VALSTYBĖS KONTROLĖ

NAO OF LITHUANIA

2024

Activity report

Mission

To promote progress in the public sector
and the changes necessary for society

Values

Professionalism

Ethical behaviour

Cooperation

Innovation

Strategic directions

Results
creating positive change for the state and society

Performance
leading by example of progressive organisational management

Team
professional, collaborating openly and ethically

A word from the Auditor General

This Annual activity report reflects the strength of the supreme audit institution: its ability to maintain independence, objectivity, and professionalism in carrying out public audits and assessments, applying advanced audit quality assurance tools, and responding flexibly to a changing environment.

For us, the most important indicators of the National Audit Office's performance are the positive changes that have taken place in the country. The impact of previous audits is reflected in a more transparent model of public governance, significant decisions taken in the formulation of the next year's state budgets, reduction of the shadow economy, legal preconditions for the optimisation of the activities of the Compulsory Health Insurance Fund (CHIF), improved protection of forestry resources, and the strengthening of children's health.

I believe that the timely and proper implementation of the auditors' recommendations has a positive impact on public well-being and quality of life. Looking at the future, I can forecast that the audits completed in 2024 will lead to further positive changes in the public sector to achieve a safe environment and a healthy society, innovation and technological progress, and to strengthen the country's preparedness to face external threats. I call on the institutions with whom we have worked this year and in the past to find more effective ways to implement the recommendations to remain active and turn the measures identified into reality.

We are also making progress by implementing changes in our own institution that contribute to more efficient process management and ensure openness in the public sector. We have set up ARIS, a data-sharing website for those responsible for the implementation of public audit recommendations. Audited bodies can now directly submit data on the implementation of recommendations through the e-Government Gateway. This contributes significantly to reducing the administrative burden and improving data quality.

2024 was an important year for our institution because it gave us the opportunity to take stock of the journey we have made over several years. Striving for improvement of the supreme audit institution (SAI), an external review of our performance was carried out by independent reviewers in accordance with the procedures established by international organisations.

The Peer review of the National Audit Office conducted by experts from the SAIs of Estonia, the United Kingdom, and the Netherlands provided an opportunity to check whether the audits carried out are in line with the International Standards of Supreme Audit Institutions, and to assess where we can still grow and improve. The conclusion of the review confirms that our activities are generally in line with the requirements of the standards applicable to audit institutions, with examples of good practice identified. The experts noted the importance of implementing changes in financial auditing as the audit environment and standards are constantly changing. I believe that the performance improvement measures we are implementing and the automation of audit procedures will be tested already this year. External review has shown that the National Audit Office is perceived by stakeholders as a reliable and professional partner.

I thank the audited bodies for their cooperation, access to data, and involvement in finding ways to resolve the problems identified. The mission of the National Audit Office – to promote progress in the public sector and the changes necessary for society - would not be achievable without the good-will efforts of public sector institutions.

I am pleased that the results of our independent work are being used for decision-making, and that the support of the Audit Committee of the Seimas of the Republic of Lithuania is helping to bring about the changes needed by society faster.

Thanks to my colleagues for their commitment and motivation to do more than expected and planned.

We all need the state where transparent and efficient management of resources leads to a high-quality and secure life. Our main goal is to work with the institutions we assess to find new operational instruments that will help ensure security, economic stability, and quality of life for the whole nation.

Mindaugas Macijauskas
Auditor General

Facts and figures

Objectives

Overseeing the lawful and efficient management and use of state assets and the implementation of the state budget.

Promoting a positive and effective impact of public audit on the public financial management and control system and on results and public needs-oriented public governance.

Monitoring compliance with the rules and tasks set out in the Constitutional Law on the implementation of the Fiscal Treaty, ensuring transparency and accountability in public finances.

Public audit

19
public audits

5
assessments and overviews

2
reports on the implementation of recommendations

1
external review of Municipal Audit and Control Services

EU investments audit

1
EU investments audit

Budget monitoring

8
budget policy control assessments

Appropriations used

7 206 THOUSAND EUR
public audit

704 THOUSAND EUR
EU investments audit

447 THOUSAND EUR
budget monitoring

2 038 THOUSAND EUR
administrative expenses

Results

creating positive change for the state and society

NAO Strategy 2025 indicators

7.7
audit topic relevance index
(target: 8)

8.7 MONTHS
average audit duration
(target: ≤9 months)

9.2 *
performance quality index
(target: 9.5)

Compliance with INTOSAI principles

RELEVANCE – being responsive to changing environments and emerging risks, what has been done in response to the situation.

9 audits and assessments have been added to the Activity plan in response to developments and the relevance of audit topics.

ACCOUNTABILITY – carrying out audits to ensure that government and public sector entities are held accountable for their stewardship over, and use of, public resources.

14 opinions issued (7 qualified and 7 unqualified) after assessing whether the disclosures in the accounts of assets, liabilities, income and expenses give a true and fair view of the financial position and performance.

IMPACT – enabling those charged with public sector governance to discharge their responsibilities in responding to audit findings and recommendations and taking appropriate corrective action.

65 % of audit recommendations implemented (planned to be implemented in 2024).

INDEPENDENCE – being a credible source of independent and objective insight and guidance to support benefiial change in the public sector

29 audits and assessments have been included in the 2024 Activity plan, taking into account the monitored public-sector risks.

2024 priority areas

3 COMPLETED AUDITS

under the priority “Sustainable government finances – strategic management and return on public investment”

1 COMPLETED AUDIT

under the priority "Effective public governance – innovation and technological progress"

7 COMPLETED AUDITS

under the priority "A safe and progressive society – a safe environment and a healthy society"

* Without the EU investments audit, which is due to end in April 2025.

Economic competitiveness

Properly managed public-private partnership projects would bring greater benefits

Public-private partnerships are a way of leveraging private capital, knowledge, skills and expertise to deliver services that society needs. These services would be more in the public interest if project risks were better managed, infrastructure was completed on time, assets were periodically assessed, and all planned services were provided.

Performance audit Services provided through public-private partnerships

Expected change as a result of the implementation of the planned measures

Adequate risk management will be ensured, the infrastructure necessary for the timely delivery of services will be created, and the condition of the assets transferred to a private entity for management and the newly created assets will be assessed.

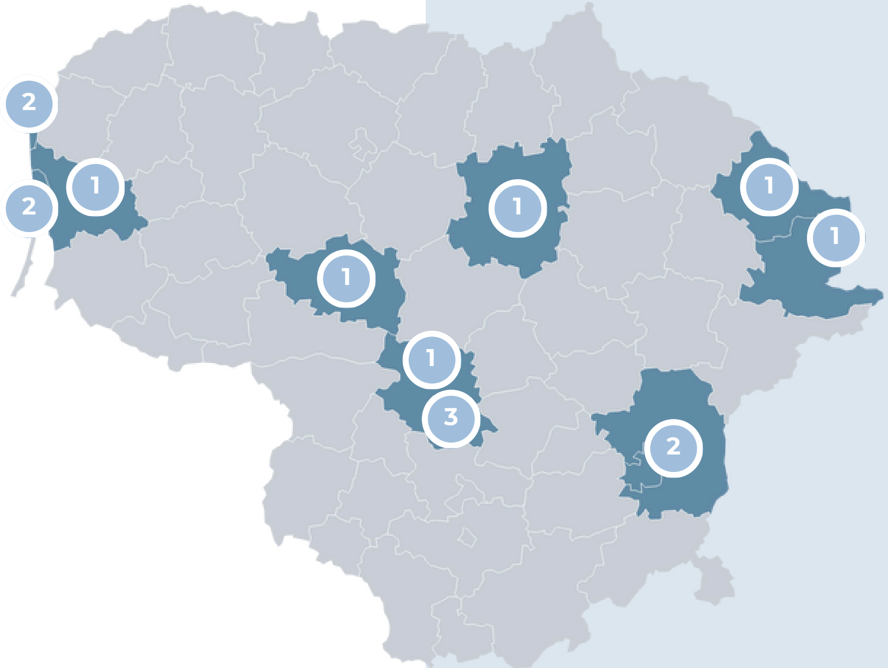
By 31 December 2025, the rules for the management of public-private partnership project contracts in Kaunas City Municipality and the Ministry of Health will be adopted.

By 31 December 2025, risk management measures will be in place for all (100%) of the project risks assumed by the public entity in the five municipalities and the Police Department.

By 31 December 2025, the share of projects that have chosen a public-private partnership approach and reached the stage of contract signature and entry into force will increase from 22% to 50%.

92%

of assessed public-private partnership projects did not have measures to manage the risks attributed to the public entity.



The National Audit Office has selected and assessed 15 public-private partnership projects.

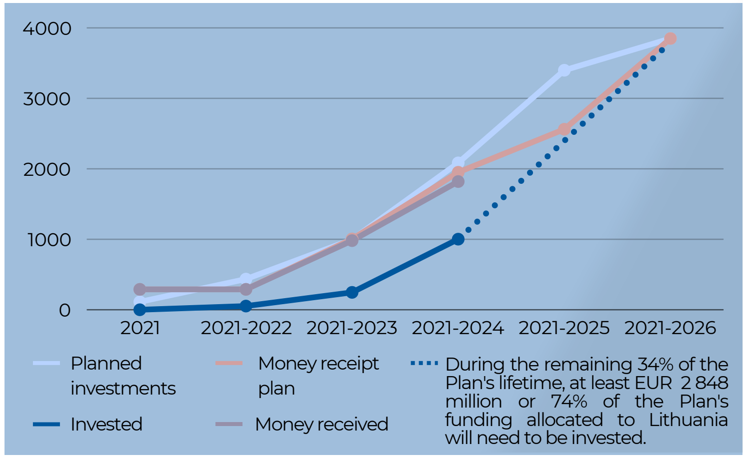
Economic competitiveness

Lithuania risks not getting all the allocated EU support

As part of the Recovery and Resilience Plan, Lithuania is committed to fulfiling 218 milestones and targets by 31 August 2026 to receive EUR 3.8 billion in financial support. Failure to fulfil the milestones and targets to the planned extent will put Lithuania at risk of not receiving the full amount of the Plan's funding, and of not meeting the national progress targets related to the milestones.

