VALSTYBĖS KONTROLĖ
NAO OF LITHUANIA

APPROVED

Auditor General's Order
No. VE-3 of 23 January 2026

2026 ACTIVITY PLAN

The National Audit Office is an independent supreme audit institution and an independent fiscal institution accountable to the Seimas. Our constitutional duty is to assess how public resources are managed in the state and how budget policy is formed and implemented. We strive to ensure that every decision strengthens the financial stability of the state, the credibility of institutions, and public trust in the public sector.

We have prepared the 2026 activity plan as a concrete response to the most important challenges of today. Our goal is to provide recommendations that would help address real problems that affect people's well-being.

The role of National Audit Office has become particularly important for our country as it faces the need to strengthen its defence capabilities and make decisions that directly affect the interests of society and the safety of its people. In this tense geopolitical and fiscal environment, we feel a special responsibility to ensure that public finances remain disciplined, transparent, and clearly accountable. In addition to the opinions of the fiscal institution, we will also present the results of planned audits to the public. This independent, fact-based information will provide a solid foundation for better government decisions.

When drawing up our activity plan, we also included topics that are equally important for the long-term well-being of society and the resilience of the state. These are audits and assessments in the areas of education, healthcare, and infrastructure, where the quality of decisions has a direct impact on everyday life..

The efficiency of the public sector today is inseparable from digitalisation, so we will focus on IT systems and data use during our audits and assessments. In order to be able to professionally evaluate a modernizing state, we must also be at the forefront of innovation ourselves – we continuously invest in our competencies and introduce innovative audit tools.

We increase our value to society through international partnerships in INTOSAI, EUROSAI, and OECD networks. Together with other supreme audit institutions, we will conduct audits of the implementation of the region's Partnership with municipal control and audit services will allow for a more thorough assessment of the situation of non-formal education in Lithuania, taking into account the different practices of municipalities, and for more targeted recommendations to be made.

In 2026, we have planned to produce 31 products, continue the work already started, and start 26 new ones. We will present the results of the work done to the public and submit them to parliamentary scrutiny, ensuring transparency and accountability.

We will conduct ongoing assessments of selected public sector risks. This will allow us not only to record facts, but also to take preventive action—to signal emerging problems in advance and thus strengthen the quality of public administration.

Being independent, we set our own agenda, which means we are ready to respond quickly to changes and focus our attention where we can have the greatest impact on the country.

Irena Segalovičienė

Auditor General

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CHAPTER I

PRIORITY AREAS

In implementing the mission of the supreme audit institution and fiscal institution and in accordance with professional standards, we continuously analyze the use of public finances, the activities of the public sector, and the achievement of its indicators. Monitoring the implementation of recommendations, analyzing results, and cooperating with public sector institutions, non-governmental organizations, and the academic community allows us to identify areas of activity where fundamental changes are needed and to concentrate our available resources accordingly.

The annual activity plan of the National Audit Office includes activities and topics provided for by law, selected taking into account the importance of the problems for the implementation of the state's strategic objectives and geopolitical challenges, assessing the extent of risk to the amount of resources managed, and taking into account the recommendations of public sector institutions and non-governmental organizations, as well as the relevance of the issues monitored and the possibilities for examining them using audit methods.

The complex geopolitical situation encourages the public sector to undertake strategically important activities that require significant resources. When drawing up the 2026 activity plan, we focused on areas that have a direct impact on the economic and social stability of the state and the daily well-being of its people. Almost 40% of the 2026 state budget is planned to be allocated to these areas.

Defence – Funding for the Ministry of National Defence will increase to EUR 4.79 billion in 2026, or 5.38% of GDP. In 2026, 43% more funds will be allocated to defence compared to 2025, which is the largest amount of funding allocated to this area since Lithuania gained independence. It is particularly important to ensure the lawful and efficient management of the defence budget, transparent procurement, high-quality management of infrastructure projects, and systematic financial planning.

Education – In 2026, state and municipal appropriations for education will exceed EUR 5 billion and will be half a billion higher than in 2025. The share of education expenditure in GDP will make 5.7% in 2026. The social resilience and culture of society are fostered from the earliest stages of the education system, so it is important to ensure the quality of teaching and learning. Efficient investment in education and strengthening of the system are necessary for the economy to be high value-added and to strengthen innovation potential.

Healthcare – The availability and quality of healthcare services remain relevant to all Lithuanian residents. Delays in implementing recommendations have prompted greater attention to be paid to this area.

Infrastructure – Transport, communications, energy, heat and water supply facilities, and institutions that systematically meet people's needs in the areas of law, social security, education and training, culture, social care and health care, housing construction, and other areas necessary for the daily activities of the population. A well-functioning national infrastructure not only provides daily services, but also helps to prevent crises or respond to them quickly.

More than half of our resources are allocated to specific audits, assessments, and opinions of the fiscal institution as mandated by law. Other audits are planned in the National Audit

Office's annual activity plan in order to identify the most significant risks in the public sector. We aim to ensure that more than half of other activities, which are subject to risk-based selection of audit and assessment subjects, are in line with our identified priorities and thus have the greatest impact. In 2026, 61% of selected audits and assessments will focus on addressing problems in priority areas of activity.

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CHAPTER II

PUBLIC AUDIT

SECTION ONE

FINANCIAL AUDITS

A financial audit is a type of public audit in which the data in the audited entity's annual accounts are assessed and an independent auditor's opinion is expressed. We perform financial audits of annual accounts for which we are required by law to provide an auditor‘s opinion and audit report. Each year, we assess whether there are any significant misstatements in the annual (consolidated) financial and budget implementation accounts.

Table 1

	Audit subject matter
Financial audits planned to be completed in 2026	1. 2025 National Set of Accounts
	2. 2025 Set of Accounts of the State
	3. 2025 Set of Accounts of the Compulsory Health Insurance Fund
	4. 2025 Set of Accounts of the State Social Funds
	5. 2025 Set of Accounts of the Pension Annuities Fund
	6. 2025 Set of Accounts of the State Defence Fund

Table 2

	Audit subject matter
Financial audits planned to be completed in 2027	1. 2026 National Set of Accounts
	2. 2026 Set of Accounts of the State
	3. 2026 Set of Accounts of the Compulsory Health Insurance Fund
	4. 2026 Set of Accounts of the State Social Funds
	5. 2026 Set of Accounts of the State Defence Fund

The audit subject matter is described in greater detail in Annex 1.

SECTION TWO

COMPLIANCE AUDITS

Compliance audits assess, on the basis of regularity and propriety criteria, the compliance of the audited activities of one or more entities with legal and/or other requirements. An independent auditor's opinion may be issued during the audit.

