish: mandatory and clear objectives/tasks of restructuring of the network of municipal schools aimed at improving learners' achievements and educational outcomes; the criteria for the reform of the school network, including not allowing multigrade classes from 5 to 8.	To prepare draft Government Resolution amending Government Resolution No. 768 "On the Approval of the Rules for the Development of the Network of Schools Implementing Formal Education Programmes" and to establish minimum requirements for the size of the school, class/group and multigrade classes. (From 01/09/2018, the Rules for Reforming the Network of Schools Implementing Formal Education Programmes⁵⁰ have been amended, however the criteria for promoting quality education have not been introduced. On the contrary: low-quality education is legalised by allowing to combine 5-8 classes in all types of educational institutions. Municipalities, which in 2020 are allocated special targeted grants from the state budget to finance education needs, follow the objective set by Order of the Minister⁵¹ to use the resources available in a more rational way by ensuring the quality and accessibility of education at municipal schools. Criteria have been approved to assess the achievement of this objective, focusing on resource	Ministry of Education, Science and Sport  01/01/2018

⁴⁷ Ibid.

⁴⁸ Order No. V-55 of the Minister of Education, Science and Sport, 25/01/ 2019.

⁴⁹ Government Resolution No. 679, 11/07/2018.

⁵⁰ Government Resolution No. 682, 11/07/2018.

⁵¹ Order No. V-72 of the Minister of Education, Science and Sport, 20/01/2020.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/ deadline
	efficiency and the quality of education, e.g. part of general education schools' classes 1 to 8, which are combined; part of classes of general education schools with less than 8 pupils. We will consider the measure to be implemented when criteria are established to prevent the connection of classes 5 to 8.)	
 3. To develop a career and evaluation system for teachers to continuously improve and to link their salaries with performance and competences.	1. To prepare a description of competences required for performance in education. (The Ministry has prepared a draft description of competences required for performance in education, which is planned to be tested and revised by the National Education Agency in the framework of the EU Project "Continue". Procurement procedures are currently under way.) 2. To prepare the procedure for mandatory periodic evaluation of pedagogues' performance. (The Ministry prepared two versions of the draft description of the procedure for the evaluation of performance of teachers and specialists providing assistance to the learner. They are not approved. It is planned to include the issue of pedagogues' performance and competences in the Collective Agreement of the Lithuanian Education and Science, which provides for reviewing the current performance assessment and choosing the most appropriate form for performance and competence assessment.) 3. Develop tools for assessment of pedagogues' performance. (The tools for assessment of pedagogues' performance are planned to be developed in the framework of the EU project carried out by the National Education Agency, together with testing the Description of Competences. The purchase of a service is currently under way. Assessment instruments should be developed and tested in the second quarter of 2021.)	Ministry of Education, Science and Sports 31/12/2017 30/06/2018 30/06/2018
4. In order to achieve the quality of education, it is necessary to attract as many competent professionals as possible to work in pre-primary education establishments and therefore to ensure that their working conditions are at least equal to that of primary teachers: — to equate the salary of pre-school education teachers to the remuneration of primary school teachers so that the teachers choose work at the establishments implementing the pre-school curriculum; — increase the number of non-contact hours for pre-school educators so that they can prepare for educational activities, etc.	Legal preconditions have been created for the implementation of the provisions (pay for pre-school educators and non-contact hours). (When the Seimas adopted amendments to the Law ⁵², since 01/09/2020, the coefficients of the fixed part of the salary of pre-school education teachers were equated to the coefficients of other teachers. The increase of the number of non-contact hours is foreseen in the collective agreement of staff in education and research, however the legislation has not yet been adopted.)	Ministry of Education, Science and Sports 30/06/2019

Recommendations or their measures, that we are looking forward to be implemented in the second half of 2020.

⁵² Law Amending the Law No. XIII-198 on the Remuneration of Employees and Commissions of State and Municipal Agencies, 05/12/2019, No. XIII-2606.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
2018, "Do We Use the Pre-School Education Opportunities to Ensure a More Successful Future for Children", monitoring information. In order to achieve the quality of education, it is necessary to attract as many competent professionals as possible to work in pre-primary education establishments and therefore to ensure that their working conditions are at least equal to that of primary teachers: — to equate the salary of pre-school education teachers to the remuneration of primary teachers so that the teachers choose work at the establishments implementing the pre-school curriculum; — increase the number of non-contact hours for pre-school educators so that they can prepare for educational activities, etc.	The salary of pre-school educators and pre-primary education educators is equated to the salary of primary class teachers; the number of non-contact hours for these teachers has been increased.	Ministry of Education, Science and Sports  30/09/2020

Report on the implementation
of recommendations
Annex 3

Recommendations in the Area of Public Administration

Creation of a high-quality legislative framework

Legal regulation is a form of establishing a certain social order, ensuring performance of state functions, expectations of civil society and creating conditions for effective development of society and the State. Clarity, validity, and effectiveness of legal regulation depend on the process of creation of legal regulation (legislation). Proper implementation of the recommendations would help to create an integral, coherent, sustainable, and effective legal framework and to organise the legislative process more efficiently and smoothly.

During the first half of 2020, there were no major changes in the implementation of the recommendations of the 2018 public audit “Legislative Process”⁵³.

We note that the Government should pay more attention when reforming the system for assessing the impact of envisaged legal regulation and monitoring legal regulation.



Implementation of
recommendations is
delayed

Key recommendations and their measures delayed to be implemented

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline	
2018, “Legislative process”, monitoring information			
1. With a view to a consistent and targeted improvement of the existing legal regulation and efficient use of human resources for this purpose, to reform the system of monitoring of legal regulation in such a way that the competences of different institutions for carrying out the assessment of legal regulation would be concentrated and shifted from fragmented assessments of legal regulation to relevant and problematic systemic assessments of legal regulation areas.	1. To develop guidelines for practitioners on how to conduct a systematic review of the current legal regulation.	Government 31/05/2018	●
	2. To present guidelines for systematic reviews of existing legal regulation and the results of the pilot evaluation to practitioners in ministries. (The issue of preparation of guidelines on systematic reviews of effective legal regulation was postponed until the preparation and approval by a Government resolution on the methodology for ex post assessment of the impact of effective legal regulation prepared by the Ministry of Justice.)	31/10/2018	●
2. With a view to timely and proper drafting of legal acts conforming to the interests of the public and the State, to reform of the impact assessment system so as to ensure an appropriate assessment of the possible consequences of the envisaged legal regulation on the persons or groups to which it will apply, the economy, state finances, social environment, public administration, scale of corruption, administrative burden, etc., as well as provision of the results of the	1. To prepare proposals regarding the intended change of regulation of the system for assessment of the impact of legal regulation, to discuss with the interested parties.	Government 31/05/2019	●
	2. Where necessary, to revise the methodology for assessing the expected impact of legal regulation and/or other relevant legal acts. (In the Office of the Government, initial proposals concerning the improvement of the regulation of the intended legal regulation impact assessment system have been prepared, however have not been sufficiently discussed yet. Taking into account the fact that the Office of the Government has not cashed out the proposed changes that could be communicated	30/09/2019	●

⁵³ 16/03/2018, <https://www.vkontrole.lt/failas.aspx?id=3789>.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
assessment and supporting data to the entity adopting the legal act.	and presented to interested parties, the drafting of the revision of the envisaged methodology for assessing the impact of legal regulation is accordingly delayed. The reason for the delay identified by the Office of the Government was the work on reducing the risk of transmission of the COVID-19 virus, which was a priority in the second quarter of 2020. The Office of the Government plans to implement the measures in the second half of 2020).	
3. In order to ensure that sufficient time is allocated to the drafting and publishing of laws and the procedure of urgency and special urgency is applied only in exceptional cases, when this is required by the extraordinary social, economic or political circumstances of a country, we propose that the Statute of the Seimas establish clear and specific criteria according to which it would be possible to propose to the Seimas to consider draft laws in accordance with the procedure of urgency or special urgency and to resolve the issue of the expediency of amending the time limit which is assigned to the Government to submit conclusions on the draft under deliberation.	The Statute of the Seimas shall lay down clear and specific criteria according to which it would be possible to propose to the Seimas to deliberate draft laws in accordance with the procedure of urgency or special urgency and to resolve the issue concerning the expediency of amending a time limit which is set for the Government to submit conclusions on the draft under deliberation. (On 28/11/2019, amendments to Articles 162 and 164 of the Statute of the Seimas No. I-399 more rigidly regulate when draft laws may be deliberated in accordance with the procedure of urgency or special urgency were adopted. The part of the recommendation proposing to address the issue of the expediency of amending the deadline for the Government to submit conclusions on the draft under deliberation has not been implemented.)	Board of the Seimas 16/03/2020 

Establishment of an efficient public procurement system

Efficient implementation of public procurement not only ensures rational use of funds, stimulates the economy, but also contributes to other policy objectives: reduces social exclusion, promotes ecology and innovation, and thus contributes to environmental sustainability.

During the first half of 2020, while implementing key recommendations of the 2018 public audit “The Functioning of the Public Procurement System”⁵⁴:

- The Ministry of Economy and Innovation prepares amendments to the Law on Public Procurement which will address the possibilities of simplification of simplified public procurement, ways of strengthening the internal control of these procurements, etc. The draft law is planned to be submitted to the Government for deliberation in autumn 2020;
- The plan for strengthening the professionalism of public procurement is being implemented: The Public Procurement Office has developed methodological tools (a calculator used to calculate life-cycle costs for the purchase of medical devices for haematological examinations, guidelines for public procurement supplier, evaluation indicators). The Central Purchasing Organisation (CPO LT) Forum was created to allow relevant entities (contracting authorities, contracting entities, suppliers) to discuss relevant issues, share experience and advice.