Assessment Management of risks to the fulfilment of milestones and targets of Lithuania's Recovery and Resilience Plan

Comparison of the money receipt and expenditure plan with actual money receipt and disbursement to project promoters and the National Development Authority for the period 2021-2026, million EUR.



Auditors draw attention

Failure to meet milestones and targets and submit payment requests on time has delayed the implementation of the Recovery and Resilience Plan. During the remaining 34% of the Plan's implementation time, investments worth at least EUR 2 848 million, or 74% of the Plan's funding allocated to Lithuania, will be needed.

Non-fulfillment of 5 milestones led to a 9-month delay in the submission of the payment request of EUR 477.5 million.

93% of the investments have been contracted, but their implementation costs are below 30% of the planned funding.

Ministries are taking action to manage risks, but the status of the fulfillment of milestones and targets shows that the planned changes will not be fully implemented.

Economic competitiveness

Need to strengthen CPO LT as a centre of excellence

The transfer of public procurement to CPO LT does not yet fully address the lack of procurement expertise in contracting authorities. The attractiveness of CPO services needs to be enhanced by a more detailed assessment of customer expectations and the allocation of state budget funding needs to be targeted and linked to a need that cannot be covered by CPO LT's fee income.

Compliance audit Public body CPO LT activity in public procurement

Expected change as a result of the implementation of the planned measures

The delegation of more procurement process activities requiring public procurement competences to CPO LT will allow contracting authorities to address the lack of these competences by delegating procurement on their behalf to CPO LT.

By 30 June 2026, CPO LT will be obliged to determine the method of procurement, the grounds for exclusion of suppliers, the criteria for evaluating bids, market studies and technical specifications in the context of centralised procurement and procurement delegated under centralisation plans.

By 31 December 2026, CPO LT will develop and implement measures to consistently collect and analyse information on the expectations of contracting authorities (including those that do not yet use CPO LT services) and suppliers, their enquiries, and the quality of procurement results, as well as to take decisions on the improvement of processes and development of services.

By 31 December 2027, the compliance of the legal form of the CPO LT with the current regulation and the uniform application of tariffs to all contracting authorities using CPO LT services will be ensured, and the funding from the state budget will be based on a periodic needs analysis.

1.1 BILLION EUR

of the total value of EUR 9.1 billion of purchases in Lithuania were made through the CPO LT-managed centralised public procurement e-catalogue in 2023.

44 CONTRACTING AUTHORITIES

of the 82 who have delegated at least once to CPO LT to make purchases on their behalf, have used this service in 2023.

Energy

Transport sector – the biggest energy consumer in Lithuania

To reduce impacts of climate change, it is essential to ensure the development of renewable energy sources in the transport sector, to exploit the potential of domestic biofuel production, and to accelerate the development of electricity use in the transport sector.

Performance audit Implementation of the energy independence targets in the transport sector

Expected change as a result of the implementation of the planned measures

Increased use of renewable energy sources in the transport sector, reducing oil consumption and greenhouse gas emissions.

By 2026, the proportion of fuel suppliers found to be in breach of their obligations will fall from 33% to 10%.

By 2030, the share of liquid advanced biofuels and non-biodegradable fuels from renewable energy sources produced in Lithuania will increase from 0 to 1.4% of the fuel consumed in the transport sector.

By 2031, the share of gas emissions in the transport sector will decrease from 6 011 kt CO2 equivalents to 3 693 kt CO2 equivalents.

2 TIMES

or more than 1 million increase in vehicles from 0.95 million in 2005 to 2 million in 2023, of which only 1.09% are electrically powered.

6.7%

of the energy consumed in the transport sector in 2022 came from renewable sources, compared to a target of at least 10% in 2020.

43.3%

increase in greenhouse gas emissions in the transport sector by 2022 compared to 2005, against a target of 14% reduction by 2030.

Information resources management

The state needs good quality and easily accessible data

Data availability and re-use can increase the efficiency of the public sector, saving resources and generating up to 2% of GDP. However, when opening up data, it is important to ensure that it is secure, of high quality, and user-friendly for the public, business, and scientific sectors, as well as for private individuals.

Preliminary study Data re-use

Auditors draw attention

Ensuring effective implementation of open data initiatives and effective assessment of the needs expressed by data users will increase the re-use of open data.

Open data at a higher maturity level would increase its usability.

A metadata standard ensuring uniform requirements for data availability, compatibility and accuracy would facilitate the quality of open data and its more efficient use in different areas.

To prevent sensitive data from being made public, public sector bodies need to assess the impact on national security before opening data or data sets.

25 %

(1 out of 4) of the indicators set out in the description of the progress measure "Promote data availability and re-use" of the 2021-2030 State Digitalisation Development Programme of the Ministry of Economy and Innovation of the Republic of Lithuania were not achieved in the period 2022-2023.

40 %

of open datasets in the Lithuanian Open Data Portal were available at maturity level 3 and above at the end of 2023.

24 %

increase in the cost of the Lithuanian Open Data Portal project over the 7 years of its implementation.

Culture and public information

UNESCO World Heritage Sites

Safeguarding UNESCO's tangible World Heritage sites is important to comply with all international requirements. Having accurate data on UNESCO World Heritage properties and monitoring their actual condition will ensure their proper management, maintenance and conservation, aesthetic appearance and attractiveness to visitors.

Assessment Management and Protection of UNESCO World Heritage Sites

Auditors draw attention

Adherence to UNESCO's higher standards for the protection of the tangible World Heritage and the heritage impact assessment would help to find the best solutions to meet the needs of development and ensure that the property's Outstanding Universal Value is preserved for future generations.

A monitoring system based on the specific nature of the properties and indicators for assessing their condition are important for assessing the condition of the properties, identifying the factors affecting the properties, and selecting appropriate and timely conservation measures.

Well-designed and implemented, UNESCO Properties Management Plans would help to address the challenges of coordination, cooperation and monitoring of institutional activities and actions for the conservation and valorisation of properties.

Targeted communication about the Outstanding Universal Value of World Heritage would contribute to better protection and better management of the properties.

1.2 TIMES

fewer foreign tourists visited Lithuania than Estonia in 2023: the number of tourists was not affected by the UNESCO World Heritage status awarded to the sites (4 in Lithuania, 2 in Estonia).

39 INSTITUTIONS

with a distinctive approach to the protection of the World Heritage are involved in or associated with the management of the 5 UNESCO properties.

4 (of 5) MANAGEMENT PLANS

for UNESCO properties have not been approved (the plan for the Kernavė archaeological site was approved in 2024, 20 years after its inclusion in the UNESCO list).

Healthcare

Forensic psychiatric and psychological examinations in civil and criminal cases could be carried out faster

The activities of the State Forensic Psychiatric Service would be more efficient and effective if there were no obligation to choose a specific territorial unit for the examination in civil and criminal cases. It would also help to unify the workload of forensic experts.

Performance audit Activities of the National Forensic Psychiatry Service

Expected change as a result of the implementation of the planned measures

The proportion of forensic psychiatric and psychological examinations carried out within 30 days of receipt of the assignment will increase, the workload of forensic examiners will be more even, and the number of vacant posts will decrease.

By Q1 2026, the difference in the workload of forensic experts between territorial forensic psychiatric units will be reduced from 150% to 10%.

By Q1 2027, the share of vacant forensic expert posts will decrease from 23% to 10%.

By Q1 2028, the number of expert examinations carried out within 30 days of receipt of the assignment will increase from 67 to 75 units.

6.5 TIMES

difference in waiting times for examinations in civil cases between the territorial forensic psychiatric units, and 4.5 times in criminal cases in 2023.

60 %

on average between 2021 and 2023, experts exceeded workload norms that had not been revised for 10 years.

23 %

of forensic expert posts were vacant on 31 December 2023, of which 11% for forensic psychologists and 27.6% for forensic psychiatrists.

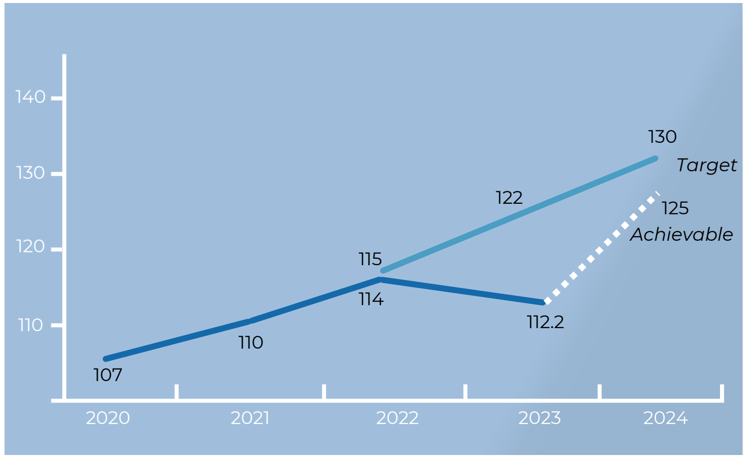
Education, science and sport

National average salary rises faster than teachers' salaries

The state had committed to a teacher-to-country average salary ratio of 130% in 2024. With the additional budget money, the average teacher salary increased by 10.7% in 2023, while the national average salary increased by 12.6%.