Table 3

	Audit subject matter	Area
Compliance audits planned to be completed in 2026	1. Formation, accumulation and management of the State Reserve	State security and defence

Table 4

	Audit subject matter	Area
Compliance audits planned to be completed in 2027	1. Administration and implementation of projects financed from state budget appropriations (excluding EU support) on a project (selection) basis	Public finances and official statistics

The audit subject matter is described in greater detail in Annex 2.

SECTION THREE

PERFORMANCE AUDITS

Performance audits assess the activities of one or more institutions, parts of the activity of one or more institutions, programmes implemented, or systems, based on the principles of economy, efficiency, and effectiveness. Each audit aims to identify opportunities for improvement and make recommendations.

Table 5

Performance audits planned to be completed in 2026

	Audit subject matter	Area
1.	Acquisitions of armaments and military equipment	National security and defence
2.	Funds allocated to the national defence system for the purchase of goods, services, and works in 2021–2025	
3.	Managing the implementation of the infrastructure project at the Rūdninkai Military Training Area	
4.	Financial management of the national defence system	
5.	Educational support in schools	Education, science and sports
6.	Effectiveness of planning and implementing changes in education to ensure conditions for pupils' achievements	
7.	Management of health information resources	Information resources management
8.	Activities and financial management of PE Vilnius University Hospital Santaros Klinikos	Health
9.	Business innovation promotion scheme	Economic competitiveness
10.	Increasing the energy efficiency of public buildings	Energy
11	Promoting active ageing	Social security and employment

Table 6

Performance audits planned to be completed in 2027

	Audit subject matter	Area
1.	Management of logistics of the Lithuanian Army	National security and defence
2.	Formation of service at public security statutory institutions and provision of officers with the necessary means to perform their functions	Public security
3.	Organisation of physical protection of objects important for national security	

Audit subject matter		Area
4..	Non-formal education system for children	Education, science and sports
5.	Implementation of the Rail Baltica project	Transport and communications
6.	Protecting biodiversity and increasing the resilience of forests to climate change	Environment, forests, and climate change

The audit subject matter is described in greater detail in Annex 3.

CHAPTER III

OPINIONS OF THE INDEPENDENT FISCAL INSTITUTION

When implementing functions of the independent fiscal institution set out in the Law on Fiscal Governance, every year we prepare opinions and perform the monitoring of compliance with fiscal discipline rules.

Table 7

	Opinion / Report
Opinions of the independent fiscal institution	1. Opinion on the Economic Development Scenario for 2026–2029 (March 2026)
	We will assess the Economic Development Scenario drawn up and published by the Ministry of Finance and will issue an opinion on its endorsement or non-endorsement and present out macroeconomic projections
	2. Assessment of the Annual Progress Report
	We will issue an opinion on the compliance of the actual general government sector last year-end financial data with the fiscal discipline rules
	3. *Ex ante* and *ex post* evaluation of adherence of municipalities to fiscal discipline rules
	We will submit an ex-post assessment of compliance with fiscal discipline rules for 2025 and an ex-ante assessment for 2026 based on municipal budget data.
	4. Opinion on the Economic Development Scenario for 2026–2029 (September 2026)
	We will assess the Economic Development Scenario drawn up and published by the Ministry of Finance and will issue an opinion on its endorsement or non-endorsement and present out macroeconomic projections
	5. Assessment of general government sector draft budgets for 2027–2029
	We will submit an opinion on the compliance of budget indicators with the fiscal discipline rule. The opinion will include: an assessment of the general government sector draft budget indicators in terms of compliance with the fiscal discipline rule, an assessment of general government sector revenue, expenditure, debt projections, and fiscal policy orientation
	6. Assessment of the Economic Development Scenario and errors in general government sector financial projections
	We will assess the errors in the Economic Development Scenario and the general government sector financial projections drafted by the Ministry of Finance and determine whether these errors had a significant impact on the Economic Development Scenario projection and the general government sector financial projection.

CHAPTER IV

ASSESSMENTS AND OTHER TASKS

Every year, in our Activity Plan, we envisage not only audits, by performing which we implement the tasks assigned to us by laws or regulations, but also assessments and tasks aimed at contributing to the implementation of parliamentary scrutiny, strengthening the auditing system in the country, and providing independent, evidence-based information to the public about the efficiency and accountability of the performance of the Government and public sector organisations.

Table 8

Assessments	**Assessment**
	1. Preparation for the disposal of waste from solar and wind power plants and energy storage facilities
	Lithuania aims to meet its electricity needs from renewable energy sources (RES) by 2030. Due to the rapid development of RES, the number of solar, wind, and energy storage facilities is increasing significantly, and in the future, large amounts of waste will be generated. These facilities have a long operating life, but measures must be taken now to ensure effective waste management at the end of their life cycle and to prevent additional challenges for producers in the future. We will assess whether the conditions are being created for large-scale recycling and reuse of RES waste in accordance with the principles of the circular economy. The application of the producer responsibility principle, the control of the use of revenue from environmental pollution taxes, and the effectiveness of inter-institutional cooperation will also be analysed.
Other tasks	**Overviews**
	1. Overview of changes in public administration employees and salaries
	The public administration reform launched in 2024 aims to create a competitive and equitable salary system and give managers more freedom to make decisions, allowing institutions themselves to develop a remuneration structure that meets their needs, attract specialists with the necessary skills, retain existing employees, and strengthen their motivation to achieve better performance results. An overview conducted by the National Audit Office in 2025 revealed that the average gross salary in public administration institutions increased by about 10%, the differences in remuneration between institutions decreased, and the number of employees remained largely unchanged (an increase of about 1%). It was also found that some institutions did not take advantage of the opportunity to manage their salary fund more flexibly. In order to assess whether these changes are sustainable and whether they reflect targeted institutional management decisions, the objective of the overview is to establish how the human resource management practices of public administration institutions are changing following the reforms launched in 2024, including changes in the number of employees, salaries, and the employee composition.

Other tasks

Overviews

2. Overview of the progress of the implementation of the Lithuanian Economic Recovery and Resilience Plan (April 2026)
3. Overview of the progress of the implementation of the Lithuanian Economic Recovery and Resilience Plan (July 2026)

The Lithuanian Economic Recovery and Resilience Plan (EGADP), with a budget of EUR 3.849 billion, must be implemented by August 31, 2026, and the disbursement of funds must be completed by December 31, 2026. The European Commission is urging Lithuania to streamline the plan and speed up its implementation, pointing to fragmented cooperation between institutions, which is slowing down progress. On October 8, 2025, the Commission's report to the European Parliament and the Council No. COM(2025)637 notes that Lithuania is among the group of countries where EGADP payments account for just over 30% of the allocated amount. Therefore, in 2026, it will be particularly important to manage risks effectively, accelerate reforms and investments, and ensure that the planned objectives are achieved on time. This is necessary in order to strengthen the country's economic resilience, social initiatives, and green transition.

