NATIONAL AUDIT
OFFICE OF LITHUANIA

PUBLIC AUDIT REPORT

ASSESSMENT OF REGULARITY OF 2020 SETS OF FINANCIAL AND BUDGET EXECUTION REPORTS AND LEGALITY OF MANAGEMENT, USE, AND DISPOSAL OF FUNDS AND PROPERTY OF THE GUARANTEE FUND

01 OCTOBER 2021

No FAE-9

The National Audit Office monitors the legality and efficiency of the management and use of State property and the execution of the State budget. By providing audit observations and recommendations, the National Audit Office promotes a positive and effective impact of public audit on the public financial management and control system, as well as on the public governance oriented towards results and the public's needs. For more information on the activities of the National Audit Office and the results of the public audit, see www.valstybeskontrole.lt.

The audit was carried out by: Rita Švedienė (team leader from 01/07/2021, Rita Aniukštytė (team leader till 30/06/2021), Rasa Guobienė, Vilmantė Krogertienė, Jolanta Morozovienė.

Public Audit Report has been submitted to the Seimas of the Republic of Lithuania, the Government of the Republic of Lithuania, the Ministry of Social Security and Labour, the State Social Insurance Fund Board, the Employment Service under the Ministry of Social Security and Labour.

CONTENTS

INTRODUCTION

Objective and Scope of the Audit

Pursuant to the Law on National Audit[1] and the Law on Public Sector Accountability[2], we have carried out an audit of the assessment of regularity of 2020 sets of financial and budget execution reports and legality of management, use, and disposal of funds and property of the Guarantee Fund. The audit has been performed in accordance with the Public Auditing Requirements[3], International Auditing Standards, and International Standards of Supreme Audit Institutions. The audit report presents only the matters identified in the course of the audit and the independent opinion on the Fund's financial and budget execution reports is presented in an auditor's report. The scope and methods of the audit are described in greater detail in Annex "Audit Scope and Methods" (p.p. 12–14).

Purpose of the Guarantee Fund

The Guarantee Fund is the fund of State resources earmarked to provide guarantees to employees in the event of their employer's insolvency[4]. Employee guarantees are provided through the allocation and payment of benefits from the Guarantee Fund. In the event of emergency or quarantine due to the COVID-19 coronavirus pandemic declared by the Government, and as part of the implementation of the measures foreseen in the Economic Stimulus Plan[5], from 2020 onwards, the Guarantee Fund will also provide reimbursement of the benefits foreseen in the Law on Employment for the self-employed, as well as subsidies to employers for the payment of wages during the workers' downtime[6].

According to the Law on Public Sector Accountability[7], the Fund is a public sector entity entrusted with the administration of the Board of the State Social Insurance Fund (hereinafter – SSIF) and the other SSIF administration bodies[8]. The Ministry of Finance is responsible for the management of the temporarily free resources of the Fund and for making investment decisions[9].

---

[1] Law on National Audit Office, Article 8(2)(4) (Article 9(3)(4) of the Law in force until 1 July 2021).

[2] Law on Public Sector Accountability, Article 30(2)(4) and Article 30(3).

[3] Auditor General's Decree No V-26 of 21 February 2002 "On the Adoption of the Public Auditing Requirements" (in force till 30/06/2021).

[4] Law on Guarantees for Employees in the Event of Employer Insolvency and Long-term Service Allowances, Article 4(1) .

[5] Economic Stimulus and Coronavirus (COVID-19) Consequences Mitigation Plan (Minutes of the Government Meeting No 14 of 16/03/2020), as amended.

[6] Law on Guarantees for Employees in the Event of Employer Insolvency and Long-term Service Allowances, Article 3¹ (since 19/03/2020).

[7] Law on Public Sector Accountability, Article 2(19) and Article 2(22)(6).

[8] Law on Guarantees for Employees in the Event of Employer Insolvency and Long-term Service Allowances, Article 4(2) .

[9] Ibid., Article 5(4) .