Performance audit Use of appropriations for education

The ratio of the teacher's average salary to the national average salary.



Auditors draw attention

It is important that the state, when setting salary commitments for teachers, properly assesses the possibilities of implementing them and ensuring their continuity in the face of a changing economic or political environment.

A rational school network would ensure quality education and optimal workloads for teachers.

In municipalities, setting criteria for the allocation of training resources would help to ensure transparent distribution of training resources.

The further results of the optimisation of the school network depend on the envisaged exceptions – the formation of very small classes.

Justice

Regulatory impact should be assessed in more detail

Lithuania stands out from other EU countries for its large and growing number of registered legislative initiatives. Regulatory impact assessments would be more effective if they were designed in line with the established selection criteria, if all mandatory aspects of impact were assessed, and if the quality of the assessments was properly monitored.

Performance audit Regulatory impact assessment framework

16 (of 27)

unassessed priority legislative initiatives are creating an administrative burden.

27 ASSESSMENTS

carried out for priority legislative initiatives, while no cost-benefit analysis was carried out in any case.

Expected change as a result of the implementation of the planned measures

More effective regulatory impact assessment will lead to better targeted and better quality legislation.

By 2026, the proportion of impact assessments of priority legislative initiatives that have been subject to quality monitoring and an assessment of the quality of the results of the assessment will increase from 59% to 95% (out of the total number of impact assessments carried out for priority legislative initiatives).

By 2027, the number of initiatives where a more detailed ex ante assessment has been carried out, based on all mandatory aspects, will increase from 0% to 95% (of all priority legislative initiatives for which an impact assessment has been carried out).

By 2027, the number of ministries that have carried out systemic regulatory reviews based on the assessment results will increase from 0 to 14 units.

Justice

Reform of the penal system should reduce re-offending

The Government has initiated a transformation of the penal system to reduce re-offending, improve prison conditions and the quality of resocialisation, but not all progress measures have been allocated funding, and the vision and directions of the transformation are being implemented through strategic and annual action plans, which do not cover the long term (2030) transformation actions.

Assessment of the implementation of the Government's project "A New Generation of Penal Institutions"

Auditors attract attention

Ensuring coherence and monitoring the progress of the transformation would increase the protection of society against criminal offences.

The changes in the penal system require funding for the progress measures to strengthen resocialisation and optimise staffing in the development programme.

Modernising the outdated infrastructure of places of detention is essential to ensure adequate conditions of detention.

Addressing staff shortages and assessing the effectiveness of resocialisation measures would contribute to changing the behaviour of prisoners and reducing re-offending.

60 %

of persons serve a prison sentence for more than the first time.

857.8 THOUSAND EUR

from the state budget was used for compensation for inadequate detention conditions in 2020-2023.

20.5 %

staff shortage in all places of detention, 29% shortage in resocialisation units in 2023.

Justice

More efficient management of Prosecution Service resources would help balance workloads and reduce the length of pre-trial investigations

Despite the work already carried out to optimise the work of the Prosecution Service to reducing the length of pre-trial investigations, increasing the number of investigations solved and improving the effectiveness of the prosecution, there is still room and scope for more efficient management of human and material resources, for more focused and ambitious strategic planning and monitoring based on reliable data.

Performance audit Management of Prosecution Service's resources in organising and directing pre-trial investigations and prosecution on behalf of the State in criminal cases

Expected change as a result of the implementation of the planned measures

Pre-trial investigations will be shorter and more efficient when the Prosecution Services' strategic planning is performance-oriented. Monitoring of criminal investigations will be more effective and the prosecution will be able to assess the effectiveness of the organisation and management of pre-trial investigations and prosecution on behalf of the state. The workload of prosecutors will be more evenly distributed, the process of further training of prosecutors will be improved, and the real estate of the Prosecution Service will be managed more effectively.

From 31 July 2026, all strategic planning indicators for which target values have been met or exceeded for at least 3 consecutive years will have higher (more ambitious) target values.

By 30 June 2026, the number of district and specialised units of the Prosecution Service, at the level of which the average duration of criminal investigations is accumulated and monitored, will increase from 5 to 22.

From 31 December 2027, the difference between the average maximum and minimum workload of prosecutors in different district prosecution offices will be no more than 10% (the initial value is 75-77% in different divisions).

135 C.D.

– this was the average investigation time for criminal offences in 2023 (target: 130 calendar days).

64%

of criminal offences investigated out of those recorded in 2023.

34%

difference in the workload of prosecutors between the districts in 2023.

Transport and communications

More than a third of asphalt roads need improvement

To ensure adequate road quality and safe and comfortable road connections, urgent decisions are needed on the selection of a sustainable road financing model and proper planning of works, as road construction contracts are delayed by days to three years, the planning process lacks consistency and transparency, and funding from a wide range of possible sources is not guaranteed.

Performance audit Activities of VIA Lietuva AB in organising, maintenance and development of roads of national significance

Expected change as a result of the implementation of the planned measures

The implementation of the recommendations will ensure that roads of national significance will be ranked in priority queues based on reliable data from evaluation criteria, that planning of road construction works will be consistent and transparent, that design and construction works will be carried out within the deadlines and that, with sufficient funding, the quality of the roads will be improved and the conditions for road development will be created.

By 31 December 2027, a list of works for the current year on roads of national significance and/or their elements will be adopted, indicating the distribution of funding according to the established criteria, as well as the selection of specific road sections and/or their elements to be worked on, their scope, deadlines, funding and sources will ce carried out.

By 30 September 2029, the share of priority queues for roads of national significance and/or their elements established and approved on the basis of reliable data will reach 100%.

By 30 June 2031, the share of roads of national significance (national roads) with total road surface condition index values above the permissible limits will be reduced from 39% to 17%.

21 202 KM

is the length of roads of national significance, out of which 15 600 km are roads with asphalt surface.

37%

of roads of national significance with asphalt surface are in poor condition (as of 31 December 2023).

Transport and communications

Rail Baltica project requires more resources

A joint review of the Rail Baltica project with the Latvian and Estonian supreme audit institutions shows that the project will not be completed as planned by 2025, and that an additional EUR 19 billion is needed to fully complete Rail Baltica. This is exacerbated by the projected gap in European Union funding for the period 2027-2028, which will require an increased contribution from the three Baltic States.

Review of the Rail Baltica Project

Auditors draw attention

An effective risk and change management system could help to control cost increases and, where necessary, take prompt corrective action.

In order to run trains on Rail Baltica between 2030 and 2031, it is necessary to decide already now whether trains will be bought, leased or whether passenger carriers will have their own trains.

It is necessary to draw up a timetable for the second phase of the project, which will be implemented after the trains start running on the railways.

For the new rail infrastructure to become operational in 2031, the roles, responsibilities and principles of rail governance, including how profits and losses will be shared, need to be defined for the project parties.

5 YEARS

delay in the implementation of the Rail Baltica project.

8.7 BILLION EUR

of additional funding needed for Lithuania to complete the project.

8 YEARS

may be needed to buy trains.

Transport and communications

More targeted changes to the long-distance transportation system would lead to improved service quality

Amendments to the Road Transport Code have been adopted to ensure competition between carriers and improve the quality of long-distance passenger transportation, but this has not increased carrier competition, passenger flows, or the quality of transport services. This requires an analysis of the most appropriate and cost-effective solutions to be applied in the country.

Assessment Quality of public long-distance transportation services

Auditors draw attention

The long-distance transportation network should be coordinated with the rail and local transport systems and provide convenient connections between regional centres, enabling people to reach jobs, education, health, and other essential services concentrated in them.

Transportation development problems should be tackled in a more targeted way, with the right actions, measures and indicators in place.

The state should only compensate carriers for revenue foregone as a result of long-distance transportation concessions for different social groups once the accuracy of the data has been verified.

The state should provide public long-distance transportation services where they are needed but not provided on a commercial basis.

28

carriers provided long-distance transportation services in 2023, but there is a lack of competition between them, with 2 carriers accounting for 57% of the market share.

9.8 MILLION EUR

paid to carriers to reimburse travel concessions without any objective means of verifying the data they provided.

4.8 MILION

passengers used long-distance transportation services in 2023, against a target of 6 million.

Public security

The EU external border in Lithuania is monitored using modern border surveillance systems

The entire EU external border in Lithuania is monitored by modern border surveillance systems, and a physical barrier at the border sections with the highest migration flows has been installed as a matter of urgency – 3 months faster than at the other border sections. However, it is now necessary to plan for the upgrading of the surveillance systems to ensure adequate border monitoring in the future.

Compliance audit Strengthening the State border security

Expected change as a result of the implementation of the planned measures

It is important to ensure uninterrupted monitoring of the EU external border in Lithuania using modern border surveillance technologies.

By 2025, the number of planned actions will increase from 6 to 25 units, and the necessary funding will be available to upgrade all surveillance systems.

The EU external border will be monitored using modern surveillance systems, updated at least every 7 years.

By Q2 2025, a full description of the progress measure "Strengthening the capacities and capabilities of EU external border and illegal migration control" of the Public Security Enhancement and Development Programme will be developed and approved.

1 073.36 KM

entire EU external border in Lithuania is protected by the State Border Guard Service.

26 582

migrants attempted to enter Lithuania illegally from the Republic of Belarus between 2021 and 2023.

1.9 TIMES

or EUR 86.6 million more was allocated for state border protection in 2023 compared to 2020.