The measures implemented contribute to the improvement of the public procurement system, but no significant changes have taken place:

⁵⁴ 04/05/2018, <https://www.vkontrole.lt/failas.aspx?id=3806>.

- there are no clear priorities, objectives, targets, and criteria in this area in order to ensure unified policy-making in public procurement;
- no mechanism for coordinating, controlling, and improving the system;
- the public procurement process has not been simplified and optimised by increasing its efficiency.



Implementation of recommendations is anticipated

Recommendations or their measures that we are looking forward to be implemented in the second half of 2020.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
2018, "The Functioning of the Public Procurement System", monitoring information		
 1. With a view to a more efficient functioning of the public procurement system: 1.1 To ensure unified public procurement policy-making by setting clear priorities for the bodies involved in and implementing public procurement policy; 1.2. To improve strategic planning of public procurement: setting the goals, objectives, and indicators for the system at national level; organise, coordinate, and control the actions of the institutions throughout the system.	1. To set clear priorities for public procurement policy. 2. To define goals, objectives, and indicators for public procurement policy. 3. To establish a mechanism for coordinating, monitoring, and improving the implementation of public procurement policy priorities, goals, objectives, and indicators.	Government 31/12/2020 
2. In order to create preconditions for the efficient functioning of the public procurement system: 2.1. To create a mechanism for monitoring and improving the efficiency of the public procurement system; 2.2. To develop measures to ensure a more active application of measures promoting the efficiency of the public procurement system.	To add 10 new procurement modules to the Central Purchasing Organisation's catalogue.	Government 31/12/2020 

Efficient system of public administration

Public administration is the totality of processes for the setting, formulation, and/or participation in the formulation and implementation of public policy, in which administration decisions and administrative and public services are taken and implemented with the participation of public administrations and the public. An efficiently functioning public administration system creates conditions for public administration institutions to take and implement decisions that meet the needs of society and to provide high quality administrative and public services.

During the first half of 2020, while implementing the key recommendations of the audits carried out in 2017: "Human Resource Management in Public Administration Institutions

(summarised results of the audits in the areas of administration of three ministries)”⁵⁵, “Does the Involvement of the State and Municipalities in the Management of Public Institutions Ensure the Benefit to the Society”⁵⁶, “On Preparedness for Making Decisions Regarding the Restructuring of the Provision of Administrative and Public Services”⁵⁷, the Law Amending the Law on Public Administration⁵⁸ was adopted which creates legal preconditions for improving the system of public administration:

- the concept of public service has been specified making it easier to identify these services and distinguish them from administrative services and other functions.
- requirements for the administration of the provision of public services have been specified and competences and responsibilities of the institutions providing public services have been clarified;
- requirements for the administration of public services have been specified, competences (duties) of the institutions providing them have been clarified, and their responsibility for the quality of the public services they administer have been strengthened;
- provision is made for public administrations to set up or initiate the establishment of a public service provider only where a competitive procedure does not make it possible to ensure that the required quality of the public service can be provided by natural or legal persons already operating.
- definition and scope of public administration have been clarified thus establishing the scale of public administration (internal administration is no longer considered a public administration area);
- the procedure for granting an authorisation for public administration has been improved and the requirements of good repute and education have been established for employees working under an employment contract who carry out public administration and for persons applying for such positions.

Changes in legal regulation do not fully address the problems identified, to:

- create a clear system of state and municipal functions and agencies implementing them, which would provide conditions for selecting the most appropriate legal form of an institution and achieving the best results;
- ensure a high-quality system of administrative and public services that meets the needs of society.



**Implementation of
recommendations
is delayed**

⁵⁵ 27/09/2017, <https://www.vkontrole.lt/failas.aspx?id=3735>.

⁵⁶ 13/02/2017, <https://www.vkontrole.lt/failas.aspx?id=3655>.

⁵⁷ 25/04/2017, <https://www.vkontrole.lt/failas.aspx?id=3706>.

⁵⁸ Law Amending the Law No. VIII-1234 on Public Administration, 28/05/2020, No. XIII-2987 (entry into force 01/11/2020).

Key recommendations or their measures delayed to be implemented

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
2017, "Does the Involvement of the State and Municipalities in the Management of Public Institutions Ensure the Benefit to the Society", monitoring information (Recommendation 1). 2017, "On Preparedness for Making Decisions Regarding the Restructuring of the Provision of Administrative and Public Services", monitoring information (Recommendations 2 and 3).		
2. To create a clear system of state and municipal functions and bodies implementing them, to set in legal acts the criteria following which state or municipal institutions, according to the activity carried out, would choose the most appropriate legal form of the institution, allowing to achieve the best results in the management of an institution.	To prepare a draft concept for the improvement of the public sector institution system. (The Government approved guidelines for improving the system of public sector bodies and an action plan for their implementation.⁵⁹ The guidelines set the criteria on the basis whereof state or municipal institutions shall choose the legal form of an institution being established (budgetary, public establishment, state and municipal enterprise). The guidelines set out the objectives of the restructuring of these institutions and include measures to implement the reform. The deadline for implementing the guidelines is set for the fourth quarter of 2020. Monitoring shall continue until the measures envisaged and the statutory criteria for selecting the appropriate legal form of the institution have been implemented.)	Government 31/12/2017 
3. With a view to ensuring the provision of high quality services meeting the needs of the public and rational use of the state resources assigned for this purpose, the Ministry of the Interior, when formulating the state policy in the field of provision of administrative services and provision of public services, should determine which administrative and public services should be provided by the State.	1. Identify administrative services and make proposals to the Government for services that could be abandoned or could be provided in an integrated way. (The Ministry of the Interior submitted to the Government lists of administrative services and the bodies (agencies, organisations) providing them, indicated overlapping services that do not comply with the concept of administrative service, and services that can be provided in an integrated manner. Chancellor of the Government on 30/07/2020 instructed⁶⁰ the Ministries, taking into account the proposals of the Ministry of the Interior regarding improvement of administrative services, to update by 01/12/2020 the published information on the administrative services provided. We are waiting for information on the further progress of the implementation of the measure.)	Ministry of the Interior 31/12/2019 
	2. To identify the institutions involved in administration of public services and providers of the services administered by them. 3. To identify public services that the State could refuse to provide. (The Minister of the Interior set up an interinstitutional working group with representatives of municipalities. The task of the working group to draw up an indicative list of public services, which will be further refined at the working group's meeting, by excluding over- or non-public services. Ministry of the Interior on 21/01/2020-instructed state public sector entities (ministries, government agencies and institutions accountable to the Seimas) to provide information on public services provided or administered by them (or in the field of Ministerial Management). Taking into account the changed composition of the working group and the resulting emergency due to COVID-19, the work of the working group resumed in June 2020 and the information is expected to be available in the third quarter of 2020).	31/12/2019 

⁵⁹ Government Resolution No. 495, 16/05/2018.

⁶⁰ Order of the Chancellor of the Government, 30/07/2020, No. S-3318.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
4. In order to enable to obtain reliable systematised data necessary for the formulation of state policy in the area of provision of administrative and public services as well as for 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 can assign the services provided to the relevant type of service, provide recommendations to assist service providers in drawing up descriptions of the provision of services.	To specify the provisions of the legal acts (Public and administrative services monitoring and analysis information system (PASIS) provisions and/or descriptions of public and administrative service provision), to update the requirements for the provision of public service descriptions in the light of the new concept of the public service. (On 28/05/2020 adopted the Law No. VIII-1234 Amending the Law on Public Administration No XIII-2987 specifies the concept of public service, however the implementing legislation has not yet been amended.)	Ministry of the Interior 31/12/2018 

Report on the implementation
of recommendations
Annex 4

Recommendations in the Area of Information Society Development

The information society is an open, well-educated and continuously learning society that makes effective use of information and communication technologies in all areas of activity. More and more social relations in Lithuania are being transferred to the virtual space. The reliability and security of electronic communications networks and information systems are of particular importance for economic and societal activities. In the course of the first half of 2020 while implementing the recommendations of public audits 2016 "Whether Disclosure of the Public Sector Data is Ensured"⁶¹, 2017 "Development of the State Electronic Communications Infrastructure"⁶², 2018 "Management of Critical State Information Resources"⁶³, and 2019 "Smart Tax Administration System"⁶⁴, the following developments are observed:

- draft model for consolidation of the state information technology management and state information resources infrastructure has been prepared which essentially defines the national information architecture. It is planned to enshrine it by adopting the draft Law amending the Law No. XI-1807 on Management of State Information Resources⁶⁵ (it is planned to submit it to the Seimas at the autumn session of 2020). The law implementing legal acts and methodological technical documents;
- draft description of the Guidelines for the Assessment of the Importance of the State Information Resources have been prepared which define the principles of impact assessment of the information processed by these resources according to the extent of impact caused by violations of confidentiality, availability and integrity of the processed data.

Implementation of the following significant changes in the field of management of state information resources is still lagging behind:

- development and consolidation of the national information architecture and its management mechanism;
- determination of the most appropriate for Lithuania financing (licensing) model for the provision of public sector data;
- ensuring efficient use of state infrastructure of electronic communications networks.

In order to assess whether cybercrime investigation and prevention ensures a secure environment for the public in this space, the Supreme Audit Office carried out an audit in 2020 entitled "Is Cybercrime Combated Effectively"⁶⁶. We look forward to changes in the implementation of public audit recommendations and measures between 31/12/2020-31/12/2025⁶⁷, therefore we will present information about their implementation in other reports on the implementation of recommendations.

