VALSTYBĖS KONTROLĖ

NAO OF LITHUANIA

2025 Activity Report

A Word from the Auditor General: Strategic turning point and a new phase of impact

The National Audit Office is a constitutional institution whose insights directly shape the future direction of the state. In presenting the 2025 Activity Report, I view it as a phase that we have consistently built together with my team, strengthening the institution's role and the value it creates for society. This is my first year in office, but it is also a time when our independent assessments and audits have become a clearer compass for the state – recommendations that not only indicate what we must do but also chart an ambitious course towards a more sustainable future for the state.

A year ago, when I took on the responsibility of leading this institution, I publicly committed to transparency, open communication and the courage to speak the truth. I believed that the Supreme Audit Institution must speak out, especially when decisions determine the strength of the state's foundations. That is why 2025 has become for us not only a year of work but also a year of open dialogue – **increased visibility and more active communication with partners and the public** were a direct fulfilment of this promise.

As an **independent fiscal institution**, we have reached a new stage of maturity this year. Our role has been strengthened, and the insights we provide on budget sustainability have now become a critically important pillar of fiscal discipline, ensuring that decisions are based on objective data.

2025 was marked by a significant professional breakthrough **in the field of national security**. In response to geopolitical challenges, we have focused our efforts on comprehensive assessments: from military personnel recruitment and defence budget management to the modernisation of public warning systems, the development of shelters, and the preparation of citizens for civil resistance. This dynamic year also brought unplanned tasks – we were requested by the Seimas of the Republic of Lithuania to conduct audits of the national broadcaster's operations and the offshore wind farm project. Although we had to abandon some of our planned work as a result, we managed to maintain our strategic direction and strengthen our independence.

In 2025, we concluded the historic two-decade-long function of **European Union investments audit**. We closed it on a principled note: the final audit revealed a record error rate of 14.15 per cent, which, unfortunately, meant that Lithuania had to make corrections amounting to millions from public funds. We urge the institution taking over this function to remain uncompromisingly principled, and we call on decision-makers to learn this painful lesson and not to repeat these mistakes at the state's expense

We are entering a new strategic period, the vision of which is **greater value from the public sector for the people and the state**. For me, this strategy is about a fundamental shift within the National Audit Office: uncompromising professionalism and the courage to rely on facts. We will strive not only to identify errors, but also to ensure that our recommendations lead to beneficial changes. We will apply the highest standards ourselves – we will integrate artificial intelligence, automate processes and invest in the expertise of our people.

I would like to thank the National Audit Office team – courageous professionals who are not afraid of change and who drive it themselves. I greatly value your expertise and the human values that I am personally proud of.

I would like to thank our institutional partners, who work with us to find solutions for Lithuania and view our insights as an opportunity for improvement.

I would like to express my sincere thanks to all the people of Lithuania who take an interest in and share the results of our work, suggest audit topics to us, and draw attention to issues that need to be addressed in the country. We hear you, we see your needs, and it is you, above all, who benefit from the impact of our work in streamlining the public sector and its solutions.

Our new direction is clear – independence, professionalism and real impact. I am certain that this direction will become a reality. **So that the state works for you.**

Auditor General
Irena Segalovičienė

Table of Contents

2025: Key indicators

The National Audit Office conducts public audits and performs the functions of an independent fiscal institution

Objectives

To oversee whether state assets are managed and used lawfully and effectively, and how the state budget is implemented.

To promote the positive and effective impact of public audit on the public finance management and control system, as well as on results-oriented and public needs-oriented public administration.

Monitor compliance with the rules set out in the Constitutional Law on the Implementation of the Fiscal Treaty and the performance of tasks, and ensure the transparency and accountability of public finances.

33 products prepared
- **31** planned, of which:
- **8** new items added
- **4** rejected

Priority areas:

- ✓ Management of state assets
- ✓ Innovation and technological progress
- ✓ Safe environment and healthy society

25 audits and assessments
- **13** performance audits
- **6** financial audits
- **1** EU investment audit
- **5** assessments and overviews

2 recommendations implementation reports

87% of implemented audit recommendations

6 opinions on budgetary policy
- **5** planned
- **1** new included

208
Number of employees

10,074 thousand euros
Budget

Opinions and reports for 2025

January

February

- Analysis of defence budget management (classified)
- Assessment of the Sustainability of General Government Finances in 2025–2050