Public governance

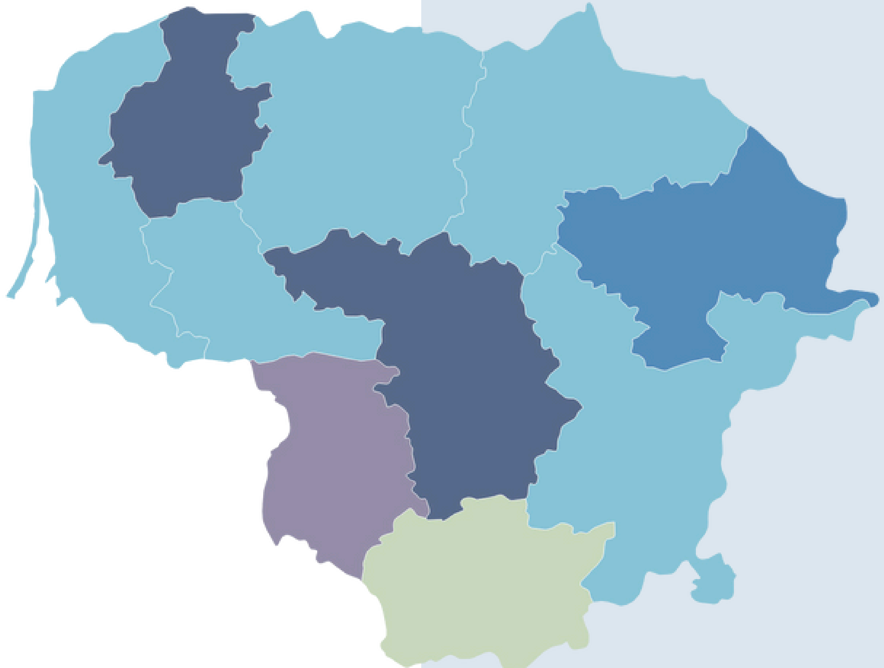
More active leadership is needed to reduce regional exclusion

People, wherever they live, must have similar access to education, employment, adequate medical, transport, public and other services, but the Regional Development Programme (RDP) will only partly contribute to solving regional problems. It should be broader in scope, making existing instruments more attractive to regions and municipalities and contributing more to their problems.

Performance audit Regional Development Programme 2022-2030

33 %

of resources allocated to regional progress measures were not planned within two months before the deadline.



Proportion of resources planned by regions (%) of those envisaged in the programme

Expected change as a result of the implementation of the planned measures

The implementation of the 2022-2030 RDP will be more efficient and effective, and will pave the way for the timely and appropriate preparation of next year's RDP.

By 31 December 2025, the rules for the management of public-private partnership project contracts in Kaunas City Municipality and the Ministry of Health will be adopted.

From 31 December 2026, all Regional Development Councils will be consulted on the development of all regional progress measures.

By Q4 2026, the number of RDP regional progress measures involving all regions will increase from 65% to 80%.

Public finances and official statistics

National progress targets are more ambitious than financial capabilities

To achieve effective national progress linked to the state's financial capacities, the principles for the preparation of the National Progress Plan (scope, indicators) need to be defined and decisions taken to update the Plan, aligning progress planning with financial resources.

Performance audit Changes in Strategic Management and Budgeting

Expected change as a result of the implementation of the planned measures

Addressing weaknesses in the strategic management and budgeting processes will make the strategic management system more efficient and result-oriented, and help to achieve the national progress targets.

A review of the indicators of the National Progress Plan 2021-2030 will be carried out, proposing a model of indicators that does not conflict with the state's financial capacity (recommendation partly implemented).

By Q4 2026, the review of the National Progress Plan in line with the guidelines for change set out during the deliberations on Lithuania's vision for the future “Lithuania 2050” will assess and decide on the scope of a new National Progress Plan, aligning the planning of progress in the relevant areas of state activity with funding.

18 BILLION EUR

planned (financial projections) to achieve the targets of the National Progress Plan 2021-2030.

62.1 BILLION EUR

investment needs for 2021-2030 to achieve the targets of the National Progress Plan.

4.261 BILLION EUR

in total, earmarked to meet the 2022-2024 progress objectives.

Public finances and official statistics

National set of annual accounts and public debt

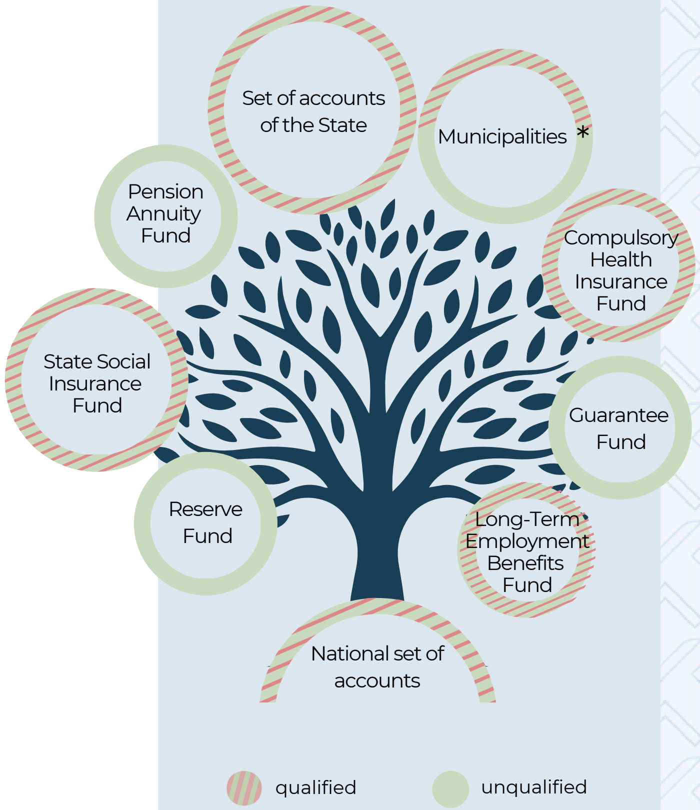
These accounts include data on the financial position, performance, cash flow, and implementation of municipal budgets of the state public sector entities (PSEs), of all municipal PSEs, of the State social funds, of the CHIF and of the PAF, consolidated into a single set of public sector entity accounts. The notes to the national set of annual accounts also provide information on public debt.

The 2023 set of accounts gives a true and fair view of the financial position, performance, changes in net assets and cash flows of the public sector as a whole, except for identified significant errors due to misstatements in the financial statements of the PSEs at the lower consolidation level.
For the first time, the national set of accounts was accompanied by data on the implementation of the municipal budgets, which do not provide assumptions for a coherent reporting framework and are not sufficient for the calculation of key government indicators, it was therefore recommended that, in addition to preparing a consolidated set of financial accounts for the public sector as a whole, data on the execution of the public sector budget should also be consolidated.

The Government planned to develop a strategy for managing general government debt in 2021. This was followed by the development of a tool for modelling debt scenarios and assessing the sustainability of government finances. This is an important step, but it does not substitute a public debt management strategy that sets the direction for the objectives. In parallel to the strategy for public debt management, the issues of public reserves – target size, sources of financing, etc. – need to be reviewed. In an uncertain geopolitical and economic environment, the identification and management of adequate public reserves is an important element in enabling a country to maintain economic stability, ensure security and effectively manage emerging challenges.

Results of the financial audit of the 2023 national set of accounts

3 272 ENTITIES



* 17 unqualified and 43 qualified opinions were issued on the 2023 municipal financial accounts.

Public finances and official statistics

The set of accounts of the State together with Progress Report

Following the implementation of a recommendation by the National Audit Office and an amendment to the Law on Public Sector Accountability, the 2023 key sets of state accounts were presented to the Parliament in the spring instead of in mid-autumn. The set of accounts of the State was accompanied by a Progress Report with information on the achievement of performance targets, enabling the linking of performance results with financial data, which is important for the preparation of next year's state budgets.

The first National Progress Report was not submitted on time. We have noted that it does not yet systematically show the country's progress, which is why it is important to have good quality reporting in the future.

The financial and budget implementation accounts were prepared without significant errors. It should be noted that errors exceeding materiality were detected in the State Tax Inspectorate's Tax fund for the accounting of state revenue and in the Ministry of Environment for forest land and stands in the set of financial accounts due to the lack of proper accounting processes. A significant proportion – more than 7% (EUR 1 329.66 million) – of expenditure on salaries, goods and services, acquisition of fixed assets, inventories, etc. is planned and disclosed under the wrong item of the economic classification of the expenditure in the set of the state budget implementation accounts.

Results of the financial audit of the set of the state accounts for the year 2023
Observations on the 2023 national progress report

We cannot confirm the correctness of the following in the financial accounts:

12 474.06 MILLION EUR
tax revenue

2 039.85 MILLION EUR
change in the value of forest land and stands

660.50 MILLION EUR
value of mineral resources

314.94 MILLION EUR
value of museum properties

75.67 MILLION EUR
assets of 4 public sector entities

We cannot confirm the following in the budget implementation accounts:

1 329.66 MILLION EUR
the purpose of the expenditure

Public finances and official statistics

Sets of accounts of the State social funds and the Pension Annuity Fund

The annual accounts of the State social funds comprise the annual accounts of the State Social Insurance Fund (SSIF), the Guarantee Fund and the Long-Term Employment Benefit Fund.
Material misstatements were identified in the financial and budget implementation accounts of the SSIF. Not all economic transactions related to lump sums and periodic benefits granted to individuals (where these benefits have not reached the recipients) are recorded in the Fund's accounts, i.e. the accrual principle is not respected. The extent to which such economic transactions are not recorded remains unidentified in 2023. The calculation of unemployment social insurance benefits includes inaccurate estimates of the insurable income and periods earned by persons in foreign countries and other data misstatements in the area of these benefits. Overpayments of social benefits receivable from individuals are depreciated before they show signs of depreciation.
We recommended that the SSIF Board establish additional internal control and working procedures to ensure correct assessment of the data on the insurable income and periods a person has earned abroad for the calculation of unemployment benefits.
The accounts of the Guarantee Fund are correct in all material respects, whereas for the Long-Term Employment Benefit Fund, due to accounting weaknesses identified in the previous audit, material misstatements remain only in the corresponding opening balances of the financial accounts.
The accounts of the Pension Annuity Fund are correct in all material respects. We have noted that the considerations regarding the amendments to the Law on Pension Accumulation on the right to terminate old-age pension accumulation could have a negative impact on the sustainability of the Fund.