In 2020, the State Tax Inspectorate, the State Enterprise *Turto bankas* (hereinafter – Bank) and the Employment Service under the Ministry of Social Security and Labour were involved in the activities of the Guarantee Fund and provided information for the preparation of the Fund's set of reports. The Inspectorate administered the contributions, which were calculated until 31 December 2017. The Bank administered the rights of claim transferred by the Guarantee Fund until 1 January 2017 in respect of funds not recovered by the right of appeal for the payment of benefits from the Fund to the employees of insolvent companies. The Employment Service took decisions on the granting of benefits to the self-employed (paid by the SSIF Board) and on the granting and payment of wage subsidies to employers during workers' downtime.

The Fund was used in accordance with the Fund's 2020 estimate approved the Seimas[10]. The Ministry of Social Security and Labour transferred EUR 281.5 million of State budget appropriations to the SSIF Board for the implementation of the measures foreseen in the Economic Stimulus Plan on the basis of concluded contracts. The Fund's estimate for 2020, which foresaw expenditure of EUR 8.9 million[11], has not been revised, as the financial indicators of the State budget approved by this law have not been revised either. In 2020, additional funds borrowed on behalf of the State to pay benefits for the self-employed and wage subsidies were made available to the Ministry of Social Security and Labour by Government Resolutions[12].

The financial reports of the Fund are prepared in accordance with the Law on Public Sector Accountability [13] and the Public Sector Accounting and Financial Reporting Standards, and the report on the implementation of the Fund's estimate is prepared in accordance with the Rules on the Formation of Budget Execution Reports of Resources Funds[14].

The Fund's annual set is to be submitted to the Government by 1 October of the following year at the latest, which submits it to the Seimas by 10 October at the latest, after approving it. The National Audit Office submits public auditor's report and audit report on the audited sets of financial and budget execution reports to the Government by 1 October and to the Seimas by 10 October at the latest[15].

[10] Law on the Approval of Financial Indicators of the State Budget and Municipal Budgets for 2020, Article 17.

[11] Ibid., Annex 10.

[12] No 351 of 08/04/2020, No 565 of 03/06/2020, No 776 of 08/07/2020 (a version of the Resolution No 1395 of 09/12/2020).

[13] Law on Public Sector Accountability, Article 19(1), Article 19(2), Article 21(1) .

[14] Minister of Finance' Order No 1K-461 of 16/12/2014 on the approval of the Rules on the Formation of Budget Execution Reports of Resources Funds.

[15] Law on Public Sector Accountability, Article 30(2)(4) and Article 30(3), Article 32(6), Article 32(7).

AUDIT RESULTS

1. ASSESSMENT OF THE FUND'S SETS OF REPORTS

1.1. The set of financial reports contains material misstatements of data: the Fund's receivables are not accurately stated

1. Public sector entities are required to keep accounting in accordance with the Law on Public Sector Accountability and Public Sector Accounting and Financial Reporting Standards (hereinafter – PSAFRSs). In accordance with the requirements of PSAFRS 26[16], receivables are classified into long- and short-term receivables based on the period of settlement and are reported under the following headings: "Fixed Financial Assets" if they are paid within one year and "Taxes and Social Contributions Receivable" if they are paid within one year. We found that all of the Fund's ordinary operating revenue - employers' contributions receivable to the Fund - was classified as receivable within one year due to improper accounting[17], even though part of the receivables (EUR 633 thousand) will be received one or more years later. For this reason, the Fund's statement of financial position as of 31/12/2020 does not show a balance of EUR 633 thousand in Article A.III "Fixed Financial Assets", and the balance shown in Article C.III.2 "Taxes and Social Contributions Receivable" (EUR 5,313.3 thousand) is higher by the same amount. The misstatements identified are material to the assessment of the regularity of the Fund's 2020 set of financial reports. During the audit, we received information[18] that receivables within one year and receivables after one year will be reported separately in the accounting in 2021.

2. Compared to 31/12/2019, the Fund's balance of taxes and social contributions receivable as of 31/12/2020 has increased by more than 20% (from EUR 4,377.7 to EUR 5,313.3 thousand). In accordance with the requirements of PSAFRS 6[19], the explanatory note should state the reasons if the amounts reported in the Articles of the financial reports have changed materially from the previous reporting period. The reasons for the significant increase in the balance of taxes and social contributions receivable are not disclosed in the explanatory note to the Fund's 2020 set of financial reports. The main contributor to the increase in the Fund's receivables from employers was the tax aid

[16] PSAFRS 26 on the accounting and set of financial reports of the resources fund, p. 12.3 and p.13.3.