We will conduct analytical data reviews on the progress of reforms and investments under the New Generation Lithuania plan, financing information, indicator achievements, and risks that may affect the timely achievement of the planned objectives.

Review reports

4. External review of audits performed by municipal control and audit services in 2024–2025
5. External review of audits performed by municipal control and audit services in 2025–2026

Every year, we carry out an external review of audits performed by municipal control and audit services to assess whether their audits have been carried out in accordance with international standards of supreme audit institutions and other legislation governing public audit

Reports on the implementation of recommendations

6. Monitoring of the implementation of public audit recommendations (March 2026)
7. Monitoring of the implementation of public audit recommendations (September 2025)

To achieve a higher audit impact, we monitor the implementation of audit recommendations in a timely manner and to the extent agreed with audited entities; we open the monitoring data to the public, and every year, in spring and autumn we submit reports to the Committee on Audit of the Seimas.

International co-operation

In implementing its mission as the supreme audit and fiscal institution, the National Audit Office actively develops international cooperation with supreme audit institutions (SAIs) of other countries and international organizations. International professional relations allow us to strengthen our audit and fiscal governance competencies, compare national practices with the experience of other countries, and contribute to joint EU and international initiatives. Cooperative audits of several countries provide an opportunity to identify systemic problems in the region and to look at Lithuania's problems from a different perspective.

In 2026, we will present the results of three international audits:

✓ **Management of artificial intelligence in the public sector.**

The audit, completed in May 2025, assessed the readiness to adopt artificial intelligence (technological infrastructure, data maturity, and human capital) and its legal regulation, as well as the implementation of artificial intelligence projects in the public sector. This audit contributed to the international audit initiated by the Israeli SAI on the use of artificial intelligence in the public sector. The international audit, in which nine other countries[1] besides Lithuania are participating, assesses the following areas of artificial intelligence: national strategy, financing, infrastructure, digital maturity, legal regulation, information security, state projects, human resources, and natural language processing.

✓ **The realisation of the right to compulsory general education for foreign children from the territory of Ukraine.**

In December 2025, an audit of the Integration of foreign children into the general education system in Lithuania was completed. The audit assessed how challenges related to increasing immigration, opportunities for foreign children to learn Lithuanian, and access to educational support are being managed. The audit contributed to the international audit initiated by the Polish SAI, "Implementation of compulsory general education for foreign children from Ukraine," in which five other countries besides Lithuania are participating [2]. A meeting of the group conducting the joint coordinated audit "Realisation of the right for education to Ukrainian children in European schools" is planned for March 2026 in Warsaw, Poland.

✓ **Promoting active ageing.** The audit assesses whether measures are being implemented in the country to promote the social inclusion and well-being of older people in the future. In addition to Lithuania, eight other countries are participating in the international audit on the aging of society initiated by the Israeli SAI[3].

In 2026, we will continue our cooperation with other supreme audit institutions and conduct two international audits:

Implementation of the Rail Baltica project. This is already the fourth joint audit of the Baltic countries, which will assess the efficiency of the project's progress and contract management. A meeting of the project monitoring and audit groups is planned for autumn 2026 in Vilnius..

Protecting biodiversity and increasing the resilience of forests to climate change. The audit will continue the work of previous National Audit Office audits in the field of environment and climate change and will contribute to identifying and addressing problems common to many countries. It will also be part of an international audit initiated by the Polish SAI on "Adapting forest management to climate change," in which Bulgaria, Croatia, Latvia, Poland, Slovenia, and Slovakia have been invited to participate.

In implementing its international cooperation priorities, the National Audit Office plans to actively participate in international meetings in 2026 dedicated to professional dialogue on defence audits and fiscal governance, the development of audit methodologies and the implementation of joint initiatives.

Strengthening competencies in the field of national security and defence: In the first half of 2026, bilateral meetings with representatives of the German Federal Audit Office

[1] Latvia, North Macedonia, Italy, Romania, Poland, Switzerland, France, Slovakia, Israel.

[2] Poland, Czech Republic, Slovakia, Germany (State of Hesse), Ukraine.

[3] Israel, Poland, Slovakia, North Macedonia, Portugal, Malta, Paraguay, Albania.

are planned in order to strengthen professional knowledge in the field of defence audits and share experiences, as well as participation in the meeting of the NATO International Board of Auditors and the supreme audit institutions of NATO countries in Brussels, Belgium.

Strengthening the competencies of fiscal institution: Cooperation with Cambridge Econometrics continues in the development of an econometric model. An integrated macroeconomic fiscal model will improve not only the institution's economic analysis capabilities and the analytical competencies of its staff, but also the quality of the products it prepares. In spring 2026, meetings of the OECD and the heads of supreme audit institutions, as well as the 18th meeting of the OECD Network of Parliamentary Budget Officers and Independent Fiscal Institutions, are planned in Paris, France.

Participation in these events and meetings will enable the National Audit Office to strengthen professional ties, contribute to international audit and fiscal governance initiatives, exchange best practices, and ensure that the audits and assessments performed by the National Audit Office are based on the most advanced international experience.

CHAPTER V

RISKS MONITORED

In implementing the 2026 activity plan, we are prepared to review the planned work in the event of risks arising from the illegal and inefficient management, use, and disposal of state assets. Continuous monitoring of the public sector allows us to identify risks that, if not properly managed, could have negative consequences. Therefore, we seek to draw attention not only to the audits and assessments included in the 2026 activity plan, but also to:

- **Reform and strategic project management.** Lithuania is constantly undergoing changes in the public sector, but the initiation of transformations is not always based on a clear action plan or detailed analyses. Progress in implementation is not always measured, and process management is not integrated. The public sector faces a lack of competences to implement change and manage strategic projects. This not only fails to deliver the expected results, but also potentially undermines public trust in public institutions. The share of population who trust state institutions remained largely unchanged in the period 2020–2024, standing at 67%, which is still below the target of 75% set for 2025. It is particularly important to ensure adequate preparation for reforms and the implementation of strategic projects, to apply project management principles, and to strengthen the competencies of civil servants so that reforms and other strategic projects are implemented in a consistent, sustainable, and efficient manner. In Lithuania's National Reform Agenda - A New Generation Lithuania - 28 reforms and other investments are planned, with a total investment of EUR 3.85 billion. Properly implemented reforms should contribute to significant changes in education, health, green transition, digital transformation, innovation, and science, as well as public sector reform and social protection, which would strengthen public trust in state institutions.
- ✓ **Sustainable regional development.** Regional disparities in Lithuania are not decreasing. The average GDP per capita gap between regions and the national GDP per capita increased from 29.3% to 33.1%, although the target was to reduce it to 25.4% by 2025 and to 19.8% by 2030. The OECD's 2025 report emphasizes that limited infrastructure, insufficient funding, and demographic changes—population decline and aging—are limiting the availability of quality services and the economic potential of regions. EU institutions also draw attention to this problem: in its 2023-2024 reports, the EU Council called on Lithuania to consolidate resources and improve cooperation between municipalities in the provision of public services, while the European Commission recommended in 2025 to strengthen the social and economic resilience of regions and improve the legal and institutional framework by encouraging municipalities to cooperate in the areas of public service provision and local cluster development. In order to achieve sustainable and balanced development of Lithuania's territory and reduce regional disparities, EUR 1.6 billion is earmarked for the measures of the Regional Development Programme for 2022-2030. Therefore, it is necessary to improve the management of this programme, strengthen the competences of municipalities, and create legal, institutional, and financial conditions for joint municipal activities not only within the framework of this programme.
- **Reducing income inequality, poverty, and social exclusion.** Income inequality in Lithuania, compared to other European Union countries, has remained consistently high for a long time and shows no signs of decreasing. According to data from 2024, the income of the richest 20% of the population was 6.6 times higher than that of the poorest 20%. (In 2022 and 2023, this indicator was 6.4 times higher). The poverty risk

rate in 2024 was 21.5%, i.e. 0.9 percentage points higher than in 2023. In its 2025 Semester Report, the European Commission notes the need to increase the coverage, adequacy, and effectiveness of the social security system; allocate social security expenditure in a more targeted manner so that it reaches the most vulnerable people, especially groups at greatest risk of poverty; improve the structure of the tax system, the availability and quality of social housing, and increase the adequacy of old-age pensions, while ensuring the sustainability of the pension system. In order to efficiently address inequality and social exclusion, it is essential that the measures planned and implemented are geared towards systemic solutions, take into account existing social problems, and ensure long-term impact.

- ✓ **Rational management of state-owned real estate.** It is important that the state owns as much real estate as it needs to perform its functions and that this property is managed legally and efficiently. Currently, the state manages 25,700 real estate properties with a total area of 9.02 million square meters, which are administered by 401 property managers. The maintenance of this property costs at least EUR 300 million per year. Centralized management of administrative real estate should ensure faster disposal of surplus property and more efficient use of existing property. State institutions should be encouraged to reduce the amount of real estate they use, and the SoE Turto bankas (Property Bank) should identify priority property renovation projects that generate the highest returns and implement them on time and within budget. No decisions have yet been made regarding the future management of the remaining residential, educational, medical, and other properties. It is important to make informed decisions on the management, renovation or disposal of these properties, to reduce their maintenance costs and to ensure that the state manages only as much property as is necessary for the performance of its functions. In order to increase energy efficiency, the public sector must take active steps to improve the energy efficiency of public buildings.
- ✓ **Efficient management of the defence budget.** In order to ensure adequate preparedness to respond to emerging threats, priorities for strengthening national security have been set, and defence funding is being rapidly increased to achieve them. The State Defence Fund was established in 2024. State budget allocations for defence in the period 2021–2025 have tripled: from EUR 1,109.3 million to EUR 3,349.0 million. In order to increase defence capabilities even more rapidly, it is planned to increase defence funding to 5-6% of GDP in 2026-2030. It is important that the rapidly growing defence budget is managed lawfully and effectively, ensuring the smooth implementation of national security priorities.
- ✓ **Increasing the efficiency of the research and technological development (R&D) system.** Strengthening R&D potential is one of the most important areas of progress for the country. Lithuania ranked 18th in the European Innovation Scoreboard in 2024 and has the potential to catch up with and surpass countries with similar levels of development by implementing the objectives of the National Progress Plan for 2021–2030. National Progress Plan for 2021-2030: to pursue sustainable economic growth based on scientific knowledge and advanced technologies and to increase international competitiveness. In order to further promote the introduction of advanced technologies and the creation of high value-added products, it is important to consistently increase the efficiency of the R&D system. The Lithuanian Science Council, whose budget appropriations for 2025 amounted to EUR 67.6 million, plays a particularly important role in this process. Its activities are important for promoting innovation, strengthening international cooperation, and attracting talent. The development of the most innovative projects, which in the long run strengthen the country's scientific potential and international competitiveness, depends in particular on transparent project selection processes that meet international standards and effective management.

- **Immigration management.** The number of foreigners living in Lithuania grew rapidly every year: from 100,200 in 2022 to almost 221,800 at the beginning of 2024. After immigration rules were tightened in July 2024, the number of foreigners living in the country began to decline – at the beginning of 2025, there were 217,900 (1.74% less than in 2024) and accounted for 7.54% of the total population. In 2024, 32,800 foreigners immigrated (compared to 2023 data, the number of foreigners arriving decreased by 33.2% (49,100 in 2023). Since February 24, 2022, 99,400 war refugees from Ukraine and their family members have been registered in Lithuania. The number of citizens from Belarus and Russia is steadily decreasing, but the number of migrants from Uzbekistan, India, and Pakistan is increasing. These changes reveal changing immigration trends in Lithuania, therefore migration management must be flexible and able to adapt to the changing situation. Balanced management of immigration flows is an important factor in assessing threats to national security and ensuring the attraction of a workforce that meets the needs of the state. The proper implementation of the 2024 European Union Pact on Migration and Asylum is particularly important in light of the renewal of Lithuania's migration policy directions. Based on these, decisions will be made on the regulation of labour immigration flows, ensuring efficient asylum procedures and reception conditions, developing the integration system for foreigners, and strengthening the control and prevention of illegal migration.
- **Effectiveness of measures to reduce the shadow economy and the value added tax gap**. The European Commission, the Organization for Economic Cooperation and Development, and World Bank tax experts highlight the problem of the scale of the shadow economy in Lithuania and call for a reduction in the value-added tax gap, which causes the country to lose significant state budget revenue (calculated at EUR 966 million in 2022). In 2021, an action plan to reduce the shadow economy and the value added tax gap was approved, with the aim of reducing the VAT gap to the EU average of 10% by 2030. The largest part of the plan – about 40% – consists of measures aimed at digitalised data analysis, emphasising the importance of inter-institutional cooperation. In addition, the structural reforms envisaged in the New Generation Lithuania plan aim to improve tax compliance in high-risk sectors, increase the transparency of settlements, and modernize the processes of data collection, analysis, and decision-making carried out by the State Tax Inspectorate and Customs. Cash payments are one of the prerequisites for non-transparent economic activity. The planned changes to these payment restrictions must be justified and coordinated with other measures to reduce the shadow economy. In order to achieve successful results, it is important that the activities of the responsible institutions are targeted at the most risky areas, identified on the basis of analytical tools and risk assessment measures, and that inter-institutional cooperation ensures timely data exchange and coordination of actions.
- **Media and information literacy education in Lithuania.** The complex geopolitical situation encourages us to pay attention to the information security situation in Europe. With radicalism and populism on the rise in various countries, false information spreading in the media and other media outlets, and the public's increasing involvement in social networks, it is necessary to strengthen media and information literacy and critical thinking in order to ensure public resistance to disinformation in the digital space and reduce threats to democracy and national independence.