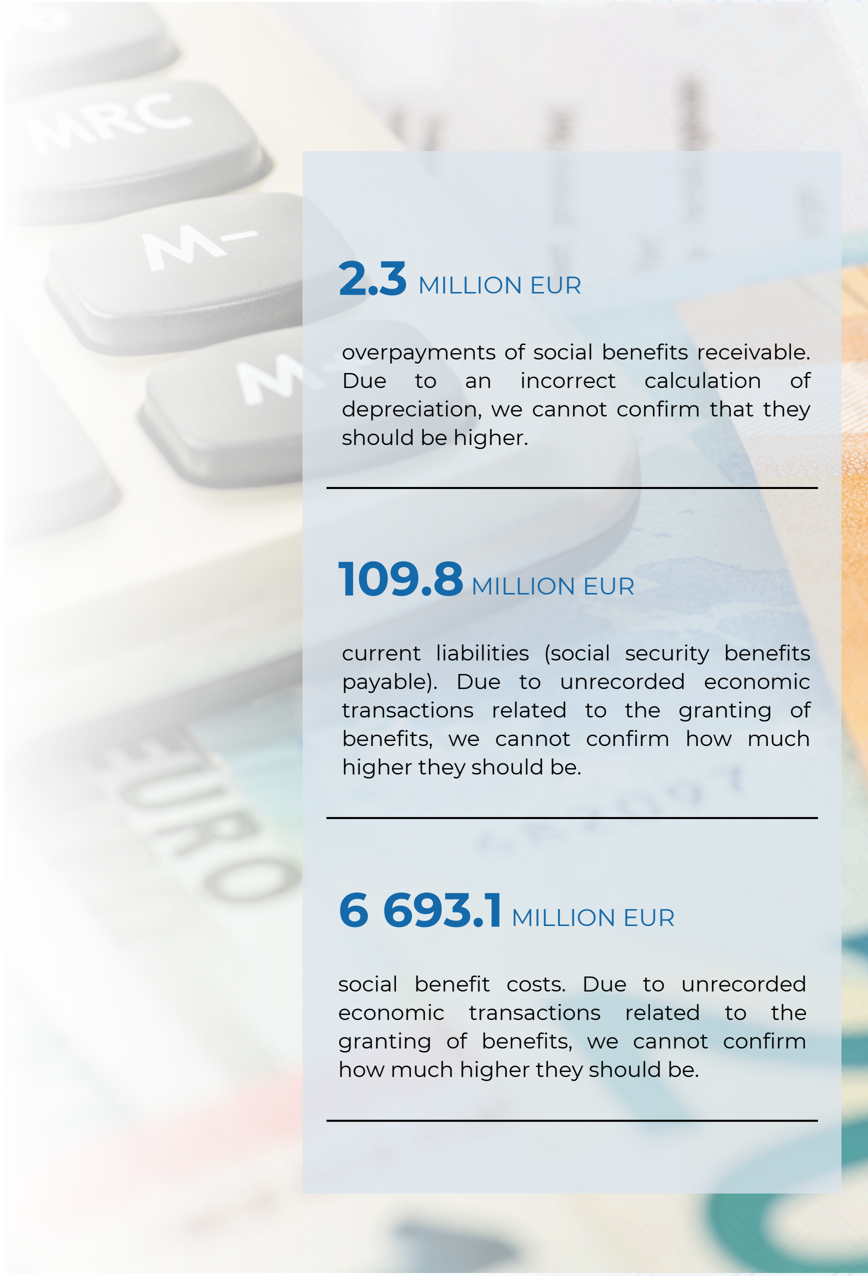
Results of the financial audit of the set of accounts of state social funds for 2023
Results of the financial audit of the set of accounts of the Pension Annuities Fund for 2023

Expected change as a result of the implementation of the planned measures

Following the establishment by the Ministry of Finance of a new composition of the State social funds' accounts and the requirements for the information to be provided therein, reporting on the financial performance of the Funds will be optimised.

The new software module developed by the SSIF Board will ensure the automatic recording of all liabilities and expenses in the SSIF accounts.

The establishment of additional internal controls by the SSIF Board will ensure that unemployment social insurance benefits are provided in accordance with the legislation.



2.3 MILLION EUR

overpayments of social benefits receivable. Due to an incorrect calculation of depreciation, we cannot confirm that they should be higher.

109.8 MILLION EUR

current liabilities (social security benefits payable). Due to unrecorded economic transactions related to the granting of benefits, we cannot confirm how much higher they should be.

6 693.1 MILLION EUR

social benefit costs. Due to unrecorded economic transactions related to the granting of benefits, we cannot confirm how much higher they should be.

Public finances and official statistics

Set of accounts of the Compulsory Health Insurance Fund

The budget implementation accounts of the Compulsory Health Insurance Fund (CHIF) are correct in all material respects and financial accounts are free from material misstatements. The misstatements were caused by residual conditions (identified during the financial audit of the 2021 accounts) due to deficiencies in the accounting data recorded in the information systems. The deficiencies relate to amounts receivable from natural and legal persons for damage caused to the Fund and reimbursements receivable from foreign liaison services for treatment of insured persons in Lithuanian health care institutions.

From 2024, the Law on Health Insurance introduces an obligation for the National Health Insurance Fund to administer separately the resources allocated and used for the functions delegated by the state to the CHIF budget. This will enable an objective assessment of the true extent of the resources necessary for the performance of the functions delegated by the state and the determination of the resources used for this purpose and necessary to restore the CHIF budget.

Results of the financial audit of the set of accounts of the Compulsory Health Insurance Fund for 2023

Expected change as a result of the implementation of the planned measures

The implementation of the recommendations of the 2021 CHIF financial audit remains relevant to ensure the accuracy of the annual accounts.

To address the shortcomings, the National Health Insurance Fund plans to take decisions on the development of information systems after the reorganisation of territorial health insurance funds. The collection of information necessary for the accounting of amounts receivable from natural and legal persons for damage caused to the Fund and from the EU, EEA countries and Swiss liaison services for the treatment of insured persons from these countries in Lithuania will be ensured.

Unreliable data on short-term and long-term receivables:

Assets

1 074.7 MILLION EUR

15.2 MILLION EUR

54.5 MILLION EUR

Unjustified increase:

12.9 MILLION EUR

3 330.9 MILLION EUR

Revenue

3 233.5 MILLION EUR

Costs

Agriculture

Performance of the Ministry of Agriculture should be more efficient and effective

Increased cooperation between the Ministry and the social partners, and their fuller involvement in policy-making working groups, would help to ensure that decisions are more in line with stakeholders' expectations. Such decisions would ensure that administrative burdens are reduced and that legislation does not have to be amended several times, introducing confusion and uncertainty.

Performance audit Management and Responsibilities System of the Ministry of Agriculture

Expected change as a result of the implementation of the planned measures

The implementation of the recommendations on strategic management, reduction of administrative burden, natural risk management, and cooperation with social partners will make the strategic management of the Ministry of Agriculture more effective and policy-making more results-oriented.

From the end of Q1 2025, reasons for non-achievement will be given for all non-achieved indicators.

From Q2 2025, a process for assessing administrative burden in support measures will be defined and indicators for measuring administrative burden will be established.

From Q3 2025, measures to promote self-declaration will be developed.

20%

average non-achievement by the Ministry of the planned indicator values for the continuous activity in 2020-2022 (a 10% tolerance limit applies).

66%

of the rules of the Rural Development Programme that have already been approved have been amended 2 times and 11% of the rules – 3 or 4 times during 2022.

0.74%

of the total area of crops and plants insured against one of the biggest risks – drought – in 2022.

EU investments audit

EU structural funds investments – total declared expenditure above the tolerable error rate

Our audit of EU Structural Funds 2022-2023 investments found that the overall error rate is the highest since the start of the 2014-2020 funding period. The Ministry of Finance had to apply a financial correction to reduce this error to the level tolerated by the EC (2%). The amount of corrective action taken following the audit results amounts to EUR 40.56 million to correct last year's error (which is the highest in the whole period).

Following a change in legislative provisions in 2022, allowing both the audit and the management and control system institutions to assess procurement carried out through the Central Procurement Organisation (CPO), the audit found that the controls available to the institutions were not sufficient to ensure the quality of such procurement, and that a significant number of irregularities were identified.