[17] Employers transfer contributions to the funds (State Social Insurance, Compulsory Health Insurance, Guarantee, Long-Term Employee Benefits) using the same contribution code, therefore at the end of each quarter, the SSIF Board distributes these contributions to the funds and provides them with a statement of amounts receivable. Due to software settings, the SSIF information systems do not distinguish the long-term portion of the receivables from policyholders for the individual funds. As a result, the SSIF Board provides the Compulsory Health Insurance Fund, the Long-Term Employee Benefits Fund and the Guarantee Fund with data on their receivables without distinguishing the long-term portion of the receivables (as a result, the data of the sets of these funds has misstatements).

[18] Reply from the SSIF Board dated 28/07/2021 by e-mail regarding the accounting of amounts to be transferred to the Compulsory Health Insurance Fund, the Guarantee Fund and the Long-Term Employee Benefits Fund.

[19] PSAFRS 6 on the explanatory note to the financial reports, p. 15.

measures[20] imposed on economic entities that have suspended or restricted their activities due to the quarantine declared by the Government: The SSIF Board had the right to postpone the payment of contributions for up to 5 years in a simplified procedure for applicants[21].

1.2. The set of budget execution reports is correct in all material respects

3. According to the Fund's budget execution reports as of 31/12/2020, in 2020, the Fund received revenue of EUR 307,209.1 thousand and incurred expenditure of EUR 288,091.6 thousand. We found that the data of this set is correct in all material respects, however, not all of the required disclosures are made in its explanatory note.

4. In accordance with the requirements of the Rules on the Formation of Budget Execution Reports of Resources Funds[22], one of the objectives when forming the set is to indicate the reasons for any non-execution and/or significant variances in the execution of the estimate for the resources fund, in comparison with the approved estimate and with the execution of the estimate for the previous reporting period. This information has to be presented in the explanatory note to the set. In 2020, the Fund's performance was significantly affected by an unusual activity - the implementation of measures to mitigate the effects of COVID-19[23] (see Section 3 of the report for more details), for which information is provided in the explanatory note. The reasons for the Fund's underperformance in its ordinary activities (non-execution of the estimate and its material variances) are not disclosed in the explanatory note. Employers' contributions[24] to the Fund in 2020 amounted to EUR 24,644.5 thousand (8% of the Fund's total revenue), which was 6% lower than planned (EUR 26,260.0 thousand) and 5% higher than the EUR 23,466.8 thousand received in 2019). The Fund's expenditure on payments to employees of companies in bankruptcy, insolvency or liquidation under the Fund's contracts amounted to EUR 12,611.5 thousand (4.4% of the Fund's total expenditure), which was 48% higher than planned (EUR 8,519.0 thousand) and 56.9% higher than the amount incurred in 2019 (EUR 8,040.2 thousand) (Figure 1).

[20] Economic Stimulus and Coronavirus (COVID-19) Consequences Mitigation Plan (Minutes of the Government Meeting No 14 of 16/03/2020), as amended.

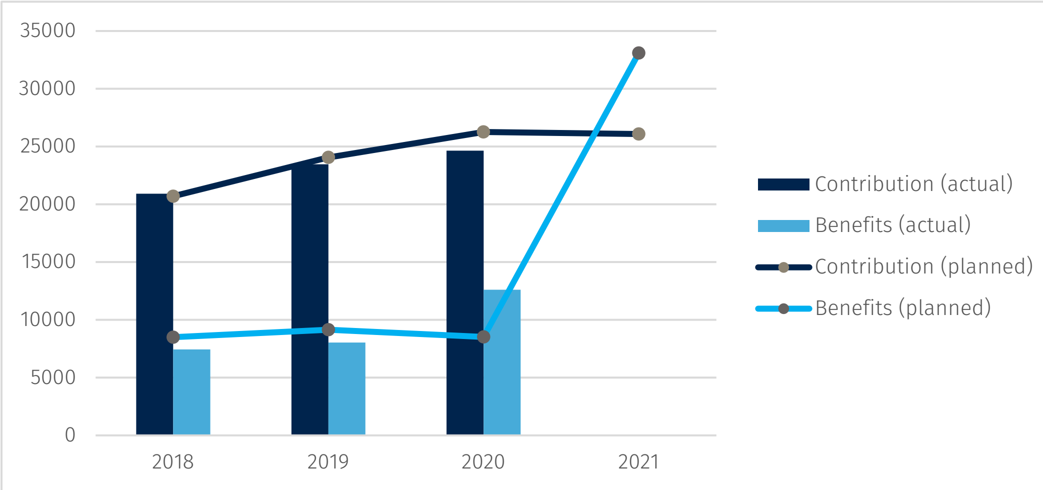
[21] The information provided by the SSIF Board by e-mail dated 14/04/2021 indicates that on 31/12/2020 the payments of contributions to the Long-Term Employee Benefits, Guarantee, Compulsory Health and State Social Insurance Funds have been postponed for 5.7 thousand economic entities, the total amount of the postponed contributions being EUR 118,698.5 thousand.