⁶¹ 29/11/2016, <https://www.vkontrole.lt/failas.aspx?id=3640>.

⁶² 14/07/2017, <https://www.vkontrole.lt/failas.aspx?id=3724>.

⁶³ 28/06/2018, <https://www.vkontrole.lt/failas.aspx?id=3816>.

⁶⁴ 17-09-2019, <https://www.vkontrole.lt/failas.aspx?id=3981>.

⁶⁵ Draft Law Amending the Law No. XI-1807 on Management of State Information Resources, 19/06/2020, No. 20-9377.

⁶⁶ 16/07/2020, <https://www.vkontrole.lt/failas.aspx?id=4101>.

⁶⁷ Monitoring information https://www.vkontrole.lt/stebesena_pdf.aspx?id=21658.



Implementation of recommendations is delayed



Implementations of recommendations is anticipated

Key recommendations or their measures delayed be implemented

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
2016 "Whether Disclosure of Public Sector Data is Ensured", monitoring information (Recommendation 1).		
2017, "Development of State Electronic Communications Infrastructure", monitoring information (Recommendation 2).		
2018, "Management of Critical State Information Resources", monitoring information (Recommendation 3).		
2019, "Smart Tax Administration", monitoring information (Recommendation 4).		
1. Taking into account the impact and benefits of provision of free public sector data, to determine the financing (licensing) model, which would establish the most appropriate principle of taxation of public sector data provision for Lithuania and ensure justification of reimbursement of costs when data are provided free of charge.	To prepare the amendment to the Government Resolution on the "Approval of the description of procedure for the Remuneration for Documents Register, including Register data, information, data and (or) their copies submitted to the Register, the state information system data" and to establish the financing (licensing) model, which would consolidate the most appropriate principle of provision of public sector data for re-use and ensure a compensation mechanism for costs when the data are provided free of charge. (The Description of the procedure for calculation of the amount of remuneration for the provision of documents and the fee for the provision of register data, register information, documents and (or) their copies submitted to the register, data of state information systems ⁶⁸ has been approved, which establishes the supervision mechanism for the financing of the provision of documents free of charge. It is expected that the impact and benefits of provision of free public sector data will be assessed and the financing (licensing) model established, which would determine the most appropriate principle of taxation of public sector data provision for Lithuania.)	Government 30/06/2019
2. In order to ensure efficient use of state infrastructure of electronic communications networks, eliminate duplication of physical infrastructure and services, develop a model for a state-owned electronic communications network and standardised services provided by it for the public sector.	1. To carry out inventory of the state-owned electronic communications networks.	Ministry of Transport and Communications 31/12/2017
	2. To analyse options and alternatives for optimising infrastructure and services.	30/06/2018
	3. To develop an optimisation model or common network architecture and a package of standard services for the public sector.	30/06/2018
	4. To review the legal framework and initiate amendments to the necessary legal acts. (While implementing the recommendation, the Ministry of Transport and Communications carried out an inventory of state-owned electronic communications networks and assessed the possibilities of common use of the infrastructure of these networks. An order of the Minister of Transport and Communications ⁶⁹ approved the model for optimisation of electronic communications networks managed by state enterprises and public limited liability companies in the field of regulation of the Ministry. Following this order, information about state-owned electronic communications networks has been entered into the map of the Geographic Information System (GIS). A list of standardised	31/12/2018

⁶⁸ Government Resolution No. 45 of 10/01/2018.

⁶⁹ Order of the Minister of Transport and Communications, 04/04/2019, No. 3-165.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
	services that could be provided through these networks and their tariffs have been defined, which shall be made public. Public e-communication infrastructure resources have been opened up to both the public sector and the market as needed. Administrative processes are managed by the public enterprise "Plačiajuostis internetas". The developed model did not cover all state-owned e-communications networks. Therefore, the Ministry of Transport and Communications initiated the amendment to the Government Resolution No. 1056 of 18/12/2017 which defines the requirements for the common use of the state e-communications infrastructure, as well as the use by public and/or private limited liability companies whose state-owned shares carry more than 1/2 of votes at the general meeting of shareholders, it is recommended that the Ministry of Transport and Communications or an institution or agency authorised by it regularly provide information about the electronic communications networks operated by them and are offered to provide electronic communications services and their fees. This draft resolution shall be submitted for approval to the Government. By continuing to monitor the implementation of the recommendation, we are awaiting the review and initiation of the information on the process of approval of the resolution and the revision and initiation of Order No. 3-165 of 04/04/2019 on the optimisation of electronic communications networks managed by state enterprises and public limited liability companies in the field of regulation of the Ministry of Transport and Communications.)	
 3. To create the national information architecture and its management mechanism which would allow to objectively identify the importance of the state information resources and properly control this process and coordinate the mechanisms of identification of critical state information resources and critical information infrastructure.	1. To prepare a description of guidelines on the classification of importance assessment of electronic information comprising the state information resources and state information systems, registers and other information systems, inter alia, by assessing the impact on the national information architecture and critical information infrastructure objects. (The principles of impact assessment of the state information resources, which are planned to be consolidated by adopting the draft Law Amending the Law No. XI-1807 on the management of State Information Resources, implementing legal acts and methodological documents, have been prepared. The draft law has been submitted for repeated coordination to the interested institutions and is scheduled to be submitted to the Seimas in the autumn session of 2020. A draft description of the Guidelines on the Assessment of Importance of the State Information Resources has also been prepared, which establishes the principles of impact assessment of the information processed by these resources according to the extent of impact caused by violations of confidentiality, availability and integrity of the processed data. It is planned to submit the draft to the Government by 31/12/2020.)	Ministry of National Defence  01/03/2019
	2. To define the desired national information architecture, which would include the architecture of activities, applications/information systems and technologies as well as its maturity monitoring and change management processes based on the principles of the organisation's architecture recognised in international practice. (The National Information Architecture, which would cover the architecture of activities, data, applications/information systems and technologies	Ministry of Economy and Innovations  01/12/2019

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
	as well as its maturity monitoring and change management processes, essentially defines the prepared design of the new state information technology management and state information resources infrastructure consolidation model. It is planned to enshrine the model by adopting the draft Law Amending the Law No. XI-1807 on the Management of State Information Resources, implementing legal acts and methodological documents. The draft law has been submitted for repeated coordination to the interested institutions and is scheduled to be submitted to the Seimas in the autumn session of 2020. After the adoption of the law by the Seimas, implementing legal acts and other documents as well as measures for the management and monitoring of changes will be drawn up.)	
4. In order to contribute more to the reduction of the shadow economy and to maximise the impact on all its manifestations at the national level, as well as improving the tax administration process and reducing the tax burden, making use of the available institutional and inter-institutional capacities of the data analysis, evaluate alternatives of further activities at national level of the State Tax Inspectorate Centre for Data Analysis and Competence and make decisions on the model of activity of the centre at national level and its implementation.	For the institutions concerned (the Ministries of Economy and Innovation, Energy, Social Security and Labour, Transport and Communications, Interior, and Agriculture) to identify, within the scope of their competence in the field of the shadow economy and related negative phenomena, the institutional needs of obtaining, collecting, processing and analysing their data in their field, which could be realised through Smart Tax Administration System i.MAS and/or the alternative centre for analysis and competences, and to formulate insights on the optimal functioning model of the national analysis and competence centre. (Strategic Projects Portfolio Commission approved (03/03/2020 Protocol No. STP-4) the plan of the Shadow Economy Reduction Programme, which includes a draft plan for selecting a model for the centre of data analysis and competence activity at national level, that is implementing the recommendation. The timetable for this plan provides that by 31/03/2020, the Ministries of Economy and Innovation, Energy, Social Security and Labour, Interior, and Agriculture shall submit to the Ministry of Finance their needs to implement the function of combatting the shadow economy, within the scope of their competence, and the relevant insights regarding the data analysis model. The ministries and/or the institutions subordinate to them have submitted their needs to the Ministry of Finance. The latter is currently assessing and analysing them.)	Ministry of Finance  31/03/2020

Recommendations or their measures that we are looking forward to be implemented in the second half of 2020.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
2019, "Smart Tax Administration", monitoring information (Recommendation 1). 2020, "Is Cybercrime Combated Effectively" monitoring information (Recommendation 2).	The Ministry of Finance and the Office of the Government shall propose to the Government a model of further activities for data analysis and competence centre at the national level, together with draft decisions on obligations to competent authorities, depending on the content of the proposals. To ensure implementation of the decisions taken.	Ministry of Finance  31/12/2020

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
Competence and make decisions on the model of activity of the centre at national level and its implementation.		
2. In order to stop cybercrime from places of imprisonment, provide for measures to prevent these crimes.	1. Implementation of procedures of transfer of convicts suspected of organising criminal acts (fraud). 2. Installation of modular containers Marijampolė and Alytus Detention Centres, Pravieniškės Detention Centre-Open Colony. 3. Conducting criminal intelligence and improving the efficiency of pre-trial investigation: recruitment of unoccupied posts.	Prison Department 31/12/2020
Report on the implementation of recommendations Annex 5		

Environmental Protection and Pollution Prevention

Environmental protection is not only the rational use, conservation and restoration of natural resources, the improvement and protection of the quality of the natural environment from any harmful impact, but also the basis for the safe existence of living and inanimate nature, society and every human being. The constantly evolving economy and human activities have a negative impact on the environment, therefore one of the key objectives of environmental protection is to prevent its pollution before it starts.

During the first half of 2020, the implementation of the recommendations of the audits 2017 “Application of the Producer Responsibility Principle”⁷⁰, and 2018 the “Hazardous Waste Management”⁷¹ did not bring about any significant changes.