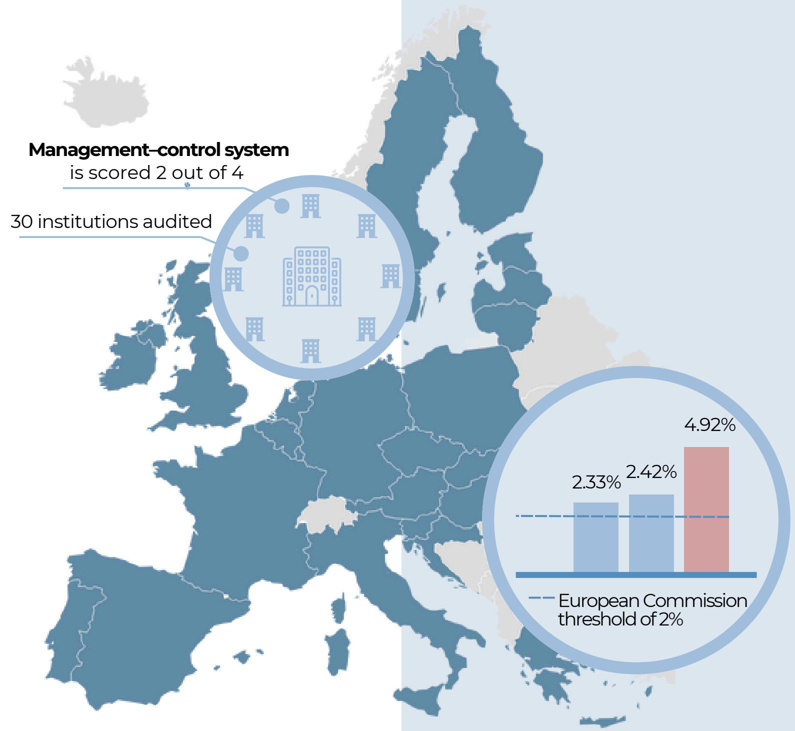
Assessment of Functioning of Management and Control System Created for the Implementation of Operational Programme for European Union Funds Investments for 2014-2020, Expenditure Declared in the Accounts and Expenditure Declared for the Period from 1 July 2022 to 30 June 2023 for which Reimbursement has been Requested from the European Commission (Control Report of the Audit Authority pursuant to Regulation (EU) of the European Parliament and the Council No 1303/2013 Article 127)

38 PROJECTS

audited with a value of more than EUR 244 million.

4.92 %

was the overall financial error rate, above the European Commission threshold of 2%.



Budget monitoring

With a general government deficit projected at 3% of GDP in 2025, according to our assessment, it is not excluded that it will exceed the Maastricht criterion

On 7 November 2024, we submitted to the Seimas our Opinion on the structural adjustment target, after assessing the draft law on the approval of the budget of the Republic of Lithuania for 2025-2027.

General government debt financing is getting increasingly expensive

In the future, more resources will have to be devoted to interest payments when they could be used for other important public areas, such as healthcare, etc.

With the general government deficit remaining close to the Maastricht threshold over the medium term, public debt will increase and is expected to reach almost half of GDP in 2027.

General government spending is rising due to society's growing needs for quality services and the challenges of an ageing population. However, in a low-income context, it will be difficult to meet these needs without undermining the sustainability of public finances.

To achieve sustainability of public finances, revenue and expenditure decisions are needed now.

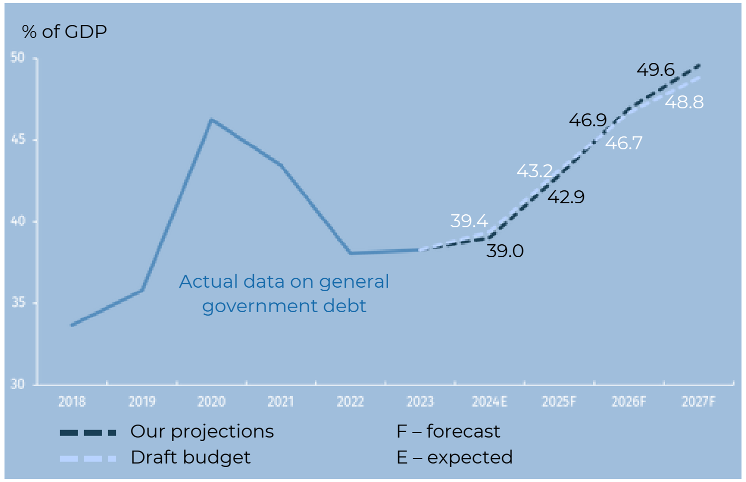
The assessment of general government finances for 2024-2027

According to our assessment, in 2025:

3.0% OF GDP
general government deficit could reach.

42.9% OF GDP
general government debt could reach.

0.9% OF GDP
general government spending on interest payments could reach.



Budget monitoring

Recovering exports will boost Lithuania's economic growth in 2025

We projected that in 2024 the country's economic expansion would be driven mainly by household consumption and positive net exports.

We forecast that real GDP growth will accelerate in 2025. The main contributions to this development will come from stronger export growth, driven by recovering external demand, and investment, supported by EU funds flows. Household consumption will continue to be boosted by the strengthening purchasing power of the population.

Over the period 2026–2027, Lithuania's economic growth is projected to be slightly faster than in 2025, as the recovery in export markets continues

We forecast that the labour market situation will remain stable, with unemployment falling steadily and average wages continuing to grow, albeit at a slower pace than in 2025. Consumer price inflation is projected to exceed 2% in the medium term. It will be driven mainly by rising prices of services.

Geopolitical situation and international trade remain the main risks to Lithuania's economic development.

Opinion on the Endorsement of the Economic Development Scenario 2024-2027, published by the Ministry of Finance on 20 December

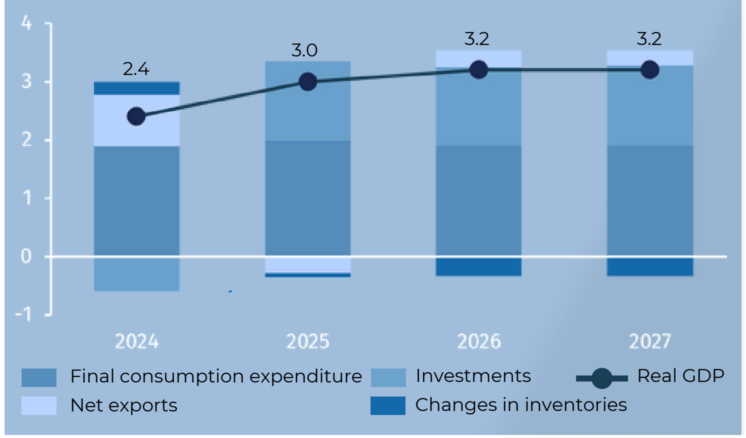
According to our assessment, in 2025:

3.0%
could boost Lithuania's real GDP.

7.2%
the unemployment rate could reach.

2.4%
could be the average annual inflation

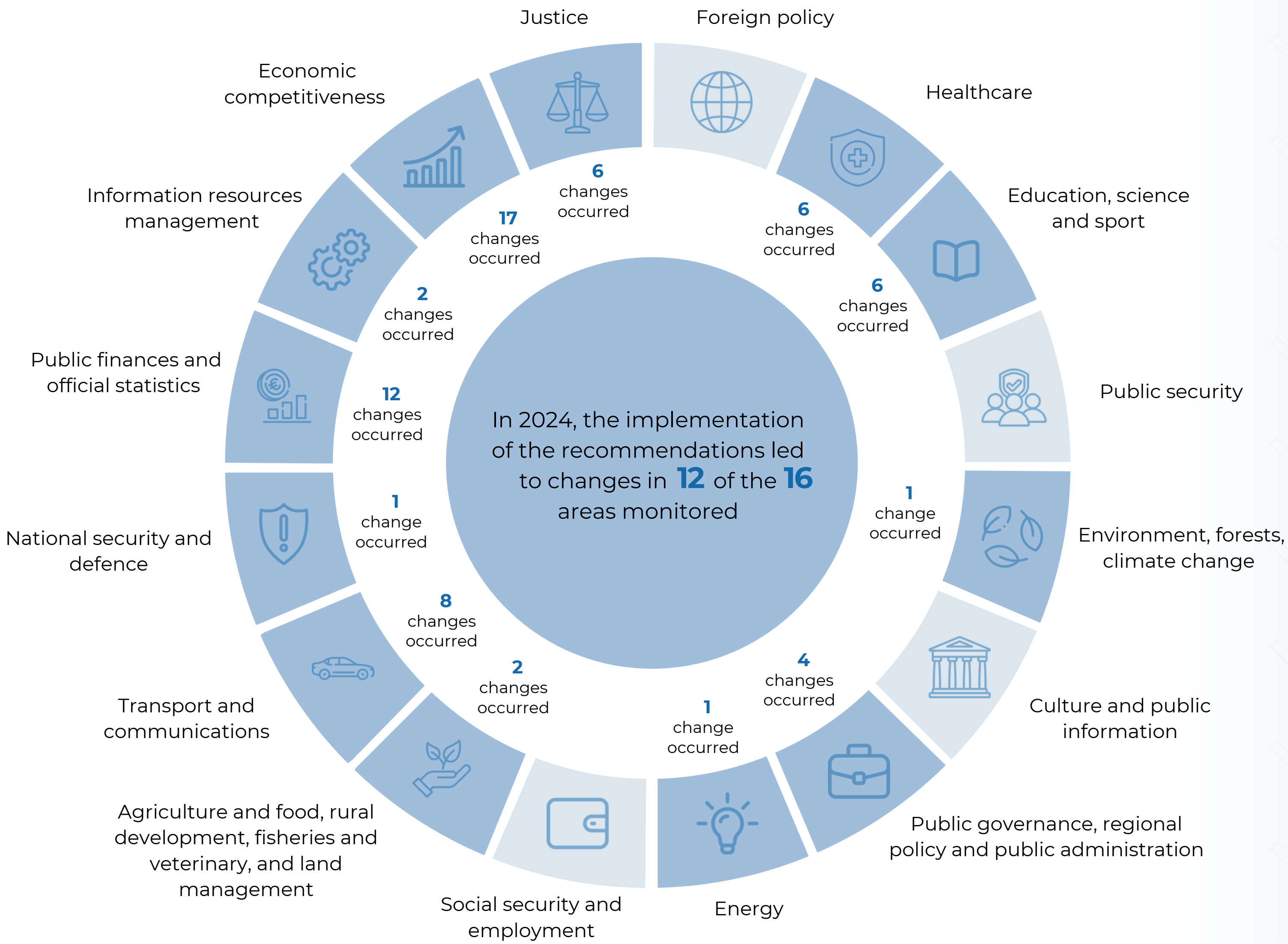
Developments in real GDP and its components



We have endorsed 4 times the Economic Development Scenario 2024-2027 published by the Ministry of Finance

From 2025 onwards, the exceptional circumstances are lifted and therefore two assessments of the Economic Development Scenario are planned.