  Between 2017 and 2021, media literacy in Lithuania increased from 37.8% to 48.7%. The proportion of the public able to recognize information attacks and misleading information is also increasing, with the target for 2025 (60%) already achieved. However, in order to create a socially responsible, conscious, civically active, and disinformation-resistant society, it is necessary to raise the level of media and information literacy in all target groups. The 2025 National Security Threat Assessment prepared by the State Security Department states that Russia seeks to discredit Lithuania by actively pursuing a confrontational information policy. Although the vast majority of Lithuanian society views Russia as a threat to national security, some residents support this country's aggressive domestic and foreign policies. These pro-Russian political attitudes should be viewed as an internal vulnerability of the state.

- **Improving the efficiency of public administration.** According to data published by the Ministry of the Interior in 2025, the majority of residents have a positive opinion of the work of state and municipal institutions and agencies (60% in 2024), but there is concern that the proportion of people with a negative opinion is increasing (18% in 2018, 29% in 2024). Public administration must ensure that institutions operate more efficiently and that all residents and businesses receive high-quality and timely services. Therefore, the reforms being implemented are focused on the rational distribution of functions between state and municipal institutions, improving the quality and smoothness of administrative and public services, the consistent implementation of digital solutions, and reducing the administrative burden. In the public sector, EUR 351.5 million was be spent on the acquisition and maintenance of information technologies in 2021-2024., which should significantly increase the availability of high-quality data, its use by institutions in making data-driven decisions, and improve the maturity of the digitalisation of administrative and public services. It is also important to ensure that service delivery mechanisms, including the one-stop shop principle, function effectively, enabling citizens to conduct their business in one place – conveniently, quickly, and smoothly. Properly implemented changes would reduce the administrative burden and increase residents' trust in state and municipal institutions.

By monitoring developments in these areas throughout the year and taking into account changing circumstances, we will be prepared to review the 2026 work plan and consider the possibility of adding new audits or assessments. This will enable us to create the greatest added value for society and initiate the most important changes in the public sector at this time.

Annex 1
to the 2026 Activity Plan

Description of the subject matter of financial audits

1. National Set of Annual Accounts

The National Set of Annual Accounts comprises data on the financial position, performance and cash flows of the state public sector entities, all municipal public sector entities, the state social funds, the Compulsory Health Insurance Fund and the Pension Annuity Fund, consolidated into a single set of accounts of a public sector entity. From 2026, groups of state and municipal public sector entities will include not only state and municipal public sector entities but also state and municipality-controlled profit-seeking entities.

The National Set of Annual Accounts is accompanied by data on the implementation of municipal budgets and information on public debt.

2. Set of Annual Accounts of the State

The Set of Annual Accounts of the State comprises the State Progress Report, the set of annual financial statements of the State and the set of annual reports on the implementation of the State budget.

The National Progress Report includes a statement by the Prime Minister of the Republic of Lithuania, information on the Government's priorities for the near future, on the achievement of the values of the state development directions set out in the State Progress Strategy and the indicators used to measure them, the values of the main progress targets and their evaluation indicators in the areas of state activity approved by the Law on the Approval of Financial Indicators of the State Budget and Municipal Budgets of the Republic of Lithuania for the respective year, which are set out in the National Progress Plan, and the values of the benchmarks and indicators for their assessment set out in the Government Programme for the relevant financial year, and other relevant information by area of State activity.

The group of public sector entities for the preparation of the annual accounts of the State comprises all (up to 500) public sector entities of the State. From 2026, the group of public sector entities in the preparation of the set of annual reports of the State will also include state-controlled profit-seeking entities.

3. Set of Annual Accounts of the Compulsory Health Insurance Fund

The Compulsory Health Insurance Fund is a resource fund for reimbursing the health care of persons covered by compulsory health insurance on the grounds and under the conditions laid down by law.

The Fund's set of annual accounts is compiled by the National Health Insurance Fund.

4. Set of Annual Accounts of the State Social Funds

The Set of Annual Accounts of the State Social Funds comprises the set of annual accounts of the State Social Insurance Fund, the set of annual accounts of the Guarantee Fund and the set of annual accounts of the Long-Term Employment Benefits Fund.

The State Social Insurance Fund is a resource fund for the financing, management, and administration of social insurance for pensions, sickness, maternity, unemployment, accidents at work and occupational diseases. The Fund's annual accounts are compiled from data provided by the State Social Fund Board and the territorial divisions.

The Guarantee Fund is resource fund designed to provide guarantees to employees (in the form of grants and benefits) in the event of their employer's insolvency. It is used to reimburse the benefits provided for in the Law on Employment for the self-employed, to provide a wage subsidy in the event of an emergency or quarantine declared by the government, and to finance active labour market policy measures.

The Long-Term Employment Benefits Fund is a resource fund to provide additional financial guarantees by paying long-term benefits to individuals whose employment relationship under termination of employment contract with an employer in the jurisdiction of the Republic of Lithuania has continued without interruption for more than 5 years on the day of dismissal and who are dismissed at the initiative of the employer without the fault of the employee. This fund can also finance active labour market policy measures.

5. Set of Accounts of the Pensions Annuity Fund

The Pension Annuity Fund is a resource fund dedicated to pension annuity payment activities. The objective of the pension annuity provider (the State Social Insurance Fund Board) is to ensure the payment of pension annuities to beneficiaries for life, for the maximum benefit of the beneficiaries, and by managing the Fund's resources in a transparent and sustainable manner.

6. Set of Accounts of the National Defence Fund

The National Defence Fund is the monetary fund for the accumulation of the State's monetary resources to meet the most urgent needs for the reinforcement of the State's priority defence capabilities and civil protection to achieve the objectives set out in the Law on the National Defence Fund.

Annex 2
to the 2026 Activity Plan

Description of the subject matter of compliance audits planned to be completed in 2026

1. Formation, accumulation, management and administration of the State Reserve

The State Reserve is one of the guarantors of national security and is intended to meet the essential needs of the civil protection system and the affected population in times of emergency or crisis, and to deal with their consequences. One of the objectives of the National Security Strategy is to establish sustainable principles and criteria for the accumulation of the State Reserve, to introduce innovative solutions for its administration, and to ensure the necessary accumulation of the State Reserve. The complex geopolitical situation and the increasing risk of various threats increase the importance of this task and the relevance of the State Reserve.