We are still looking forward to a fundamental change in ensuring that:

- The State would 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 would 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 would be in place.

In order to assess whether the effective and efficient management of the environmental protection and pollution prevention system is ensured, the Supreme Audit Institution carried out a public audit “Effectiveness and Efficiency of Environmental Protection and Pollution Prevention Activities”⁷² in 2020. We look forward to changes in the implementation of its key recommendations and measures between 30/09/2020 – 31/12/2023⁷³, therefore we will provide information on this in the next reports on the implementation of recommendations.

⁷⁰ 31/10/2017, <https://www.vkontrole.lt/failas.aspx?id=3773>.

⁷¹ 06/12/2018, <https://www.vkontrole.lt/failas.aspx?id=3896>.

⁷² 04/05/2020, <https://www.vkontrole.lt/failas.aspx?id=4082>.

⁷³ Monitoring information, https://www.vkontrole.lt/stebesena_pdf.aspx?id=21688.



Implementation of recommendations is delayed



Implementation of recommendations is anticipated

Key recommendations or their measures delayed to be implemented

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, "Hazardous Waste Management", monitoring information (Recommendations 2, 3, 4).		
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: • 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; • 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 most risky 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.	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 the Environment provided information on the Lithuanian waste prevention and management system (waste prevention and management objectives, tasks, and measures to be implemented by state institutions, municipalities, producers and importers, waste managers). It also assesses existing infrastructure capacity and development needs for waste management, including recycling, and assesses the investments needed to develop recycling. On the basis of this analysis, a national plan for the prevention and management of waste for the period between 2021-2027 will be developed.)	Ministry of Environment 31/03/2020
	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 draft Law on Waste Management ⁷⁴ was prepared and registered in the Seimas, which provides for the authorisation of the National Energy Council to approve the regional price and a ceiling of rate per tonne of municipal waste incineration.)	31/12/2018
2. With a view to ensuring that hazardous waste is managed in a safe manner without endangering	To carry out an analysis of the effectiveness of the measures implemented by municipalities for the collection of hazardous waste produced in	Ministry of Environment

⁷⁴ Draft Law Amending Articles 2, 12, 28, 30, 30¹, 30², 35¹ of the Law No VIII-787 on Waste Management and Supplementing the Law with Articles 25¹, 30³, 30⁴, 30⁵, 30⁶, 30⁷, 30⁸, 30⁹, 31¹, 31², 31³, and Sections Seven¹ and Seven², 11/06/2020, No. XIII-4988.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
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.	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. (Law Amending the Law No. VIII-1183 on Pollution Tax ⁷⁵ has been adopted, which provides for an increase in the tax rate for the disposal of non-hazardous waste in the landfill of this waste. Since 2021, the fee for the disposal of non-hazardous waste in landfills has been consistently increased, making it possible to address the potentially inappropriate disposal of hazardous waste in landfills of non-hazardous waste.)	31/12/2019
3. In order to ensure that waste managers recovering or disposing of hazardous waste, after the termination of their activities, would manage the remaining unmanaged waste 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 enterprises, the prices for waste management indicated therein are in line with market prices.	To revise the procedure for drawing up, coordinating and implementing the plan for cessation of waste recovery or disposal activities approved by Order No. 469 of the Minister of Environment on 25/09/2003, to limit the time limit 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. (The draft Law amending Articles 10 and 11 of the Law on Waste Management ⁷⁶ provides that all companies will be subject to a standard financial security rate per tonne of hazardous or non-hazardous waste approved by the Minister of Environment. The amount of financial security will cover not only the costs of waste management, but also the closure and management of installations, cleaning of contaminated soil and implementation of other measures for the termination of activities. The draft legislation was approved by the Government.)	Ministry of Environment 30/09/2019
4. With a view to ensuring that waste managers recovering or disposing of hazardous waste, after the termination of their activities, would manage the remaining unmanaged waste 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 decommissioning plan and to ensure that all waste managers revise them within the set time limits.		

Recommendations or their measures that we are looking forward to be implemented in the second half of 2020.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
2018, "Hazardous Waste Management", monitoring information (Recommendations 1) 2020, "Efficiency and Effectiveness of Environmental Protection and Pollution Prevention", monitoring information (Recommendations 2, 3, 4).		
1. In order to ensure that hazardous waste is managed safely, without jeopardising public health and the environment, strengthen the control of waste holders in order 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

⁷⁵ Law Amending the Law No VIII-1183 on Pollution Tax, 25/06/2020, No. XIII-3158.

⁷⁶ Draft Law Amending Articles 10 and 11 of the Law No. VIII-787 on Waste Management, 13/07/2020, No. 20-10116 (included in the package).

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
2. With a view to increasing the efficiency of the state control system of environmental protection, it is necessary to provide for and implement the measures ensuring the provision of environmental protection officers with the means necessary for carrying out inspections.	Develop procedure for systemic identification of needs of state-of-the-art technical tools for measuring and recording other violations (e.g., drones, electrical tomographers, etc.), assessment of rationality/effectiveness of their use and organisation of their acquisition (submission of applications to ME).	Department of Environmental Protection under the Ministry of Environment 31/12/2020 
3. Seeking that economic entities commence their activities only upon implementing all the measures of pollution prevention and other mitigation of adverse effects provided for in documents of environmental impact assessment and/or integrated pollution prevention and control permits and pollution permits, to provide for and implement the measures ensuring that the solutions reducing the adverse effects on the environment and public health are transferred from the environmental impact assessment documents to permit conditions.	1. To define in legal acts regulating issuance of integrated pollution prevention and control permits or pollution permits the requirements for an economic entity when submitting an application to provide detailed information on the conditions specified in the EIA decision and the implementation of the measures specified in the EIA decision and/or selection conclusion to reduce and/or compensate for the significant negative impact on the environment. 2. To prepare the 2021-2025 training plan and provide for training on the issues of environmental impact assessment and issuance of permits (pollution and IPPC) for specialists of the Ministry of Environment and its subordinate institutions, EIA entities and EIA organisers.	Ministry of Environment 30/09/2020  31/12/2020 
4. With a view to increasing the accessibility of information to the public, provide for ways of improving the dissemination of information in the processes of environmental impact assessment of economic activities and issuance of integrated pollution prevention and control permits and pollution permits.	1. Drafting of amendments to the legal acts regulating the issuance of integrated pollution prevention and control permits or pollution permits, establishing additional ways of publicising. 2. Development of information material for the public on public participation in EIA procedures.	Ministry of Environment 30/09/2020  31/12/2020 

Report on the implementation
of recommendations
Annex 6

Improving Health Care

Quality personal health care means provision of safe, effective, accessible, patient-oriented services. Safe services are services causing no damage for patients, effective services are providing the best possible outcome of treatment, available services are provided in a timely manner, at geographically justifiable distance and where there are sufficient skills and resources, patient-oriented services are provided in accordance with both individual expectations and priorities and community culture. High-quality and accessible health care services create conditions for the country's population to be healthier and reduce health inequalities between regions.

During the first half of 2020, while implementing the recommendations of the audits conducted in the area of health: 2016, "Whether Early Rehabilitation Services and Inclusive Education Meet the Needs of Children with Disabilities and Ensure their Social Integration"⁷⁷, 2017, "Creation of an electronic health system"⁷⁸, 2017, "Assessment of Regularity of 2016 set of reports and use and disposal of funds and property of Compulsory Health Insurance Fund"⁷⁹, 2018, "The Accessibility of Health Care Services and the Orientation Towards the Patient"⁸⁰, 2018, "Quality of Personal Healthcare Services: Security and Effectiveness"⁸¹, 2018, "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"⁸², the new edition of a Description of a model for planning the health care professionals has been approved⁸³. It sets out the principles underlying the integrated planning of personal health professionals in order to determine the optimal number of being trained, existing and missing specialists; the data used and their sources; the indicators for determining the number of specialists and their need, etc. The description provides for the need for specialists to be planned on the basis of acquired professional qualifications, including other specialists (and nurses) in addition to doctors, determining the total number of state-funded student places not only for the residency but also for the state-funded study places.

In formulating and implementing health policy, the Ministry of Health shall take measures to improve the quality, accessibility and patient orientation of personal health care services, but the preconditions for ensuring their safety and efficiency have not yet been established and the shortcomings identified during the audit as regards the lack of availability of services shall remain. We look forward to these significant changes in ensuring:

- Availability of outpatient early rehabilitation services for the children residing in municipalities where such services are not provided;
- Monitoring and analysing the availability of services and patient flows to address the root causes of queues;

⁷⁷ 08/12/2016, <https://www.vkontrole.lt/failas.aspx?id=3648>.

⁷⁸ 26/04/2017, <https://www.vkontrole.lt/failas.aspx?id=3707>.

⁷⁹ 29/09/2017, <https://www.vkontrole.lt/failas.aspx?id=3750>.

⁸⁰ 16/11/2018, <https://www.vkontrole.lt/failas.aspx?id=3894>.

⁸¹ 28/09/2018, <https://www.vkontrole.lt/failas.aspx?id=3892>.

⁸² 01/10/2018, <https://www.vkontrole.lt/failas.aspx?id=3910>.

⁸³ Order No. V-1495 of the Minister of Health 21/12/2018 (recast on 18/06/2020, No. V-1520).

- A system of in-service training for health professionals, which would allow for effective development of the competences of these professionals;
- A clear volume of personal health services paid from the Compulsory Health Insurance Fund and the price of personal health care services based on objective costs;
- Simpler governance structure and optimised operation of the Compulsory Health Insurance Fund.