Changes



Areas where change was achieved in 2024

Significant changes occurring in the public sector in 2024

Public finances and official statistics

Results-oriented national progress

The National Progress Report is presented together with the key sets of state accounts: performance results are linked to financial data that are important for the preparation of next year's state budgets.

Regularity of 2015 set of consolidated financial and budget implementation accounts of the state and assessment of state budget implementation (2016)

More efficient state supervision of the mandatory activities of asset and business valuators, ensuring the legality and credibility of mandatory valuation

With the adoption of the Law on Compulsory Valuation of Assets and Businesses, from 1 May 2026, ineffective compliance monitoring of asset or business valuation reports will be abolished: every valuator will be obliged to register them in the state information system and to make them public.
Instead of compliance checks on valuation reports, the Audit, Accounting, Asset Valuation and Insolvency Service will deal with targeted complaints and valuation reports, imposing administrative liability for valuation infringements.

State Supervision of Property and Business Valuator Activity (2015)

Environment, forests, climate change

Preconditions have been created for objective assessment of the status of territories important for the protection of habitats in forests and for data-based decision-making

Criteria have been established for assessing the good status of territories important for the protection of habitats in forests.

Protection of Lithuanian Forestry Resources (2022)

Education, science and sport

State assets are used more efficiently in vocational training institutions

A plan to restructure vocational training institutions has been implemented and sectoral practical training centres have been set up to provide students with the competences they need. Unnecessary real estate not used for training purposes is abandoned.

Is Vocational Training Organised Efficiently (2020)

Justice

More effective control of bailiffs and service supervision of notaries

Improvements to the procedures for inspections of bailiffs and notaries (from 2020 to 2024) have reduced the proportion of deficiencies detected in bailiffs (from 27% to 18.8%) and notaries (from 35% to 29%). All deficiencies detected during inspections are corrected within the set timeframe.

Is it ensured that functions delegated to bailiffs and notaries were performed efficiently (2020)

Performance

leading by example of progressive organisational management

NAO Strategy 2025 indicators

7.5
Process maturity
(target: 8)

7.2
Digital maturity
(target: 8)

8.1
Satisfaction with working conditions
(target: 8)

Compliance with INTOSAI principles

PROFESSIONALISM – independent and objective insights driving change in the public sector

39 times professional insights were shared with the media, including 28 times at the initiative of the National Audit Office staff.

GOOD GOVERNANCE – sound organisation management structure

7 examples of good practice identified following a Peer Review of the National Audit Office.

COMMUNICATION – dissemination of results

7.6 internal communication index (target: 7).

6.8 external communication index (target: 9).

TRANSPARENCY – ensuring transparency and accountability

194 audits and recommendations implementation data are published openly on the internet.

Strategic goal

Our performance results are used to make nationally relevant decisions.

The relevance of the audit topics chosen each year is determined by the in-depth analysis of the public sector's performance, the assessment of the problems it faces, the risks perceived by stakeholders and the public, and the response to the evolving situation. This helps to promote progress in the public sector by ensuring discipline, transparency and accountability in public financial management.

Increasing access to data on the implementation of recommendations

To better monitor the implementation of public audit recommendations, we have set up the Audit Recommendations Information Site (ARIS) for those responsible for implementing public audit recommendations. This website enables entities to submit data through an electronic government gateway and provides a one-stop shop for information. By automating the exchange of data, we will reduce labour time and ensure data accuracy and consistency. We expect that ARIS access to up-to-date and comprehensive information, which launches in 2025, will become an integral part of the day-to-day work of audited entities and of our work, and will make a significant contribution to improving operational efficiency.

We have opened the indicators for measuring the changes achieved by the recommendations made by the National Audit Office on our website. From now on, for each audit completed from 2020 onwards, you can find the indicators for measuring the change sought by a recommendation made by the National Audit Office, their values and the result already achieved. This data provides a snapshot of the progress made by the public sector in taking action to address the issues identified by the National Audit Office in its recommendations.

Peer review of the National Audit Office by international experts

Since 2000, the National Audit Office has been assessed at least once every 5 years by independent external reviewers in accordance with the procedures established by international organisations. Peer reviews by external experts help to ensure the quality and professionalism of the National Audit Office and adherence to international best practice. The 5th Peer review of our institution's performance was conducted by peers from the supreme audit institutions (SAIs) of Estonia, the United Kingdom and the Netherlands to assess the extent to which the National Audit Office's audit approach is in line with the international standards of supreme audit institutions.

Once again, we have received confirmation that the audits carried out by the National Audit Office comply with the International Standards of Supreme Audit Institutions. In the opinion of the experts, we can be proud of the established process for the preparation of the audit plan, the procedures for monitoring audits, the diversity of products and the annual report on the quality management system. The reader-friendliness of the reports was noted, as well as the positive feedback from stakeholders, who praised audit teams for their professional approach. We are grateful to the reviewers for identifying areas for improvement, which we will focus on in the development of the new strategic and operational plans, which suggest clearer communication on the importance of audit quality, improving the quality of audits by strengthening the external review of audits, using external experts, and improving the presentation of recommendations.

New technology tools to improve audit efficiency

Artificial Intelligence is becoming rapidly available to every auditor seeking effective results. As we explore further the opportunities offered by new technologies, we continue to find ways to use them to improve audit quality. Our Innovation Lab, now in its second year, allows auditors to develop and test methods to analyse data more efficiently, focus on data interpretation, scan big data sets quickly and identify areas of risk. We are conducting an international cooperative audit with colleagues from supreme audit institutions in twelve countries on "Applying Artificial Intelligence in the Public Sector". We discussed the prospects for using AI tools in auditing at the Young EUROSAI conference in Warsaw.

As part of a GovTech Lab project, we have developed a prototype for automating financial audit procedures, allowing more efficient data collection, processing and analysis. Data is automatically retrieved from FABIS and VSAKIS systems managed by the Ministry of Finance, reconciled and discrepancy reports are generated, thus reducing manual workload. This innovation will help auditors save time and reduce the risk of errors, ensuring a smoother audit process.

Digitalisation of business processes

We are working towards clearer processes and requirements through the strategic measure "Digitalisation of internal legislation". To avoid getting lost in internal legislation and spend less time searching for relevant information, we have decided to present business processes in diagrams, supplemented by responsibilities, detailed requirements for each step in the process, and relevant document templates. This way of presenting the information in one place allows you to find all the information you need to carry out the activity in one place, to identify the steps in the process, and to clarify and standardise the model of the activity: it provides all the actors involved in the process with a clear view of the sequence of steps, details the responsibilities, and ensures a uniform practice. In addition, the identification of process steps allows for avoiding repetitive steps and simplifies activities.

The relevance of the strategic objectives is demonstrated by real and tangible results

The penultimate year of the NAO Strategy 2025 increasingly demonstrates how focused we were four years ago in our choice of strategic directions, objectives and the means to achieve them. As we move along the chosen path, we can see changes in the Institution's activities: the monitoring of audit recommendations is improving, audit procedures are being automated, internal legislation is being revised, and the quality management system is being improved.

Team

professional, collaborating openly and ethically

NAO Strategy 2025 indicators

10
Expertise index
(target: 8.5)

Compliance with INTOSAI principles

CAPACITY BUILDING – training (learning) and knowledge sharing

117 professional training events, 18 of which were developed by the institution's experts.

ETHICS – activities based on the Code of Ethics

9.8 score on audit rofessionalims surveys on ethical communication and cooperation.

COOPERATION – efficient communication with stakeholders

9.3 the quality of auditor communication and cooperation is assessed by auditees (target: 9.5).

157 representation and information on the results of the NAO's activities at meetings of the Seimas committees and commissions.

COMPETENCE – quality and professionalism

8.9 overall assessment of the quality of audits of audited entities.

Values

- **PROFESSIONALISM** – through best practice and continuous improvement, staff make objective decisions and produce quality results.
- **ETHICAL BEHAVIOUR** – we are fair, objective and impartial, and our cooperation with stakeholders is based on respect and mutual trust.
- **COOPERATION** – staff working together, fostering relationships of respect and trust with stakeholders, towards a common goal.
- **INNOVATION** – employees are curious and courageous in exploring, discovering, testing and applying innovation in their daily work.

Value created together with the international community

Last year was rich in cooperation events and experience sharing with international partners. At the Governing Board meeting during the XII EUROSAI Congress, we reported on the activities and progress of the EUROSAI Strategic Goal 1 "Professional Cooperation", co-led by the National Audit Office and the German SAI, and on the Task Force on Municipality Audit during the whole of the EUROSAI strategic period 2017-2024, as well as on the latest news for the forthcoming strategic period.
We hosted the third Baltic SAI Forum, where delegations from the three Baltic States shared knowledge, experience, discussed and addressed the most pressing challenges and issues facing the three SAIs. This year, we focused the Forum's agenda on the INTOSAI-P 12 standard, which consists of 12 principles that define the value and benefits of SAIs in making a difference in the lives of citizens. SAI delegates discussed how they should respond to the changing environment and emerging risks, ensure smooth communication for understanding audits and their results, and communicate effectively with stakeholders. It was agreed that SAIs should be a source of independent and objective insight and guidance, helping to bring about beneficial change in the public sector.