[22] Order of the Minister of Finance No 1K-461 of 16 December 2014, p. 5.4 and p. 13.

[23] State budget funds allocated to the Guarantee Fund to subsidise employers' wage subsidies for workers' downtime and pay contributions to the self-employed.

[24] Contributions paid by employers (except budgetary institutions, the Bank of Lithuania, political parties, trade unions, religious communities and communities) - 0.16% of the employment-related income calculated for employees.

Fig 1. Change in employers' contributions and employee benefits in 2018–2021, thous. EUR



Source: National Audit Office, based on data from the Guarantee Fund's 2018–2020 budget execution reports and the Guarantee Fund's estimate approved by the Law on Financial Indicators of the State Budget and Municipal Budgets for 2021.

5. The main contributing factor to the decline in employers' contributions has been the mentioned Government's tax aid measures[25], which have given economic entities the right to defer the payment of contributions. During the audit, the SSIF Board reported[26] that the increase in the Fund's expenditure on employee benefits was due to a 4.9% increase in the number of employees, a 32.7% increase in average benefits and, from 2020 onwards, the transfer from the Fund to the SSIF of the unpaid amounts paid by the insurer to the SSIF on behalf of its employees[27]. The disclosure of the reasons for its non-execution or significant changes in the execution of the estimate in the explanatory note to the set of reports is an important source of information for users of these reports who analyse the performance of the Fund and make decisions about the Fund's activities.

2. NEW REQUIREMENTS WILL BE APPLIED TO THE PREPARATION OF THE FUND'S ESTIMATE AND SET OF REPORTS

6. In order to harmonise the application of the provisions of the legal acts regulating the activities of the Guarantee and the Long-Term Employee Benefits Funds and their

[25] Economic Stimulus and and Coronavirus (COVID-19) Consequences Mitigation Plan (Minutes of the Government Meeting No 14 of 16/03/2020), as amended.

[26] Information provided by the SSIF Board by e-mail dated 23/07/2021 on the changes to the payments to employees of insolvent companies from the Guarantee Fund in 2020.

[27] Government Resolution No 495 of 21 June 2017 (revision of Resolution No 94 of 5 February 2020) on approval of the regulations of the Guarantee Fund, p. 3.5 and 4.2.

administrator, we have recommended to the Ministry of Social Security and Labour[28] to initiate amendments to the legal acts in order to ensure that the budgets of these funds are adopted in conjunction with the budget of the State Security Insurance Fund (SSIF), by assessing the application of the same principles to the formation of their budgets. The recommendation was implemented partially: Amendments to the Laws on Guarantees for Employees in the Event of Employer Insolvency and on Long-Term Employee Benefits and the Law on Public Sector Accountability were adopted on 01/10/2020[29], introducing new principles for the preparation of the estimates and sets of reports of the Guarantee Fund and of the Long-Term Employee Benefits Fund. Drafts of estimates and sets of reports will be prepared on an accrual basis and will be submitted to the Seimas for approval together with the draft law on the approval of the SSIF budget indicators for the respective year[30]. The specific requirements for the composition of the set of annual reports of the Funds and the requirements for the Funds' reports are still to be laid down by the Minister of Finance. We will consider the recommendation implemented once the draft budgets and annual reports for these funds are prepared in accordance with the new legislative provisions, which are proposed to be postponed from 2022 to 2023.[31]