In order to assess the effectiveness of children's health promotion and invested funds, the Supreme Audit Institution carried out an audit in 2019 entitled "Is Promotion of Child Health Ensured" ⁸⁴. We look forward to significant changes in the implementation of its recommendations and measures 30/09/2021-30/09/2022 ⁸⁵, therefore we will provide information on their implementation in the next reports on the implementation of recommendations.



Implementation of recommendation is delayed



Implementation of recommendations is anticipated

Key recommendations or their measures delayed to be implemented

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
2016, "Whether Early Rehabilitation Services and Inclusive Education Meet the Needs of Children with Disabilities and Ensure their Social Integration", monitoring information (Recommendation 1). 2017, "Creation of an Electronic Health System", monitoring information (Recommendation 2). 2017, "Assessment of regularity of 2016 set of reports and use and disposal of funds and property of Compulsory Health Insurance Fund", monitoring information (Recommendations 3, 4). 2018, "The Accessibility of Health Care Services and the Orientation Towards the Patient", monitoring information (Recommendation 5). 2018, "Quality of Personal Healthcare Services: Security and Effectiveness", monitoring information (monitoring information (Recommendations 6, 7, 8)). 2018, "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 (Recommendations 9, 10, 11).		
1. To plan and implement specific measures (forming mobile teams, etc.) to make out-patient early rehabilitation services accessible to children living in municipalities where such services are not provided.	In updating the principles of organising secondary and tertiary level services of early rehabilitation of children with developmental disorders (the working group was set up by the Order No V-1189 of the Minister of Health on 21/10/2016, to plan measures (forming of mobile teams, etc.) so that early rehabilitation services are received by children and their family members living in municipalities where such services are not provided. (In order to increase the availability of outpatient early rehabilitation services for children with developmental disorders, transportation services have been provided in the basic package of services for the family. The basic prices for these services have been recalculated, the basic price of the extended outpatient consultancy service has been fixed, but this did not have a significant impact on the establishment of the institutions providing them in other municipalities. These services currently are still not available and accessible for children in 26 municipalities. Having evaluated the research data and the opinion of the Ministry of Health that smaller municipalities	Ministry of Health 31/12/2017

⁸⁴ 02/12/2019, <https://www.vkontrole.lt/failas.aspx?id=4039>.

⁸⁵ Monitoring information https://www.vkontrole.lt/stebesena_pdf.aspx?id=21629.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
	with up to 1000 children (under 7 years of age) find it irrational to set up institutions providing services, there are still no institutions providing them in 17 such municipalities. It is planned to prepare amendments to the Description of the procedure for providing services of early rehabilitation to children with development disorders and payment for their expenses: to ensure the provision of services to children from birth up to 18 years of age, at their place of residence, educational establishment or personal health care institution; to improve the accessibility of services to patients. We will consider the recommendation to be implemented with the approval of changes to the Description of the procedure and ensuring the availability of services at least in municipalities with more than 1000 children under 7)	
 2. To provide for measures to ensure that the new phase of e-Health development does not repeat the mistakes of previous development phases: - uncoordinated provisions on the e-Health system contained in the strategic planning documents; - no measurable quantitative and qualitative indicators of the e-Health system programme and their measurement methodology; - no sustainable e-Health system management model covering the phases of identification, design, and maintenance of information systems; - lack of publicity of the established system, mechanism of its promotion/ sanctions, sufficient and adequate provision of information technology tools for workplaces; - development of duplicated and failed solutions.	1. The Minister's order approved the e-Health financing model, which would include the evaluation of funding needed for the maintenance of information systems already developed and planned to be created. (Ministry of Health, implementing measure 1.4, in its 30/05/2018 letter No. (5.2.3-303)10-4247 indicated that the central electronic health services and cooperation infrastructure information system (ESPBI IS) and national information systems solutions are financed from the state budget, while the costs of maintaining the peripheral systems of the e-Health system are part of the personal health service. The average costs of provision of services were included in the rates of personal health care services paid from the budget of the Compulsory Health Insurance Fund, which include all costs of maintenance of information systems⁸⁶, and regular recalculation of the basic price of personal health care services was regulated⁸⁷. Given that the cost of personal health care services is not currently based on objectively calculated costs of providing them, it is not possible to ascertain whether the costs of maintaining the peripheral systems of the e-Health system are part of the cost of the personal health care service. The basic prices for healthcare will be recalculated by including the costs of maintaining information systems. We are waiting for practical examples of recalculation.)	Ministry of Health  31/07/2017
	2. In accordance with the information resources management procedure and funding model, to review the 2015-2020 development programme and its activities and make changes if necessary. (The implementation of the measure is directly related to the implementation of measure 1 – Development of the e-Health financing model, which will determine whether there is a need for amendments to the Lithuanian e-Health Development Programme 2018-2025⁸⁸.)	31/12/2017 
3. To improve legal regulation by setting a clear scope of personal health services paid (health insurance premiums) and to provide that only those expenses which are in line with the purpose of insurance and are not covered with state funds are covered by health insurance contributions.	1. In conjunction with the competent authorities, to review and reassess the definition of a compulsory health insurance event as stipulated in the Law on Health Insurance and the compliance of functions delegated to the budget of the Compulsory Health Insurance Fund and the state budget to the CHIF budget with the definition of an insured event. (The working group has reviewed the procedure for compulsory health insurance contributions, prepared	Ministry of Health  30/06/2018

⁸⁶ Order of the Minister of Health, 02/6/2020, No. V-1354.

⁸⁷ Order of the Minister of Health, 19/08/2020, No. 1869.

⁸⁸ Orders of the Minister of Health 17/07/2017, No. V-878 and 24/01/2019, No. V-99.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
	proposals for its improvement to the Ministry of Health.)	
	2. To prepare draft legal acts to ensure that the costs of health care corresponding to the definition of compulsory health insurance event are covered from the CHIF budget, which are accumulated from health insurance contributions and costs not corresponding to it - from the funds from another source. (The National Health Insurance Fund prepared a draft law on health insurance, which proposed to rectify the concept of insured event and compulsory health insurance and to clearly define the guarantees provided to insured persons, whether or not related to the insured event. The Ministry of Health has abandoned this project, awaiting a new draft law.)	31/12/2019 
4. To initiate a discussion with institutions responsible for social assistance policy in order to assess the need for wider health care services provided to socially sensitive groups, its conformity to the content of social assistance and to initiate changes in the legal regulation so that such social assistance 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 conformity to the content of social assistance. (Consistent inter-institutional 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. An interinstitutional working group on reducing costs for the low-income population has been set up.)	Ministry of Health  31/12/2018
	2. To develop changes in the legal framework to finance social assistance with funds other than the CHI contributions, ensuring a reduction in medicine costs for low-income residents and an increase in the scope of dental services paid by the CHIF. (Law Amending the Law on Health Insurance⁸⁹ was adopted, enabling low-income earners to receive subsidised medicines and medical supplies without paying the patient's allowance, such as those financed from the state budget. The draft law was drafted by an inter-institutional working group on reducing costs for the low-income population. A draft Law Amending the Law on Health Insurance is being prepared, which provides for medical rehabilitation services to be reimbursed to all insured persons, with no distinction between certain social groups, from the budget of the CHIF.)	30/06/2019 
 5. Monitor and analyse the impact of service availability, consumption and patient flows as well as the application of measures to reduce queues and implement measures based on them to address the root causes of queues.	1. To develop integration of the Early Patient Appointment Reservation Information System (IPR IS) with Electronic Health Services and Cooperation Infrastructure Information System (ESPBI IS). (Established integration of the Early Patient Appointment Reservation System (IPR IS) with the Electronic Health Services and Cooperation Infrastructure Information System (ESPBI IS) and installed in ESPBI IS production environment. Integrated interfaces have been created by enabling the use of the IPR IS for personal health care institutions (ASPJ) for the provision of the "system-system" principle. ASPJ started to provide data to IPR IS through integration interfaces, carry out transfer from www.sergu.lt, agreements with ASPJ were concluded on the use of IPR IS (up to June 2020, 175 agreements	Ministry of Health  31/03/2019

⁸⁹ Law Amending Articles 2, 10, 11 and 15 of the Law No. I-1343 on Health Insurance, 17/10/2019, No. XIII-2492.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
	were concluded), medical institutions perform preparation works, specialists are trained to use IPR IS. In order to encourage health care institutions to use the IPR system, one⁹⁰ of the indicators for assessing the performance of health care institutions has been established – “APSJ is a participant in the Early Patient Appointment Reservation Information System”. Monitoring is continued to assess the activity of health care institutions and patients using developed IPR.) 2. Generate reports to obtain objective information about queues and their trends from the Early Patient Appointment Reservation Information System (IPR IS). (Draft indicators for the Early Patient Appointment Reservation Information System (IPR IS) which provides for 3 groups of indicators for system monitoring (operational information, periodical information for users about queues in specific institutions, detailed statistics for the Ministry). The State Enterprise Centre of Registers postponed the implementation of reports on operational statistics to the users of the IPR IS portal for a later period as a priority was given to the fight against the Covid-19 virus. Monitoring of the measure shall continue until the IPR IS has started to develop reports for all three sets of indicators and to provide objective information on the queues and their trends.)	31/03/2020 
 6. To review and change the professional qualification system in order: it is based on the assessment of competences; it ensures that professionals improve their professional qualifications in accordance with the competences established in medical standards; professional development programmes were designed and adapted; compliance with licence conditions to be monitored during the supervision.	Having analysed good practice in the country and abroad, to set up a working group to consider and propose the most optimal model of competence assessment and qualification improvement by empowering professional associations of doctors and determining their role in these processes, (The working group set up by the Order of the Minister of Health⁹¹ was tasked until 01/12/2019 (later the term extended until 01/12/2020) to analyse good practice in the country and abroad, to consider and propose an optimal model of assessment of competences and qualification improvement. The working group prepared a questionnaire for EU countries to select those whose competence assessment and qualification improvement model could be applied in Lithuania. The results are currently being evaluated.)	Ministry of Health  01/12/2019
 7. To identify and apply measures to encourage health care institutions to continuously improve the management of adverse events.	Review and amend legislation on the management of adverse events. Having analysed the experience of other European Union Member States, to develop an effective model for the management of adverse events. Following an analysis of the experience of European countries, an Adverse Event Management Model (http://www.hi.lt/lt/nepageidaujami_ivykiai.html) has been developed which has been approved following the adoption of amendments⁹² to the Description of Adverse Events Monitoring (recast). At the national level, the coordination of the management of adverse events will fall under responsibility of the Adverse Events Expert Commission, which is to assess the results of	Ministry of Health  01/03/2020

⁹⁰ Order of the Minister of Health, 20/06/2019, No. V-731.