Our audit will assess whether the State Reserve, which has been established and accumulated, is sufficient, adequate and can be mobilised rapidly to meet the needs of the crisis management and civil protection system and of the affected populations in the event of an emergency or a crisis, in the event of the declaration of a mobilisation, or in the event of a state of emergency or a state of war.

Description of the subject matter of compliance audits planned to be completed in 2027

1. Administration and implementation of projects financed from state budget appropriations (excluding EU support) on a project (selection) basis

Project-based (selection) funding is an important tool for ensuring the transparent and targeted use of state budget appropriations. This method is widely used to support initiatives in education, science, culture, sports, agriculture, and other areas. The results of the 2018 financial audit of the financial statements of the State revealed that the project selection and financing processes lacked transparency, objectivity, and control. Inappropriately selected evaluation indicators did not allow for an objective assessment of the results of project activities, and insufficient publicity of these activities reduced the transparency of the funding process.

Following the implementation of the recommendations, the Law on Strategic Management and the methodology were amended, general requirements for project preparation and implementation were established, and by the end of 2024, appropriation managers had to review and supplement the new provisions or prepare new procedures for project selection, administration, and financing.

Following a survey of institutions, more than 70 operational measures were implemented in this way in 2025, with funding exceeding EUR 300 million. Proper project administration and implementation are important for ensuring the transparency of tenders, the targeted allocation of funding, and the lawful and effective use of state budget appropriations.

The audit will assess whether the application of project (selection) funding ensures the reasonable, lawful, and transparent use of state budget funds in order to achieve strategic objectives. It will be analysed whether, following regulatory changes, project (selection) funding is applied on the basis of clear criteria and desired results, and whether project selection, the conclusion of funding contracts and their implementation ensure the targeted and lawful use of state budget funds and the transparency of project activities.___________________________

Annex 3
to the 2026 Activity Plan

Description of the subject matter of performance audits planned to be completed in 2026

1. **Acquisitions of armaments and military equipment**

Appropriations for the procurement of armaments and military equipment in 2025 account for 46% of the national defence system budget. Funding for these purchases is increasing significantly every year (EUR 797 million was spent in 2024, EUR 1,487 million has been allocated for 2025, and EUR 2,505 million is planned for 2026). The rapidly growing funding should ensure that the Lithuanian Armed Forces are provided with modern weaponry, technology, and military equipment in line with their needs, and that the decisions taken ensure the smooth implementation, operation, and maintenance of new systems and meet the need for training in the use of the equipment purchased.

The audit will assess whether the procurement of armaments and military equipment is initiated in accordance with the needs set out in the planning documents, ensures the achievement of strategic objectives by increasing defence capabilities, and ensures the efficient use of allocated funding. We will analyse the planning, implementation, monitoring, and control of acquisitions, the readiness to use and properly maintain the equipment being purchased, as well as the implementation of industrial cooperation.

2. **Funds allocated to the national defence system for the purchase of goods, services, and works in 2021–2025**

The audit was assigned by the Resolution of the Seimas of the Republic of Lithuania of 2025-12-23 No. XV-743.

3. **Managing the implementation of the infrastructure project at the Rūdninkai Military Training Area**

The infrastructure project at the Rūdninkai Military Training Area is strategically important to ensure that the host country has the infrastructure in place in time to receive the German brigade. The bulk of the project consists of the development of the military campus, which is being carried out through a public-private partnership. According to the Infrastructure Management Agency of the Ministry of National Defence, the value of the infrastructure acquisitions for this project between 2024 and 2025 amounts to EUR 1.9 billion. Given the project's financial size and the importance of the timeframe, its management is crucial to ensure successful implementation by the end of 2027.

Our audit will assess whether the management of the infrastructure project at the Rūdninkai Military Training Area will ensure that the necessary infrastructure is in place in time to host the German Brigade.

4. **Financial management of the national defence system**

Funding for the national defence system is growing every year – in 2025, appropriations increased by almost 40% compared to 2024. The planned state budget allocations to the Ministry of National Defence (including EU support funds, funds under the European Peace Facility, and funds from the State Defence Fund) for 2025 amount to EUR 3,349.0 million, or 4.04% of GDP.

With defence funding growing rapidly, it is particularly important to ensure efficient and transparent planning and management of funds. Proper budget planning, allocation and reallocation of appropriations, as well as consistent monitoring of budget implementation are essential for achieving the priorities set out in the National Defence System Strengthening and Development Programme, which aims to to establish host nation support infrastructure for the German brigade, to form a national division that would reach full operational capability by 2030, and to implement the principle of total defence.

The audit will assess whether financial management is efficient and ensures the implementation of national defence system priorities and strategic projects, the planned strengthening of defence capabilities, and the fulfilment of Lithuania's NATO commitments.

5. Educational support in schools

Lithuania, in line with European education policy goals, aims to improve the quality of education for children with special educational needs (SEN), in line with the principles of equal opportunities, accessibility and quality education. The Law on Education stipulates that all schools providing compulsory and general education must provide education for pupils with SEN. As of 1 September 2024, amendments to the Law on Education entered into force, which stipulate that every child must be able to be educated in the nearest educational establishment alongside his or her peers and that schools will no longer be able to refuse to accept children with SEN. One of the key elements enabling SEN children to integrate successfully into the learning process is educational support, which is understood as specialist assistance provided to pupils, their parents, teachers and education providers, with the aim of improving the effectiveness of education.

In 2024, around 70 000 (15%) of pre-school, pre-primary and general education pupils had SEN; around 10 000 (2%) had disabilities. The state budget has allocated EUR 300 million to provide educational support in 2023-2024.

During the audit, we will assess whether education support is making a sufficient contribution to the inclusion of all SUP children in a smooth education process and whether the state budget allocations for education aid are being used effectively.

6. Effectiveness of planning and implementing changes in education to ensure conditions for pupils' achievements

Pupils' achievements are one of the key indicators of the education system's performance, with a long-term impact on the development of the country's human capital, social justice, and economic competitiveness. One of the most important roles of the state in this area is to formulate a consistent and implementable education policy that would ensure appropriate conditions for all pupils to achieve progress.

In recent years, the Ministry of Education, Science and Sport has initiated fundamental changes – strategic decisions have been made on updating educational content, providing teaching resources, restructuring state matriculation examinations (SME) and introducing new assessment principles. These decisions had to be implemented in close cooperation with the National Agency for Education, which is the main institution responsible for implementing education policy at the general education level.