3. THE FUND HAS BEEN USED LEGALLY. THE IMPLEMENTATION OF MEASURES TO MITIGATE THE EFFECTS OF COVID-19 HAD A SIGNIFICANT IMPACT ON ITS PERFORMANCE

7. The 2020 Fund's performance was significantly affected by an unusual activity - the implementation of measures to mitigate the effects of COVID-19. Following the Government's declaration of an event of national emergency on 26/02/2020[32] due to the spread of the COVID-19 virus, it has been decided[33] to finance employers' wage subsidies for workers' downtime and benefits for the self-employed from the Guarantee Fund, with the allocation of funds from the State budget or the EU structural funds for this purpose. The Ministry of Social Security and Labour transferred to SSIF Board EUR 281,528.0 thousand of State budget appropriations under concluded contracts, of which, EUR 274,378.9 thousand (97.5%) were used. The implementation of these measures will increase the Fund's revenue generated in 2020 by more than 12 times compared to 2019 and the expenditure incurred by more than 34 times (Figure 2).

---

[28] 30/09/2019 Public Audit Report No FA-2 "Assessment of Regularity 2018 Sets of State Consolidated Financial and Budget Execution Reports and Legality of Management, Use and Disposal of Funds and Property of the State Social Insurance Fund".

[29] Law amending Articles 19, 20 and 21 of the Law No XII-2604 on Guarantees for Employees in the Event of Employer Insolvency and on Long-Term Employee Benefits; Law amending the Law No X-1212 on Public Sector Accountability.

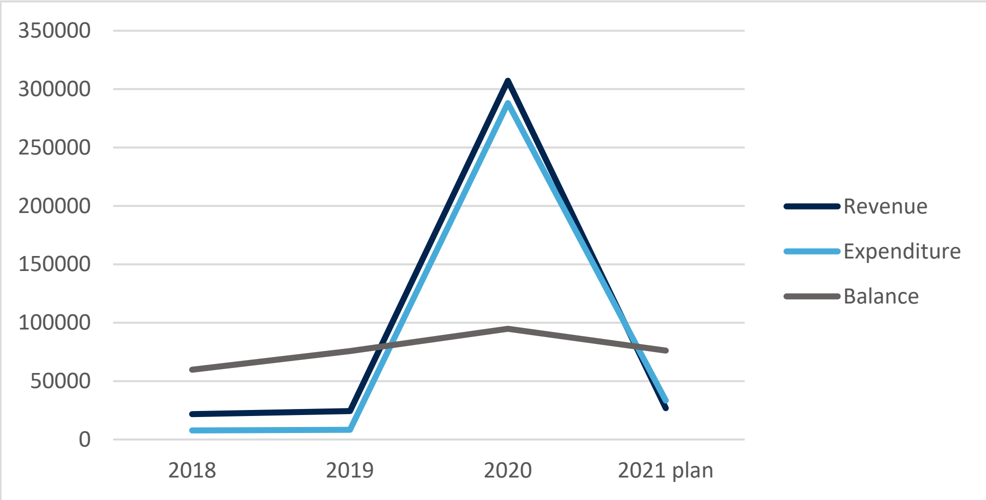
[30] Currently, estimates are prepared using the cash accounting principle and are set out in the Law on Financial Indicators of the State Budget and Municipal Budgets for the respective year.

[31] The Law amending Articles 1 and 2 of the Law on Public Sector Accountability No. X-1212 (Draft No 21-29326 of 1 September 2021 has been submitted to the authorities concerned for coordination) plans to postpone its entry into force and application for one year, until 1 January 2023.

[32] Government Resolution No 152 of 26/02/2020 on the declaration of a national emergency.

[33] Law amending Articles 1, 5, 6 and the title of Chapter II of the Law on Guarantees for Employees in the Event of Employer Insolvency and on Long-term Service Allowances of the Republic of Lithuania No XII-2604, and supplementing it with Article 3[1].

Fig 2. Changes in the Guarantee Fund's revenue, expenditure and fund balance between 2018 and 2021, thousands EUR



Source – National Audit Office, based on data from the Guarantee Fund's 2018–2020 sets of budget execution reports and the Law on the Approval of Financial Indicators of the State and Municipal Budgets for 2021.