⁹¹ Order of the Minister of Health, 29/08/2019, No. V-1035.

⁹² Order of the Minister of Health 12/06/2020, No. V-1451.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
	adverse events monitoring, identify priority areas for improvement of patient safety and submit proposals to the Minister of Health on the development and implementation of adverse event prevention measures in ASPJ at national level. Monitoring is continued, the establishment of the Adverse Events Expert Commission and its Rules of Procedure, as well as changes in the recording of adverse events (trends) and improvement of monitoring in health institutions are awaited.	
 8. To carry out periodic analysis of the data collected on adverse events in order to identify preventive measures.	1. To supplement the Order No. V-401 of the Minister of Health of 06/05/2010 by establishing a detailed monitoring procedure that would include analysis of adverse events, their causes, planning of preventive measures and publicity at the national level. Following the revision of the Description of Adverse Events Monitoring (Order No. V-1083 of 20/09/2019), the following procedure for publicising the data has been established: by 30 June, the Institute of Hygiene shall prepare a summary annual report on adverse events and publish it on its website www.hi.lt; classification of causes and prevention of adverse events measures are not regulated in the adverse event format: the codes shall identify the causes of adverse events and the prevention measures taken or planned for each group. However, the Description of Adverse Events Monitoring does not set out detailed procedures for analysing adverse events and their causes and the envisaged preventive measures at national level (who will carry out such analysis, who will determine preventive measures, etc.). Monitoring shall continue in order to assess the summary reports of adverse events prepared by the Institute of Hygiene in accordance with the updated Description of Adverse Events Monitoring (analysis of adverse events and identification of preventive measures based on it).	Ministry of Health  30/06/2020
9. In order to optimise the operation of the Compulsory Health Insurance Fund and simplify its management structure, to merge the existing six bodies of the Fund administration into a single 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 Insurance Fund and Territorial Health Insurance Funds, including conclusion of only one contract with each ASPJ, and alternatives to optimal restructuring of institutions administering the fund, assessing also the possibilities of reorganisation of institutions. (The Ministry of Health prepared draft amendments to the legal acts on the merger of legal entities into one.)	Ministry of Health  31/12/2018
	2. Amend the legislation. (The Seimas registered a draft law⁹³ providing for the merger of the National and Territorial Health Insurance Funds into a single legal person.)	30/06/2019 
10. After implementation of the recommendations made in previous audits and knowing the Fund's clear financial possibilities, move to the costs 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 clarification of an insured event. (The National Health Insurance Fund drew up a draft law on health insurance, which proposed to rectify the concept of insured event and compulsory health insurance and to clearly define the guarantees provided to insured persons, whether or not related to the insured event. The Ministry of Health has refused this project, awaiting drafting of a new law.)	Ministry of Health  31/03/2020

⁹³ Draft Law Amending Articles 4, 7, 9¹, 12¹, 15, 17, 18, 20, 21, 23, 26, 26¹, 26², 27, 28, 29, 30, 31, 36, Chapter V, and Repealing Articles 32, 33, 34 and 35, Chapter VI of the Law No. I-1343 on Health Insurance, 11/06/2020, No. XIII-P-4827(2).

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
	2. To implement the recommendations on the use of the state property transferred free of charge to medical institutions. (The adopted Law Amending the Law on Health Care Institutions ⁹⁴ would transfer the property to medical institutions by the right of trust under a trust agreement. Assets must be transferred by 01/11/2020.)	31/03/2020 
	3. To evaluate the effectiveness of the network of medical institutions, taking into account the findings of the Organisation for Economic Cooperation and Development. (The analysis of the Lithuanian inpatient acute treatment services and the coverage of the regional hospitals network as well as the proposals on consolidation and optimisation of the network of personal health care institutions were carried out. 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.)	31/03/2020 
	4. To adopt criteria for reviewing the basic prices of personal health care services. (The Criteria have been adopted ⁹⁵ - we look forward to practical implementation.)	31/03/2020 
11. To regulate inclusion and removal of personal health care services from the compensation fund in accordance with the criteria approved by law, taking into account the prices of the provision of services and objectively assessed fund possibilities. Fix the periodicity of updating and reviewing the list of reimbursable services.	After the Seimas adopted a draft Law Amending Article 9 of the Law No I-1343 on Health Insurance and Supplementing the Law with Articles 9 ² and 9 ³ (25/06/2018, No. XIIIP-2367), to draft secondary legislation on the inclusion and removal of services from the list of services reimbursable from the CHIF budget, establishing the periodicity of its updating and reviewing, taking into account the time limits set by the law. (Legal acts amending the list adopted ⁹⁶ , pending practical implementation.)	Ministry of Health 30/09/2019 

Recommendations or their measures that we are looking forward to be implemented in the second half of 2020.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
2018, "The Accessibility of Health Care Services and the Orientation Towards the Patient", monitoring information (Recommendation 1).		
2018, "Quality of Personal Healthcare Services: Security and Effectiveness", monitoring information (Recommendations 2,3).		
1. To monitor and analyse the impact of service availability, consumption and patient flows as well as the application of measures to reduce queues and implement measures based on them to address the root causes of queues.	1. After evaluation of the results of the reports and identification of the reasons for queuing, prepare and implement a plan of queuing reduction measures. 2. Develop and approve an evaluation inventory of the results of the implementation of queuing mitigation measures, including monitoring of measures, their indicators and possible corrections of measures and publication of results.	Ministry of Health 31/12/2020
2. To review and amend the professional qualification system: to be based on the assessment of competences; to ensure that professionals improve their professional	1. Taking into account the developed model to review and amend legal acts regulating the procedure and scope of professional qualification improvement of health care professionals, to prepare in-service training programmes, to provide that health care professionals improve professional qualifications	Ministry of Health 01/12/2020 

⁹⁴ Law Amending Articles 3 and 36 of the Law No I-1367 on Health Care Institutions, 26/09/2019, No. XIII-2443.

⁹⁵ Order of the Minister of Health, 19/08/2020, No. V-1869.

⁹⁶ Law Amending Article 9 of the Law No I-1343 on Health Insurance and Supplementing the Law with Articles 9² and 9³, 13/12/2018, No. XIII-1764 and implementing legislation.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
qualifications in accordance with the competences established in medical standards; to develop and adapt professional development programmes; compliance with licence conditions to be monitored during the supervision.	based on the results of assessment of their competence and specific areas set in medical norms and according to adapted specialist improvement programmes. 2. To strengthen the qualitative assessment of professional development programmes. To review and amend the 28/06/2011 Order No. V-645 of the Minister of Health "On the Approval of the Rules for Coordination of Health Professional Improvement Programmes and the Regulations of the Evaluation Commission for Improvement Programmes" by establishing qualitative requirements for professional qualification improvement programmes and provisions ensuring compliance with qualitative requirements and the coordination and collegial coordination and evaluation of professional qualification improvement programmes.	
 3. To carry out periodic analysis of the data collected on adverse events in order to identify preventive measures.	To oblige the Institute of Hygiene to computerise the monitoring of undesirable events, which will allow the analysis of events at any frequency desired. The measure will be implemented after the completion of the EU funded project "Improving the management of processes in the health sector through the development of public health monitoring" (2017-2020). By 2021, adverse events will be analysed once a year.	Ministry of Health  01/10/2020

Report on the implementation
of recommendations
Annex 7

Ensuring Social Protection and Working Conditions

The main livelihood of many people is labour income. For certain reasons, part of the population cannot participate in the labour market for a longer or shorter period. The State take care of such people's survival through the establishment of a social security system, the essence of which is to ensure the provision of funds and services to those who, in statutory cases, due to old age, disability, death, sickness, maternity/paternity, unemployment or family circumstances, cannot provide self-sufficiency.

During the first half of 2020, while implementing the recommendations of social security audits (2017, "Regularity of 2016 set of reports and use and disposal of funds and property of the State Social Insurance Fund"⁹⁷, 2018, "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"⁹⁸, 2019, "Does Social Assistance Ensure the Minimum Consumption Needs of People Living in Poverty and Promote the Labour Market Integration"⁹⁹, the following changes were observed:

- The adopted amendments to the Law on Cash Social Assistance for Poor Residents¹⁰⁰ have simplified the criteria for receiving additional social benefits upon employment and facilitated access to it: the restriction on the amount of the salary received ("the ceiling") (up to 2 minimum monthly salaries) has been refused; the requirement that the family members of a person who has become employed must meet at least one of the conditions laid down in the Law on Cash Assistance to Poor Residents under which they are entitled to cash social assistance has been waived. The amount of the additional social benefit after employment has been increased and it is differentiated according to the duration of payment (from 100 % to 50 % of the average social benefit paid during the last 6 months before employment). These amendments make it easier for deprived people to receive additional social benefits after employment and increase the motivation of beneficiaries to integrate into the labour market.
- Optimisation of the structure of the State Social Insurance Fund Board has started: the Foreign Benefits Service and the Military and Equivalent Structures Division have been merged into the Vilnius territorial division.