In 2025, the decisions taken by the SME assessment committees to add an additional 10 points to the SME results highlighted shortcomings in the implementation of changes related to the updating of educational content, the availability of teaching aids, and the process of preparing and examining general education achievement (SME) tasks.

The audit will assess whether the planning and implementation of changes in education ensure high-quality education and the efficient use of allocated resources.

7. Management of health information resources

The proper management of information resources in the health sector is crucial to improving the quality and accessibility of health services. Public health bodies operating in this sector use and develop their own internal information systems. To date, there is no assurance that some of them are integrated into the overall eHealth system, including the connection to and the intensity of use of the Advance Patient Registration system. The problems of sub-optimal speed of eHealth, insufficient data exchange between IS and registers, and not all data stored in the system being accessible to professionals and patients also remain. From 2024 onwards, the costs of maintenance and upgrades of information technologies are included by healthcare institutions in the calculated basic prices of personal healthcare services, so inefficient use and development of institutions' information systems have a direct impact on the cost of services.

The audit will assess the management of information resources and the maturity of IT governance processes in the Ministry of Health and the institutions and other bodies under its management.

8. Activities and financial management of PE Vilnius University Hospital Santaros Klinikos

PE Vilnius University Hospital Santaros Klinikos is one of the largest hospitals in Lithuania, providing top-level healthcare services and conducting ongoing educational and scientific research. The deteriorating financial situation of this institution, with losses increasing in 2025, poses significant risks to financial stability. As the activities of Santaros Klinikos are strategically important for the entire country's healthcare system, it is particularly important to ensure the balanced operation of this institution, which is necessary for both the continuity of its daily activities and its long-term sustainability.

In recent years, significant changes have taken place with the merger of other institutions with Santaros Klinikos: the Žalgirio Klinika branch in 2024 and the National Cancer Center branch in 2025. Santaros Klinikos also plays an important role in the state's preparedness for extreme situations – the threat of war, large-scale disasters, and epidemiological outbreaks. In accordance with the Economic Recovery and Resilience Plan, infectious disease clusters are being created there, which should strengthen the resilience of the entire healthcare system.

The audit will assess whether the operational and financial management of Vilnius University Hospital Santaros Klinikos creates the conditions for sustainable and financially balanced operations. It will analyse whether services are organised efficiently, resources are used rationally, and whether the management system ensures effective decision-making based on monitoring and analysis data. Preparedness for emergencies, including the threat of war and the progress of the creation of an infectious disease cluster, its public procurement and the performance of contracts, will also be assessed.

9. Business innovation promotion system

In order to increase the country's international competitiveness, the creation of science-intensive businesses, cooperation between science and business, and the creation, implementation, and dissemination of advanced technologies and innovations are encouraged. Lithuania aims to be among the 20 most innovative countries by 2030 and to increase R&D expenditure in the business sector to 1.3% of GDP. In 2023, Lithuania ranked 34th in the Global Innovation Index (40th in 2018). In 2023, the R&D expenditure in the business sector reached 0.45% (0.39% in 2018).

One of the factors determining the successful creation and development of science-intensive businesses is the openness and accountability of public administration institutions, the provision of effective and high-quality administrative and public services, and the proportionality of the administrative burden to the benefits sought. In 2022, the functions of innovation support agencies were consolidated and the Innovation Agency was established to ensure a consistent, systematic, and clear business support system and to provide the services needed by businesses in one place.

The audit will assess whether the business innovation promotion system provides support to businesses and encourages them to create and implement innovations.

10. Increasing the energy efficiency of public buildings

The efficient use of energy resources and energy consumption is one of the most important long-term goals of the EU and Lithuania. By implementing the Energy Efficiency Directive, Lithuania has committed to saving a total of 39.3 TWh by 2030 through its chosen energy efficiency (saving) measures, thereby reducing annual final energy consumption to 51 TWh. In order to achieve these targets, the public sector must take active measures and renovate at least 3% of the total area of public buildings it owns each year to meet the requirements for nearly zero-energy or zero-emission buildings.

The National Energy and Climate Action Plan for 2021–2030 provides for the renovation of approximately 510,000 m2 of central government and 450,000 m2 of municipal public buildings by 2030.

The audit will assess whether the objectives of renovating public buildings and improving energy efficiency are being achieved.

11. Promoting active ageing

Active participation of older people in society and the labour market is essential to prevent long-term economic and social consequences. Well-designed and implemented measures targeted at the current older population, together with long-term plans for future generations, are essential to ensure the well-being of all generations. Investing in the social inclusion of older people can help prevent future problems associated with ageing. This will enable Lithuania to maintain sustainable social and economic structures, creating an environment where older people are valued as active members of society.

Promoting active ageing in Lithuania is particularly relevant given the rapidly changing demographic situation. According to OECD data, the ratio of people aged 65 and over to the population aged 15-64 will almost double from 32 people aged 65 and over/100 people in 2022 to almost 60 people in 2050. The share of older workers (55-64 years) in the working population is expected to increase from 23% in 2022 to 26% in 2050.

The audit will assess whether the measures implemented in the country address the issues of older people's inclusion in the labour market, social life and reducing loneliness, and whether the priorities for active ageing are set out in long-term strategies to promote the social inclusion and well-being of older people in the future. The audit will contribute to an international audit on ageing initiated by the Israeli SAI.

Description of the subject matter of performance audits planned to be completed in 2027

1. Management of logistics of the Lithuanian Army

Over the past five years, defense funding in Lithuania has grown rapidly, from EUR 1.8 billion in 2020 to more than EUR 3.3 billion in 2025. It is planned that in the coming years, appropriations will exceed EUR 4.8 billion and account for more than 5% of GDP. A significant part of these funds is allocated to the acquisition of military equipment and infrastructure development, but the strengthening of logistics capabilities and the improvement of processes are progressing at a slower pace. Logistics is a prerequisite for the operational readiness of the armed forces – it determines the proper supply of units, the effective use of resources, and the resilience of the defense system.

The development of logistics infrastructure, strengthening of personnel, and inventory management remain significant challenges. Insufficient efficiency of the logistics system may limit the operational readiness of the armed forces, adequate supply of units, and effective use of resources. These challenges are particularly relevant in the current security situation, where the structure of the army division is being strengthened, the capabilities of allies are being expanded, and the need for host nation support is increasing. Efficient logistics management determines the readiness of the armed forces to operate in times of peace, crisis, or war, while insufficient coordination, planning, or resource allocation reduces the effectiveness and resilience of the defensce system.