8. It should be noted that the Fund's estimate for 2020, which foresaw revenue of EUR 27,460.0 thousand and expenditure of EUR 8,925.0 thousand [34], have not been adjusted for the implementation of the new measures, as the financial indicators of the State Budget have not been adjusted[35]. The Ministry of Social Security and Labour was allocated the funds for these measures by the Government's resolutions[36] from funds borrowed on behalf of the State. In 2016, the National Audit Office observed[37] that the practice whereby the Government, rather than the Seimas itself, amends the State budget indicators approved by the Seimas should be improved, as it presents shortcomings in the planning process, does not sufficiently provide fiscal risk management with information and increases the risk of breaches of fiscal discipline. The implementation of the measures financed by the Guarantee Fund to mitigate the effects of COVID-19 continues in 2021[38], however, the budget does not foresee any revenue or benefits for this purpose, even if the financial indicators of the State budget are adjusted.[39]

[34] Law on the Approval of Financial Indicators of the State Budget and Municipal Budgets for 2020, Annex 10.

[35] The Government submits the draft estimates for the Guarantee Fund to the Seimas for approval together with the draft law on the approval of the financial indicators of the State budget and municipal budgets for the respective year, which is approved by the Seimas.

[36] No 351 of 08/04/2020, No 565 of 03/06/2020, No 776 of 08/07/2020 (a version of the Resolution No 1395 of 09/12/2020).

[37] Public audit report No FA-P-60-6-10-1 "Regularity of 2015 Set of Consolidated Statements of the State and Assessment of State Budget Execution" of 03/10/2016.

[38] 05/01/2021 Contract No D4-1/F1-0-1 between the Ministry of Social Security and Labour and the SSIF Board for the transfer and use of State budget subsidies for Guarantee Fund benefits, which foresees the transfer of a total of EUR 465,200 thousand to the Guarantee Fund for the purpose of the benefits: EUR 340,400 thousand for wage subsidies for downtimes and EUR 124,800 thousand for benefits for the self-employed.

[39] Law No XIV-102 of 2021 on the Approval of Financial Indicators of the State Budget and Municipal Budgets for 2021, amending the preamble, Articles 1, 2, 3, 9, 10, 11, 14, 20, and Annexes 1, 2, 3, 4, 5, 6, 7, 8.

9. The responsible authorities (the Ministry of Social Security and Labour, which initiated the amendments to the laws[40], the Employment Service and the SSIF Board, which administered and paid the benefits) ensured that within one month of the quarantine being declared, the legal prerequisites and the administrative mechanism for assessing the applications received for the granting of the benefits to the self-employed and the subsidies to the employers were in place and that they were started[41].

10. The process of assessment of benefits for self-employed persons (assessing whether a person meets the eligibility requirements set out in the legislation) was automated[42], so that the Employment Service's decisions on granting benefits were taken within a maximum of 3 days from the date of receipt of the data or documents confirming the person's fulfilment of the eligibility requirements set out in Article $5^1(1)$ of the Law[43]. As of 1 January 2021[44], the grounds for granting benefits to the self-employed have been amended to restrict the group of persons eligible for benefits to those on a list approved by the State Tax Inspectorate (see Annex 2 for the full details of the changes to the legal framework). Additional enquiries to the Inspectorate have increased the length of time it takes to decide whether or not to grant a benefit.[45] In 2020, 176.7 thousand self-employed persons received flat-rate[46] benefits, of which EUR 129,566.5 thousand were used for this purpose. Our assessment of the use of the funds for the payment of these benefits did not reveal any irregularities in terms of legality.

11. In contrast to the self-employed benefits, the assessment of the documentation for the subsidy to employers for the payment of wages during workers' downtime (see Annex 3 for the changes in the legal framework of the requirements) was a low-automation, time-consuming process, as it was necessary to reconcile the data provided by the employer for each worker who was on downtime[47]. For these reasons, and due to inaccurate and incomplete information provided by employers, a part of the subsidies (31% of the cases audited[48]) were paid later than foreseen by the legislation.[49] Payment of the subsidy is

[40] Law amending the Articles 1, 5, 6 and the title of Chapter II of the Law on Guarantees for Employees in the Event of Employer Insolvency and Long-term Service Allowances No XII-2604 and supplementing it by Article 3^1; Law amending Articles 47 and 49 of the Labour Code, Article 1; Law supplementing the Law on Employment No XII-2470 with Article 5^1 and amending Articles 24, 25, 35, 37, 41, 42, 44, Article 3.