March

- Administration of the Lithuanian Armed Forces Conscription and Recruitment
- Opinion on the Endorsement of the Economic Development Scenario

April

- Use of financial instruments (loans, guarantees, venture capital investments) to provide state aid
- Activities of the State Enterprise Turto Bankas in the provision of services for management and maintenance of state real property
- Digital transformation of education in schools
- EU Structural Funds audit

May

- Activities of the Ministry of Foreign Affairs in the performance of consular functions
- Management of artificial intelligence in the public sector
- Auditor's opinions on the 2024 accounts of the state and the four resource funds
- Overview of general government sector salaries

June

- Preparation of citizens of the Republic of Lithuania for civil resistance
- Modernisation of the public warning system, development of collective protection structures and shelters
- Consolidation of the State's information resources infrastructure
- Use of data from ministerial management programmes
- Assessment of the fiscal part of Lithuania's medium-term Fiscal Structural Plan
- Opinion on the compliance with the fiscal discipline rules of municipal budgets during 2024–2025

July

August

- Reducing waiting queues for personal healthcare services

September

- Observations on decisions to add an additional 10 points to the results of the 2025 State Matriculation Examinations (SME)
- Opinion on the Endorsement of the Economic Development Scenario

October

- Results of the financial audit of the 2024 national set of accounts
- Activities of the Lithuanian National Radio and Television

November

- Implementation of the first offshore wind farm project in the Baltic Sea - Curonian Nord
- Opinion on the Structural Adjustment Target

December

- Integration of foreign children into the general education system
- Overview of the achievement of the energy efficiency targets

Audits · Assessments · Opinions

The benefits to the state created by the National Audit Office

The National Audit Office combines two areas of competence that are vital for the economy, efficiency and sustainability of the state: public audit and fiscal governance monitoring. In carrying out these functions assigned to an independent institution, the National Audit Office conducts public audits, assessments and prepares opinions on the monitoring of fiscal governance. Some of the National Audit Office's annual activities are prescribed by legislation, whilst others are included in response to the most pressing risks. In this way, through all our activities, we aim to promote meaningful, long-term change in the country and strengthen the value of the public sector to society.

Before incorporating audit and assessment topics into the National Audit Office's annual activity plan, we conduct consistent monitoring of the public sector, analyse data, and actively collaborate with various social groups and institutions. Priority is given to the country's strategic and geopolitical challenges, the scale of public resources and the efficiency of their use. In 2025, the priority areas selected for audit topics were **the management of state assets, innovation and technological progress, a safe environment and a healthy society**.

In 2025, the National Audit Office, in carrying out the tasks assigned to it by law, conducted **19** public audits, **1** audit of European Union assistance investments, presented **6** opinions on the monitoring of fiscal discipline, **2** reports on the monitoring of the implementation of recommendations, **2** assessments and **3** overviews. Three activities were added to the annual activity plan, and the completion of two was postponed to 2026.

State finances and assets

The efficient and sustainable use of public resources, finances and assets is of paramount importance in mobilising resources for defence and maintaining essential public services. The management of public finances and assets involves interrelated decisions that determine the sustainability of public sector operations and the state's ability to manage risks. Fiscal discipline, reliable financial data and consistent asset management decisions form the basis for the long-term use of public resources, whilst gaps in these areas increase financial and operational risks in the future.

Monitoring of fiscal governance

Economic growth continues, but will be uneven

The National Audit Office, as an independent fiscal institution, continued to monitor budgetary policy and economic developments. In 2025, Lithuania's economy was moderate, constrained by uncertainty in international trade. We projected that household consumption, investment and exports would have a positive impact on the country's economic growth. Inflation was expected to exceed 3 percent, mainly due to rising service prices. We forecast that in 2026, real GDP would grow by around 3.4 percent, wages by around 7.4 percent, and average annual inflation would stand at around 3.3 percent.

A temporary surge in budget expenditure is not a basis for long-term commitments

In assessing the Economic Development Scenario for 2025–2028 prepared by the Ministry of Finance, we forecast that changes to the second pension pillar in 2026 will significantly boost household consumption. In the medium term, the labour market is likely to remain strong – with a projected high number of people in employment and rapid wage growth exceeding inflation.

At the same time, we noted that changes to the second pension pillar would temporarily increase general government revenue. It was therefore emphasised that, when preparing the 2026–2028 state budget, long-term commitments should not be made on the basis of temporary revenue sources.

