VALSTYBĖS KONTROLĖ
PUBLIC AUDIT

RESULTS OF THE FINANCIAL AUDIT OF THE 2024 NATIONAL SET OF ACCOUNTS

10 October 2025

No FAE-7

SUMMARY

Audit objective and scope

We carried out the audit of the 2023 national set of accounts in accordance with the Law on the National Audit Office and the Law on Public Sector Accountability.

The audit was carried out in accordance with International Standards of Supreme Audit Institutions, which cover International Standards on Auditing. The scope of the audit and the methods applied are described in more detail in Annex 2 "Audit scope and methods" (p. 25). The report presents only the matters identified in the audit and the independent opinion on the annual accounts is expressed in the auditor's report.

Key audit results

1. The misstatements identified in the accounts of the lower consolidation level had a significant impact on the fair presentation of the national set of annual accounts

The 2024 national set of annual financial accounts includes data from 3,233 public sector entities. It still contains material recurring data misstatements: material misstatements were identified in long-term assets, biological assets, net assets, and operating expenses; data from eleven entities were not included in the 2024 set.

The correctness of the national set of annual accounts was significantly affected by data misstatements in the sets of annual accounts of the state and municipalities.

The sets of accounts of the Compulsory Health Insurance Fund and the State Social Insurance Fund contain significant misstatements related to the incorrect recording of the funds' receivables and liabilities (Section 1, pp. 10–14).

2. Legislation on the accountability of the implementation of the consolidated budget is prepared

In 2024, a new version of the Law on Budget Structure came into force, establishing medium-term consolidated budget planning and approval, covering the budgets of the state, municipalities, state social funds, and the Compulsory Health Insurance Fund, eliminating mutual transfers. However, the Law on Public Sector Accountability does not provide for the accounting of the implementation of the aforementioned consolidated budget. In order to maintain a system of accountability at all levels, we recommended that the Ministry of Finance supplement its reports with data on the implementation of the consolidated budget in 2024. The Ministry of Finance plans to implement the recommendation by 31 March 2026.

Since 2023, the national set of annual accounts has been supplemented with aggregated data on the implementation of municipal budgets. At the end of the financial year, municipalities submit their budget implementation reports to the Ministry of Finance, which prepares a summary set. Municipal budget implementation reports are audited by municipal audit and control services. The summary results of the audits carried out in municipalities show that no significant errors were found in the municipal budget implementation reports (Section 2, pp. 14–15).

3. Data on public debt are correct in all material respects

General government debt stood at EUR 29 972.4 million at the end of 2024, rising by EUR 2 414.5 million or 8.8% over 2023. The debt-to-GDP ratio increased by 0.9 percentage points and stood at 38.2% of GDP at the end of 2024. The debt data are correct in all material respects.

In 2024, borrowing was planned at EUR 5 967.0 million, while actual borrowing was EUR 5 522.3 million. The government's borrowing in 2024 was in line with the borrowing limits

The general principles and limitations relating to municipal debt management are laid down in the Constitutional Law on the Implementation of the Fiscal Treaty, and are assessed by the budget policy monitoring authority. According to the assessment data, in 2024 all municipalities complied with the fiscal discipline rules applicable to them.

Changes are observed in the management of debt incurred on behalf of the state in 2025 – legislation that has already been adopted and is being prepared covers the main debt management issues related to ensuring fiscal sustainability, borrowing planning, and risk management. On 30 April 2025, the government approved Lithuania's medium-term fiscal structural plan for 2025–2029, and a separate document on debt management on behalf of the state is also being prepared. In addition, the draft amendment to the Law on Fiscal Discipline provides for regular assessments of the sustainability of public finances. These steps demonstrate a focused effort to strengthen the public finance framework and ensure that public debt management is based on clear rules, long-term objectives, and is in line with EU requirements (Section 3, pp. 15–19).

4. Common principles for the establishment and management of reserves are needed

State reserves (Reserve (Stabilization) Fund, State Social Insurance Fund, and Compulsory Health Insurance Fund) increased by 31.6% in 2024 and amounted to EUR 4,837.8 million at the end of the year. The largest share (77.8%) of the total increase was accounted for by the growth of the State Social Insurance Fund reserve.

The main purpose of accumulating state reserves is to guarantee the financing of key public functions in unforeseen or critical situations and to ensure the stability of state finances. The State Social Insurance Fund reserve is accumulated in order to stabilize the social insurance system and compensate for shortfalls in benefits when current revenues are insufficient. Its size is set at the amount of the fund's expenses for one year. The Compulsory Health Insurance Fund reserve is intended to maintain the stability of the health insurance system. Its structure consists of a basic part (1.5% of the fund's planned income) and a risk management part. However, only the basic part of the reserve is sustainable, as the risk management part can be used to cover current expenses. The Reserve (Stabilization) Fund – EUR 671.4 million – is the main monetary reserve of the state, intended to ensure the financial stability of the state during difficult times and to fulfill specific obligations. The size of the fund is not legally defined; it also includes a reserve for the construction of a deep repository for radioactive waste and for the management of such waste. With increasing geopolitical uncertainty, strategic management of reserves is becoming particularly important in ensuring fiscal resilience, rapid response to economic or security challenges, and financial independence of the state (Section 4, pp. 20–22).

Recommendations

For the Ministry of Finance

Taking into account that the accumulation and use of reserves is one of the tools for increasing the financial resilience of the state, we recommend systematically reviewing the legal regulation of reserves and establishing common principles for their creation and management in conjunction with the state's borrowing policy (key audit result 4) (pp. 20–22).

Measures and deadlines for implementing the recommendations are presented in the section of the report entitled "Plan for the implementation of recommendations." (p. 23).

Up-to-date information on the status of implementation of the public audit recommendations of the high and medium importance as of 1 September 2025 is provided in the Report on the implementation of the recommendations of 2 September 2024[1] and published in open data on the National Audit Office website at https://www.valstybeskontrole.lt/LT/AtviriDuomenys.

[1] 2025-09-02 No. RAE-5. Internet access: https://www.valstybeskontrole.lt/EN/Post/15595/.