Together with the Israeli SAI, we organised the final meeting of the EUROSAI Project Group "Travelling Club of Experts" and 3 webinars, which attracted 200 auditors and completed the activities of the informal platform for cooperation and exchange of experiences among auditors.

We spoke about the state of the ambient air and climate change at the ClimateScanner Global Call event in New York and at the 26th UN/INTOSAI Symposium in Vienna.

During the support visit to Ukraine, we offered institutional support and advisory assistance to the Ukrainian SAI. We also discussed possible reforms of the SAI, cooperative audits, and other issues, with representatives of the Verkhovna Rada and the Budget and Anti-Corruption Policy Committees.

Talent diversity is revealed in working groups

The staff of the National Audit Office expand their professional experience by participating in various working groups. Staff from different units with an interest in data analytics are working together as a team to find ways to strengthen analytical procedures in audits. By setting up tasks such as data exploration, creating an analytical plan, organising the resulting datasets and performing calculations, and using the Power BI tool, the analysts have already suggested to the auditors how to use this experience in the context of a preliminary study exercise or in the context of a request for data from the audited entity. The analytics team intends to improve its working methods and to become a trusted centre of excellence for providing analytical services in audits.

For many years now, employees have been helping to create and maintain an inclusive organisational atmosphere and the well-being of employees by deploying their competences in the activities of the Organisational Culture Council, the Occupational Health and Safety Committee, and the Labour Council.

Sharing knowledge and experience is a way to use the auditors' potential more efficiently

Direct and active relations with the Parliament, the Government, law enforcement and other institutions help to ensure that public finances are used transparently and legally, and that financial policy is shaped responsibly. We regularly provide Parliament with information on audits, assessments, opinions and recommendations. This enables Parliament to take well-informed decisions. In assessing economic plans and structural indicators, we provide the Government with opinions on the implementation of the structural adjustment targets, the country's stability programme, and recommendations on compliance with fiscal discipline rules. We have provided the new Government with summary insights on audited areas requiring its special involvement. These include areas related to the delivery of health and social services, and security in emergencies.

We invited representatives of the Lithuanian Chamber of Auditors to a workshop to share the experiences of audit professionals. The meeting focused on the most important audit practices and current challenges in the public sector: the characteristics of the accounting of public sector entities and the most frequent non-compliances, the process of consolidation of financial statements and its risks, the shortcomings in the conduct of the inventory of institutions, the auditors' response to the risks related to the application of international sanctions and the prevention of money laundering, etc. Such cooperation and exchange of best practices is an important step towards achieving the highest professional standards.

International events open up opportunities to be more efficient

- Representatives of the National Audit Office participate in the activity of 4 INTOSAI and 12 EUROSAI Working/Project Groups, as well as in professional cooperation activities of auditors in OECD, NATO related and other formats. These and other events help to share knowledge, experience, discuss and address the most pressing challenges and tasks for auditors.
- The Head of the National Audit Office was elected the Second Vice-President of EUROSAI at the XII EUROSAI Congress.

Sustainability solutions

responsibly shaping the future of the institution and the country

Environment:

- Responsible use of resources
- Climate actions
- Reducing pollution and waste

Social field:

- Occupational safety
- Occupational health and well-being
- Equal opportunities

Management:

- Ethical conduct
- Fighting corruption
- Compliance with standards
- Data security
- Transparent culture
- Training and education

CLIMATE ACTIONS

~1 000

trees planted as part of the national forestry project "Keep the forest green".

SAVING RESOURCES

27%

reduction in printing paper.

OCCUPATIONAL SAFETY

98%

of employees indicated that they do not experience harassment and unpleasant behaviour (Psychosocial occupational Risk Factor Survey data).

EQUAL OPPORTUNITIES

3

"Equal Opportunities Wings" awarded for integrating and implementing equal opportunities in our work (maximum rating from the Equal Opportunities Controller's Office).

DATA SECURITY

3 TIMES

participating in simulated social engineering exercises and once in an OpEx exercise to ensure cyber security at work.

COMPLIANCE

The National Audit Office's quality management system complies with the requirements of the LST EN ISO 9001:2015 Quality Management System Standard.

TRANSPARENT CULTURE

85%

of employees have a positive attitude towards managers' communication at work (Employee Wellbeing Survey).

IMPROVEMENT

~61

training hours per staff member (target: 48 hours).

Implementing sustainability principles in our organisation is our social responsibility

- All documents and records are electronic only.
- 20% reduction in the overall amount of waste collected in containers.
- Using a clean electric car saves around 20% of the cost per kilometre.
- Around 1000 sqm of the National Audit Office's premises have been decided to be abandoned in order to improve the energy efficiency of the building and the efficient use of state assets.

Financial data

	2023	2024
Allocated budget	**10 016 thousand EUR**	**10 395 thousand EUR**
Appropriations used	9 816 thousand EUR	10 395 thousand EUR
Of which:		
Salaries and social insurance	8 466 thousand EUR	9 051 thousand EUR
Rent of property and utility costs	269 thousand EUR	431 thousand EUR
Other goods and services	236 thousand EUR	179 thousand EUR
Social benefits (allowances)	218 thousand EUR	171 thousand EUR
IT goods and services	198 thousand EUR	128 thousand EUR
Professional development, expert and consultant services	164 tthousand EUR	288 thousand EUR
Office travel	101 thousand EUR	87 thousand EUR
Fixed assets	87 thousand EUR	22 thousand EUR
Representation expenses	72 thousand EUR	20 thousand EUR
Maintenance of transport, communication services	5 thousand EUR	6 thousand EUR
Publicity expenses	–	12 thousand EUR

Programmes implemented in the fields of activity of the State, objectives of progress and continuous activities, their appropriations and other funds, and impact indicators

Code of the field of activity of the State, programme, objective of progress or continuous activity, impact indicator	Name of the field of activity of the State, programme, objective of progress or continuous activity, impact indicator	Appropriations and other funds (thousand EUR)				Impact indicator values						
		Plan (including adjustments)	Execution	Percentage of plan execution	Execution from the start of the implementation of the progress objective	Actual value of the impact indicator		Target value of the impact indicator	Actual value of the impact indicator	Percentage of achievement of the impact indicator	Target value of the impact indicator	
		2024	2024	2024		2022	2023	2024	2024	2024	2025	2030
1	2	3	4	5	6	7	8	9	10	11	12	13
01	**FIELD OF ACTIVITY OF THE STATE** State activities in the field of state governance, regional policy, and public administration	10 395.0	10 395.0	100								
01-001	**Programme for the performance of functions** Programme for the performance of the functions of the National Audit Office of the Republic of Lithuania	10 395.0	10 395.0	100								
01-001-01-01	**Progress objective**											
E-01-001-01-01-01	Impact indicator											
E-01-001-01-01-02	Impact indicator											
01-001-11-01	**Continuous activity objective** is to ensure proper implementation of the tasks set out in the Law on the National Audit Office	10 395.0	10 395.0	100								
E-01-001-11-01-01	Relevance Index						7	8	7.7	96%		
E-01-001-11-01-01	Duration of the audit						8.8	9	8.7	103%		
E-01-001-11-01-01	Performance quality index							9.5	-	-		
E-01-001-11-01-01	Expertise index						7.9	8.5	10	115%		
E-01-001-11-01-01	Digital maturity						7.2	8	7.2	90%		
E-01-001-11-01-01	Process management maturity						7.1	8	7.5	94%		
1. State budget of the Republic of Lithuania, total		10 395.0	10 395.0	100								
of which 1.1. State budget funds		10 395.0	10 395.0	100								

Code of the field of activity of the State, programme, objective of progress or continuous activity, impact indicator	Name of the field of activity of the State, programme, objective of progress or continuous activity, impact indicator	Appropriations and other funds (thousand EUR)				Impact indicator values						
		Plan (including adjustments)	Execution	Percentage of plan execution	Execution from the start of the implementation of the progress objective	Actual value of the impact indicator		Target value of the impact indicator	Actual value of the impact indicator	Percentage of achievement of the impact indicator	Target value of the impact indicator	
		2024	2024	2024		2022	2023	2024	2024	2024	2025	2030
1	2	3	4	5	6	7	8	9	10	11	12	13
1.2. Co-financing												
1.3. European Union funding and other international financial support												
1.4. Income contributions and other income												
2. Other sources, except funds of state-owned enterprises and funds of state-controlled public bodies (European Union financial support for the implementation of projects and other legally obtained funds, indicating individual sources)												
3. Funds of state-owned enterprises												
4. Funds of state-controlled public bodies												
Total for the programme 01 (1+2 + 3+ 4)		10 395.0	10 395.0	100								
01-002	**Management programme**											
...												
1. State budget of the Republic of Lithuania, total												
of which: 1.1. State budget funds												
1.2. Co-financing												
1.3. European Union funding and other international financial support												
1.4. Income contributions and other income												
2. Other sources, except funds of state-owned enterprises and funds of state-controlled public bodies (European Union financial support for the implementation of projects and other legally obtained funds, indicating individual sources)												
3. Funds of state-owned enterprises												
4. Funds of state-controlled public bodies												
Total for the field of activity of the State 01 (1 +2 + 3+ 4)												