The audit will assess whether the logistics management of the Lithuanian Armed Forces ensures adequate supply, effective use of resources, and operational readiness of the armed forces. It will analyze whether logistics management is clearly defined, aligned with the army's modernisation plans and ensures coordinated decision-making; whether logistics processes (supply, transport, repair, storage) are organised efficiently, ensuring adequate supply and effective use of resources; whether stocks, including inviolable and strategic stocks, are managed efficiently and enable the army to be ready for action; whether their accounting and monitoring are carried out in reliable information systems, ensuring data accuracy, availability, and protection from cyber threats; whether the size, competence, and planning of logistics personnel are sufficient to ensure the performance of logistics functions; and whether the internal control and risk management mechanisms in place ensure the transparent and economical use of resources.

2. Formation of service at public security statutory institutions and provision of officers with the necessary means to perform their functions

Public security statutory institutions are particularly important in ensuring public safety, public order, and state stability. Proper formation of these services, personnel planning, and adequate provision of officers are necessary prerequisites for the effective performance of their functions in their daily activities. The State Border Guard Service and the Public Security Service must be prepared to integrate into the Lithuanian Armed Forces in the event of war, while the Police and the Fire and Rescue Department must be prepared to perform their assigned special functions. In view of this, officers must be provided not only with the equipment necessary for their daily activities, but also with the equipment specified in military supply standards, which is necessary for action in a state of emergency, mobilisation, or war. According to data from the Public Sector Employee Registry Information System as of March 26, 2025, the proportion of vacant positions in public security institutions is increasing every year, from 15% in 2022 to 18% in 2024. According to data from December 31, 2024, there were 17,847 positions established in public security institutions, of which 3,242 were vacant. In addition, 2,565 officers have 25 or more years of service, so this number may decrease by another 15% in the near future.

The audit will assess whether the capacities of public security statutory institutions are being consistently increased. It will analyse whether the financial resources allocated to increase the capacity of these institutions are planned and managed in such a way as to meet the actual staffing needs, reduce the number of vacant positions and ensure a consistent increase in the level of provision of officers in accordance with daily operational and military standards.

3. Organisation of physical protection of objects important for national security

The security situation in the world and in the region, as well as the increasing number of emergencies or situations in Lithuania that change the normal life of the society every year, increase the need for ensuring public security. The Public Security Strengthening and Development Programme for 2023, approved by the Seimas Resolution, stipulates that it is necessary to strengthen the physical protection of objects important for national security, taking into account the current threats. These objects are often components of critical infrastructure, the destruction or damage to which could have major economic and social consequences. Adequate infrastructure protection can minimise losses and prevent crises, allowing a quicker return to normal after incidents and ensuring the continuity of vital state functions. Physical protection of some objects of national importance is carried out by bodies under the authority of the Minister of the Interior. The organisation of the physical protection of other objects is the responsibility of the heads of entities important for national security. It is important that the organisation of the physical protection of these objects (requirements, supervision and control) ensures the efficiency of the security systems and the compatibility of the security measures used and their conformity with the threats identified.

Our audit will assess whether the decision-making process on what needs to be protected, who needs to be protected and what level of protection is required, and the supervision of the organisation of physical protection and/or the procurement of security services, ensures adequate physical protection of objects of national security importance

4. Non-formal education system for children

Non-formal education (NFE) for children is an important part of the education system, helping to develop children's abilities, creativity, social and emotional skills, and encouraging their self-expression. The purpose of NFE is to meet the cognitive, educational, and self-expression needs of pupils, creating conditions for them to become active and civically mature members of society. The NFE basket, introduced in 2016, has increased the number of education service providers and the variety of programs. State funding for NFE is growing every year, from EUR 9.72 million in 2016 to EUR 25 million in 2025. The basket size remains unchanged at EUR 15-25 (double for children with special educational needs). A relatively small proportion of children participate in targeted funding programs: in 2024 – about 31.1% (27.5% in 2023), and 35.9% of children with special educational needs (30.7% in 2023).

Non-formal education plays an important social role – it reduces educational and social inequalities between municipalities and gives children from different social backgrounds the opportunity to develop and spend their free time in a meaningful way. High-quality leisure activities have a preventive effect, helping to prevent behavioral problems, emotional difficulties, and early dropout from the education system.

The audit will assess whether the non-formal education system for children and its funding are efficient and enable the achievement of the objectives set at national and municipal level. It will analyse whether the system ensures that all children, especially those with special needs and those growing up in socially disadvantaged families, have access to high-quality services that meet their needs, whether funds are used efficiently and for their intended purpose, and whether control over their use is ensured.

5. Implementation of Rail Baltica project

Rail Baltica is the largest cross-border infrastructure project in the history of the Baltic States, with enormous economic and geopolitical significance. It will not only integrate Lithuania, Latvia, and Estonia into the European high-speed rail network, ensuring faster passenger and freight traffic and promoting investment, but will also strengthen the region's security. The project will reduce the Baltic countries' dependence on eastern transport corridors.

An assessment of the Rail Baltica project carried out in 2024 found that an additional EUR 19 billion is needed for its full implementation. This poses a risk to the financing of the project and meeting the deadlines.

A joint audit by the supreme audit institutions of the Baltic countries will assess whether the project's progress and contract management are effective and adequate. The efficiency of public procurement and contract management, the implementation of previous audit recommendations, and the adequacy of measures to mitigate financing and delay risks will be analysed.

6. Protecting biodiversity and increasing the resilience of forests to climate change

Lithuanian forests and protected areas contribute significantly to climate change mitigation and biodiversity conservation. As forests cover more than a third of the country's territory and are important for achieving national climate change targets, their resilience to the effects of climate change is particularly important. The implementation of the recommendations of the 2022 audit "Protection of Lithuanian Forest Resources" conducted by the National Audit Office is delayed, especially in the areas of increasing forest cover and improving biodiversity protection.

The European Union's 2030 Biodiversity Strategy sets a target of ensuring that protected areas cover at least 30% of the country's territory, with one-third of them being strictly protected. According to data from the State Service for Protected Areas on October 15, 2025, the total area of protected areas (reserves, protected areas, parks, etc.) covers about 18.5% of the country's total territory, while strictly protected areas (reserves) cover only about 0.7% of the country's territory. The European Commission (EC) has expressed concern about systemic shortcomings in identifying and ensuring the protection of Natura 2000 sites, emphasizing that Lithuania is late in completing the necessary actions for protected areas and has not set sufficiently detailed and quantitatively defined protection objectives and necessary protection measures for these areas.

The audit will assess whether the management of Lithuanian forests and protected areas ensures the implementation of EU biodiversity objectives and the creation of resilient forests, taking into account the challenges posed by climate change. We will analyse whether a balance is ensured between forest protection functions and economic activities, how the EU biodiversity strategy is implemented and how information resources are managed. The audit will also contribute to the international audit "Adapting forest management to climate change" initiated by the Polish SAI.

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