We look forward to the following significant changes:

- the creation of a transparent set of state social security criteria/principles to distinguish between social assistance and state social insurance systems and related benefits;
- the planned rates of public social security contributions, which ensure adequate funding for all types of social security;
- optimised activities and management structure of the State Social Insurance Fund;

⁹⁷ 29/09/2017, <https://www.vkontrole.lt/failas.aspx?id=3756>.

⁹⁸ 01/10/2018, <https://www.vkontrole.lt/failas.aspx?id=3908>.

⁹⁹ 29/07/2019, <https://www.vkontrole.lt/failas.aspx?id=3977>.

¹⁰⁰ Law Amending Articles 3, 6, 7, 9, 10, 11, 15, 17, 21 and 23 of the Law No. IX-1675 on Cash Social Assistance to Poor Residents, 07/05/2020, No. XIII-2883.

- measures developed to ensure the application of the model of cross-compliance of social assistance in municipalities in order to establish, plan and monitor the effectiveness of social assistance intended for a person or family.

In 2019, the Supreme Audit Institution carried out an audit “How the State Labour Inspectorate ensures safe and legal participation in the labour market”¹⁰¹, which assessed whether the control and prevention of safe and legal work was effective. We look forward to any significant changes in the implementation of the recommendations and measures of this audit on 31/12/2022¹⁰², therefore we will provide information on this in the next reports on the implementation of recommendations.



Implementation of recommendations is delayed

Key recommendations or their measures delayed to be implemented

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
2017, “Regularity of 2016 set of reports and use and disposal of funds and property of the State Social Insurance Fund”, monitoring information (Recommendations 1, 2, 3).		
2018, “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”, monitoring information (Recommendation 4).		
1. Taking into account the established principles of the social security system and its part – state social insurance – to consider the justification of regulation of the payment of additional expenses from state social insurance funds. Where a decision not to waive such possibility of use of social insurance contributions is made, the laws regulating state social insurance shall clearly define the concept and/or a finite list of additional expenses covered from the funds of the State Social Insurance Fund.	1. To consider the justification of regulation of reimbursement with state social insurance funds of the State Social Insurance Fund expenses which are not related to the expenses related to compensation of the insured persons’ lost work income as a result of insured events and to submit proposals to the Seimas and the Government.	Ministry of Social Security and Labour 30/06/2018
	2. Having decided not to waive such a possibility of using the funds of social insurance contributions, to draft and submit to the Government a draft Law Amending Article 2 of the Law on State Social Insurance, which would clearly define the concept and/or a finite list of additional expenses paid from the funds of the State Social Insurance Fund. (When implementing the recommendation, the concept of state social security was clarified at the end of 2017: for its purpose, not only compensation of lost income, but also payment of other benefits in the cases provided for by laws shall be established. Until now, the relevant provisions of the laws regulating the types of social insurance (the Law on Sickness and Maternity Social Insurance and the Law on Social Insurance of Occupational Accidents and Occupational Diseases) have remained unchanged and they continue to lay down the principle of compensation for lost income. Some benefits (child care benefit during the second year of child rearing, regardless of the recipient’s income, maternity benefit for those dismissed from work, flat-rate lump sum benefit upon the death of the insured) are regulated by these laws and are still paid without applying it. The Ministry plans to revise the provisions of the laws regulating the types of social insurance, however, the necessary amendments to the legal acts have not yet been drafted. In the case of unclear regulation,	31/12/2018

¹⁰¹ 09/10/2019, <https://www.vkontrole.lt/failas.aspx?id=3989>.

¹⁰² Monitoring information https://www.vkontrole.lt/stebesena_pdf.aspx?id=21526; https://www.vkontrole.lt/stebesena_pdf.aspx?id=21635

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
	situations arise when, in the field of social policy, the state, seeking to solve social problems, improve conditions for families, the least earners, by legislation assumes obligations to increase benefits or to pay benefits with social security funds which have characteristics of social assistance.)	
2. With a view to creating a social security system combining state social insurance and social assistance (from the state budget), to carry out monitoring of legal regulation, assessing the relevance and necessity of the Law on the Basics of the State Social Security System. Taking into account the results of the evaluation, to initiate the necessary changes in legal regulation in order to define the social security system and principles specific to social security and/or its individual types.	1. To carry out monitoring of the legal regulation of the Law on the Basics of the State Social Security System. Taking into account the results, take a decision to improve legal regulation. 2. The Law on the Basics of the State Social Security System or the Law on State Social Insurance to define the principles of a social security system and individual types of state social insurance and the scope of their application with a view to separating parts of state social insurance and social assistance. (As part of the implementation of the recommendation, the Law Repealing the Law No. I-696 on the Basics of the State Social Security System was adopted¹⁰³. However, the improvement of legal regulation has not yet been initiated with a view to enshrining the general criteria or principles on the basis of which social assistance and state social insurance systems would be clearly distinguished as well as related benefits in other laws regulating state social insurance, because the concept of this insurance as stipulated in the Law on State Social Insurance allows to pay from the State Social Insurance Fund the benefits having characteristics of social assistance, where the cases of payment of such benefits are established by laws.)	Ministry of Social Security and Labour 31/12/2018  31/12/2018 
3. When preparing a draft Law on Indicators of the Budget of the State Social Insurance Fund for the coming year, to plan such values of the rates for the types of state social insurance contributions which would ensure adequate funding for all types of social insurance or to consider covering with the funds of the state budget social guarantees carried out by the State a part of the policy for improvement of the demographic situation or any other social policy which is not covered by social insurance contributions.	1. In the absence of a possibility to increase the rates of unbalanced social insurance contributions, apply to the Ministry of Finance regarding the possibility to finance from 2019-01-01 the expenses of the respective social insurance benefits not covered by social insurance contributions from the state budget. 2. To review the rates of all social insurance contributions, to analyse possibilities of balancing social insurance contributions and benefits and to submit proposals to the Seimas Committee on Social Affairs and Labour and the Government. (The Ministry of Social Security and Labour informed that when preparing the draft Law on Indicators of the budget of the State Social Insurance Fund for 2019, the maximum level of the rates of the types of state social insurance contributions was planned, which should ensure adequate funding for all types of social insurance. The 2019 budget implementation reports show that although the Fund's overall annual result is positive, the result of maternity social insurance and social insurance against accidents at work and occupational diseases is negative. Also, according to the Law on the Approval of Indicators of the State Social Insurance Fund Budget for 2020¹⁰⁴, maternity social insurance remains unbalanced in 2020. Therefore, the recommendation has not yet been implemented. It should be noted that as a result of the COVID-19 pandemic, the significant reduction in the collection of contributions and the increase in social security benefits may lead to a negative	Ministry of Social Security and Labour 30/06/2018  31/12/2017 

¹⁰³ Law No I-696 Repealing the Law No I-2019 on the Basics of the State Social Provision System, 14/11/2019, No. XIII-2525.

¹⁰⁴ Law on the Approval of Indicators of the State Social Insurance Fund Budget for 2020, 17/12/2019, No. XIII-2697.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
	outcome even of the balanced types of social insurance in 2020. The Ministry of Social Security and Labour indicated that when preparing the draft Law on Indicators of the State Social Insurance Fund Budget for 2021, it would propose to approve the rates of the types of contributions which would ensure adequate funding for all types of social insurance, or apply to the Ministry of Finance with a request to allocate additional appropriations to balance social insurance contributions to the types of social insurance.)	
4. In order to optimise the activities of the State Social Insurance Fund and simplify the management structure, thirteen currently operating administration agencies of the Fund have been merged into a single legal entity.	1. Analysis of the proposals submitted by the Fund's Board concerning the merging of the administration agencies of the Fund into a single legal person and taking a decision on the optimisation of activities of the Fund and simplification of the management structure. 2. Amend the legislation. (In implementing these measures, the Foreign Benefits Service of the State Social Insurance Fund Board and the Military and Equivalent Structures Division on 01/07/2020 were merged with the Vilnius territorial division. The Ministry plans to merge 10 territorial offices of the Board in 2021 into 4 new territorial divisions. It is planned to carry out a cost-benefit analysis in 2022 on the reorganisation of the Board and territorial offices of the Fund into a single legal entity, followed by a decision on the next direction.)	Ministry of Social Security and Labour 30/06/2019 30/06/2020

Report on the implementation
of recommendations
Annex 8

Ensuring Effectiveness of the Justice System

The rule of law is based on effective judicial protection, which requires the independence, quality, and effectiveness of national justice systems.

During the first half of 2020, following the implementation of the 2019 audit “Is Protection of Consumer Rights Ensured”¹⁰⁵ recommendations, we monitor the following developments:

- Legal preconditions have been created to strengthen cooperation with consumer associations by adopting the Law Amending the Law on Consumer Rights Protection¹⁰⁶, which gives authorised consumer associations the rights to perform actions of out-of-court settlement of consumer disputes (except for the taking of decisions on the substance of a dispute, decisions to refuse to consider a consumer dispute, to suspend or terminate the settlement of a consumer dispute), to bring actions for the protection of the public interest of consumers and to bring collective actions, where the claims of a group action arise from consumer legal relations. As of 01 January 2021, the provisions of the Law which will provide a possibility to finance the activities of consumer associations according to the procedure established by the Minister of Justice;
- As part of the reform of the institutional framework for out-of-court settlement, the Ministry of Justice carried out an analysis of data on consumer disputes examined in certain areas of consumption between 2018 and 2019. A report has been prepared with proposals for the out-of-court settlement of these disputes to certain authorities.