[41] Orders from the Director of the Employment Service: 23/04/2020 Order No V-129 on the approval of the regulations on benefits for the self-employed; 14/04/2020 Order No V-122 on the amendment to the 05/07/2017 Order No V-388 of the Director of the Employment Service under the Ministry of Social Security and Labour on the approval of the description of the order of active labour market policy measures for employers.

[42] By electronically submitting relevant requests to the information systems managed by the SSIF Board.

[43] Regulations on Benefits for the Self-Employed approved by Order No V-129 of the Director of the Employment Service of 23 April 2020, p. 8 (order version until 1 January 2021).

[44] Law amending Articles 5^1 and 25 of the Law on Employment No XII-2470, Article 1.

[45] Regulations on Benefits for the Self-Employed approved by Order No V-129 of the Director of the Employment Service of 23 April 2020, p. 9 (order version from 1 January 2021): The Employment Service submits an enquiry to the State Tax Inspectorate as to whether the self-employed person who has submitted the Application is included in the List electronically no later than within 5 working days from the day of receipt of the Application. The Inspectorate replies no later than 1 working day after receipt of the request.

[46] From 19/03/2020, EUR 257, or proportionately less if part-monthly.

[47] Checking whether an employee has been placed on downtime in accordance with the institution's internal regulations; the extent to which the time not worked during the month was related to downtime; whether the employee has not been temporarily unable to work or on holidays during the month concerned; whether the amount of the salary quoted is in line with the set rates; and whether the employer has provided the worker with a document justifying the payment of the salary.

[48] For 43 employers out of 137 checked.

[49] The Employment Service had to pay the subsidies to employers for the previous month by the end of the current month.

terminated[50] if the State Labour Inspectorate, which employers are obliged[51] to inform[52] of the declaration of a work downtime, establishes that the worker is carrying out his/her work functions during the declared work downtime. Reliable data from employers is an important consideration for the Inspectorate in monitoring possible breaches of the downtime regime. We found that 43% (13 out of 30) of the companies receiving subsidies had inaccurate data on downtime[53]. In 2021, the notification procedure was revised to require employers to provide more detailed information on the downtime[54]. This has enabled the Inspectorate to carry out controls more effectively[55]. In order to ensure the reliability of the data on downtime and in response to the proposal submitted by the Seimas Audit Committee on 16 April 2021, the Labour Inspectorate and the SSIF Board agreed that it is appropriate to provide employers with the data on downtime through the SSIF's electronic service system for policyholders. According to the SSIF Board[56], data collection could start no earlier than 6 months after the adoption of the necessary amendments to the legal acts, after the application of the software. In 2020, subsidies were paid to more than 22,000 employers and EUR 144,812.4 thousand were used. Our assessment of the granting of the subsidies did not reveal any irregularities in terms of legality.

Auditor General Mindaugas Macijauskas

[50] Law on Employement, Article $41(5^1)(4)$ (version of the law from 10/04/2020).

[51] Law amending Article 47 of the Labour Code, Article 1.

[52] Order No EV-92 of the Chief State Labour Inspector No EV-92 of 6 April 2020 approves the description of the procedure for submitting notifications of declared downtimes to the State Labour Inspectorate.

[53] 2 companies did not inform the State Labour Inspectorate about the downtimes, and 11 companies did not update their data after the downtimes were extended.

[54] Indicate the specific reasons for the declaration of the downtime and, at least one working day in advance, revise the data provided in the event of the cancellation of the downtime or a change in the details of its duration and/or its type.

[55] According to the State Labour Inspectorate, in 2020, 12 irregularities were detected related to non-compliance or inadequate compliance with the Labour Code's regulations on downtime. In January–April 2021, it was found: 57 cases of employers failing to inform about the downtimes; 18 cases of employers organising work during downtimes; 5 cases of non-compliance with the procedure for payment of salaries to workers during downtimes; 11 cases of partial downtimes declared without complying with the established requirements (Inspectorate's letter, 10/05/2021, No SD-126-9102).

[56] Letter No (1.78E) I-4281 of 23 June 2021 from the SSIF Board.