Taking into account the information provided by the Ministry of Justice on how it is planned to improve out-of-court settlement of consumer disputes, the risk is monitored that these directions may not be sufficient to achieve the goals set out in the recommendation, therefore, taking into account the results of the analysis, the Ministry should initiate transfer of consideration of possibilities of out-of-court settlement of disputes by other institutions to the Government.

We are still looking forward to these significant changes in ensuring that:

- decisions taken by consumer protection authorities to protect consumers' infringed rights would have the force of a binding document;
- the out-of-court consumer dispute settlement system would function effectively, and disputes would be settled competently and within the time limits laid down by law.

In 2020, the Supreme Audit Institution carried out a public audit “Judicial System”¹⁰⁷, during which it assessed whether the system ensures efficient handling of cases. We look forward to changes in the implementation of the key recommendations and measures for this audit

¹⁰⁵ 16/07/2019, <https://www.vkontrole.lt/failas.aspx?id=3969>.

¹⁰⁶ Law Amending the Law on the Protection of Consumer Rights, 14/01/2020, No. XIII-2779.

¹⁰⁷ 22/06/2020, <https://www.vkontrole.lt/failas.aspx?id=4093>.

on 31/12/2020-31/03/2026¹⁰⁸, so we will provide information on this in the next summary reports on the implementation of recommendations.



Implementation of recommendations is anticipated

Recommendations or their measures that we are looking forward to be implemented in the second half of 2020.

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
2019, "Is Protection of Consumer Rights Ensured", monitoring information (Recommendations 1, 2) 2020, "Judicial system", monitoring information (Recommendation 3).		
1. In order to provide more favourable conditions for the consumer as the weaker party to the consumer's contract to protect the infringed rights: to establish that any decisions taken by consumer protection authorities to protect the infringed consumer rights should have the force of a binding document.	1. Collection and analysis of data on non-execution of decisions of the Bank of Lithuania on the substance of dispute taken after out-of-court settlement of consumer disputes with a view to determining the causes of non-compliance with the decisions and their elimination, as well as assessment of possibilities of binding decisions. Upon evaluation of the results of the analysis, a draft Law on Consumer Rights Protection and/or the Law Amending the Law on the Bank of Lithuania will be drafted in order to eliminate the causes of non-execution of decisions.	Ministry of Justice 01/12/2020
	2. In order to establish that decisions of the State Consumer Rights Protection Authority on unfair terms in consumer contracts are binding, a draft Law Amending the Law on Consumer Rights Protection will be drafted.	01/12/2020
2. Seeking to make the out-of-court settlement of consumer disputes more efficient and to ensure that disputes are settled competently and within the time limits laid down by law: to reform the institutional system of out-of-court settlement of consumer disputes, taking into account the number of disputes arising in certain areas of consumption and the competence of the institutions to settle these disputes.	Collection and analysis of data on the number of consumer disputes examined in certain areas of consumption in 2019, evaluation of competences and resources held by other state institutions with a view to reforming the institutional system for out-of-court settlement of consumer disputes. If necessary, a draft Law Amending the Law on Consumer Rights Protection will be drafted.	Ministry of Justice 01/12/2020
3. With a view to creating appropriate conditions for the administration of justice and ensuring consistent improvement of the judicial system, by eliminating functions which are not specific to courts and creating conditions for specialisation of judges, to provide for long-term priority directions, goals, tasks and expected result for the development of the judicial system.	To adopt decisions on the renunciation of functions which are not specific to courts, i.e. to draft laws and submit them to the Seimas.	Ministry of Justice Judicial Council 31/12/2020

¹⁰⁸ Monitoring information https://www.vkontrole.lt/stebesena_pdf.aspx?id=21655

Transport and Infrastructure Development

The Rail Baltica project is the largest infrastructure project in the history of independent Baltic States. The price of a 870 km railway line from Tallinn to the Lithuanian-Polish border is estimated at EUR 5.791 billion, of which the price of the Estonian part amounts to 1.35 billion, Latvia's – 1.97 billion, Lithuania's – 2.47 billion. It is important for taxpayers that the project is implemented on time and the state funds are used in an economic and effective manner.

The Supreme Audit Institutions of the three Baltic States carried out a cooperative audit "Implementation of the Rail Baltica Project" ¹⁰⁹ in 2019. The Lithuanian authorities, which have received the recommendations, have already implemented most of the measures, but we are still looking forward to significant changes: establishing a decision-making matrix, a change management plan, ensuring the project's long-term financial planning.

We will consider the recommendations to be implemented when all the institutions responsible for the Rail Baltica project in Lithuania, Latvia and Estonia and the RB Rail AS will implement the indicated measures.



Implementation of
recommendations
is anticipated

Recommendations or their measures that we are looking forward to be implemented in the second half of 2020.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
2019, "Management of internal control system and public procurement of the Rail Baltica project ("Implementation of the Rail Baltica project")", <u>monitoring information</u>		
1. Beneficiaries should decide on a global project decision-making matrix, including who and when can make decisions regarding the timing and budget of the global project.	To prepare the Rail Baltica project decision-making matrix.	Ministry of Transport and Communications 30/09/2020
2. Beneficiaries should draw up a clear change management plan to be applied when deviations occur. In order 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.	Create a specific beneficiary format (executive committee) for the adoption of key decisions relating to the implementation of the project.	Ministry of Transport and Communications 30/09/2020
3. Beneficiaries should assess the long-term national funding possibilities of the project, including in case of increased project costs or lower than planned EU funding. These calculations should be regularly presented and explained to national parliaments in each country.	State funds for the implementation of the Rail Baltica project are planned in accordance with the procedure laid down in the Law of the Republic of Lithuania on the Budget Structure. Under an international agreement between the implementing countries, the parties committed to the full implementation of the Rail Baltic/Rail Baltica project shall be entitled to review their commitments to finance and implement the project by the deadline specified in Article 3, provided that the long-term financing of the project for general interest purposes is	Ministry of Transport and Communications 30/10/2020

¹⁰⁹ 23/12/2019, <https://www.vkontrole.lt/failas.aspx?id=4057>.

Audit report/recommendation	Measures to implement the recommendation and the outcome of the implementation	Responsible entity/deadline
	significantly reduced and will have a significant impact on the viability of the project.	

Resolution of the Problems of State Assets Management

State immovable property is one of the means for performing the functions of the State and municipalities. The case-law emphasises that State or municipal assets must be used only for the purpose of satisfying public interests. Effective asset management means not only sales, renting of buildings, etc. It is a long-term strategy, property valuation and accounting.

During the first half of 2020, while implementing the recommendations of public audits 2017 “Are the Assets of State Universities Managed and Used in a Targeted Manner – for Research Activity and Studies?”¹¹⁰ and 2018 “The Management of the State Real Estate”¹¹¹:

- A Description of the procedure for transferring the state assets by the right of trust and into the ownership of municipalities¹¹² has been approved, specifying the criteria and procedure for transferring the state immovable property to municipalities. The adopted amendments create conditions for transferring the state immovable property into the ownership of municipalities for the implementation of independent functions only where necessary;
- The Law on Higher Education and Studies¹¹³ establishing the criteria for investing property belonging to universities into other legal persons has been amended. These changes will ensure that only property owned by universities is invested and that the investment is reasonable and beneficial for higher education and society.

Progress has been made in solving the problems of state property management, but we are still looking forward to long-term guidelines on state real estate management, solutions related to more efficient asset management and use, and changes in the implementation of the restructuring of the university network.

In order to assess whether the state immovable property transferred to municipalities by the right of trust is managed efficiently, the Supreme Audit Institution carried out a public audit “Management of the state immovable property transferred to municipalities by the right of trust”¹¹⁴ in 2020. We look forward to changes in the implementation of the key recommendations and measures for this audit between 31/12/2020-31/12/2027¹¹⁵, so we will provide information on this in the next summary reports on the implementation of the



Implementation of
recommendation is
delayed

recommendations.

¹¹⁰ 24/01/2018, <https://www.vkontrole.lt/failas.aspx?id=3784>.

¹¹¹ 30/06/2017, <https://www.vkontrole.lt/failas.aspx?id=3722>.

¹¹² Government Resolution No. 553, 03/06/2020.

¹¹³ Law Amending Article 90 of the Law No. XI-242 on Science and Studies, 25/06/2020, No. XIII-3144.

¹¹⁴ 15/07/2020, <https://www.vkontrole.lt/failas.aspx?id=4099>.

¹¹⁵ Monitoring information https://www.vkontrole.lt/stebesena_pdf.aspx?id=21675.

Key recommendations or their measures delayed to be implemented

Audit report/recommendation	Measures to implement the Recommendation and the outcome of the implementation	Responsible entity/deadline
2017, "Are the Assets of State Universities Managed and Used in a Targeted Manner – for Research Activity and Studies?", monitoring information .		
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.	Completion of the plan of measures to optimise the network of public universities. (The plan for optimisation of the network of state universities ¹¹⁶ and its implementation measures ¹¹⁷ have been approved. Optimising part of the university network has been taken. We look forward to further steps to optimise the assets of universities in the context of their network reform. We will consider the recommendation to be implemented once the plan and its measures (with a deadline of 2022) are followed by decisions to optimise the assets of universities.)	Ministry of Education, Science and Sports 31/12/2018

¹¹⁶ Seimas Resolution No. XIII-533, 29/06/2017.

¹¹⁷ Government Resolution No. 947, 22/11/2017.

BRINGING BENEFITS !