The 2026 budget complies with EU rules. However, medium-term risks are increasing

The National Audit Office submitted its opinion On the "Structural Adjustment Target" to the Seimas, assessing the draft law on the approval of the 2026–2028 budget. The assessment showed that the 2026 budget complies with European Union fiscal rules, but medium-term fiscal risks are increasing.

It is projected that the general government deficit in 2026 will be higher than in 2025, and that general government debt will increase more rapidly due to advance payments for military equipment, weapons and supplies. It is likely that more resources will need to be allocated to debt servicing in the future. Furthermore, taking into account decisions adopted almost every year that were not foreseen in the draft budget, **the general government deficit could exceed 3 percent of GDP in 2028.**

Under the new EU economic governance framework, net expenditure becomes the key fiscal indicator. In its fiscal structural plan, Lithuania has set a target for net expenditure plan, which it has committed to implementing. While the EU's defence expenditure clause remains in force, the draft budget complies with EU rules; however, as this clause nears its end, it is essential to secure sustainable sources of funding for defence and other areas.

Defence funding

The growth in defence funding has a significant impact on public finances and medium-term risks.

Following an analysis of defence budget management for 2025 and an assessment of its planning, the achievement of capability enhancement targets, and the implementation of procurements and ongoing projects, we have identified risks which, if not managed properly, could have a negative impact on the sound and efficient management of the defence budget. These risks remain relevant in 2026.

Accountability for public finances

The National Audit Office carried out financial audits of the 2024 financial accounts of the State, SODRA, the Pension Annuity Fund, Guarantee Fund, Long-Term Employment Benefit Fund, Compulsory Health Insurance Fund, the State Defence Fund, and the national set of financial accounts. We issued **unqualified opinions** on the financial statements of the Pension Annuities, Guarantee and Long-Term Employment Benefits Funds. However, in the other sets of accounts – those of the State, SODRA and the Compulsory Health Insurance Fund, which cover a significant portion of public finances and assets – we identified material errors and therefore issued **qualified opinions** on them.

State debt

In assessing the state debt for 2024, we did not identify any material misstatements. Debt management must be based on clear rules, long-term objectives and compliance with established fiscal limits. It is very important that borrowing decisions are not based on short-term objectives.

Reserves – as part of financial resilience

The state's financial resilience is inseparable from the accumulation and management of reserves. In 2024, state reserves increased by more than EUR 1 billion, exceeding EUR 4.8 billion. The main factor behind this was the growth in the SODRA reserve, which accounted for approximately 78 percent of the total increase in reserves.

Holding reserves enhances the state's ability to independently finance unforeseen expenditure, reduces the need to borrow under unfavourable market conditions, and provides greater flexibility in responding to crises. However, it was noted that there is a need to clearly justify which specific risks the reserves should cushion in the long term.

In view of this, the National Audit Office has recommended that the Ministry of Finance systematically review the legal framework governing reserves, establish common principles for their creation and management, and clearly link them to the state's borrowing policy.

Quality and reliability of public finance data

Financial audits carried out by the National Audit Office enable an assessment of whether data on public finances and state assets are reliable, whether they are accurately reflected in financial statements, and whether they allow for informed decision-making. The quality of decisions depends directly on the reliability of the data used. The National Audit Office has emphasised that some of the accounting shortcomings identified in previous reports have not yet been substantially corrected, which poses systemic risks to the management of public finances. Without reliable data, it becomes difficult for public sector entities to assess the efficiency of public sector activities in a well-founded manner and to make decisions based on facts.

Attention was drawn to the fact that the commitment to correct the accounting errors in mineral resources identified in 2024 prior to the submission of the national financial accounts has not been fulfilled. It was also noted that the Ministry of Environment had not fulfilled its commitments to take action and ensure the consistent harmonisation of forest land and stand accounting processes. Unless these errors are corrected, there will be no reliable data for 2025, which will hamper both planning and accountability.

> **Errors in public finance data increase the risk that decisions will be based on inaccurate assumptions, which directly affects budget planning, expenditure assessment and the identification of potential savings.**

Audit results:

Results of the financial audit of the 2024 national set of accounts (2025)

Results of the financial audit of the set of accounts of the State for 2024 (2025)

Results of the financial audit of the set of accounts of the National Defence Fund for 2024 (2025)

Results of the financial audit of the set of accounts of the State social funds for 2024 (2025)

Results of the financial audit of the set of accounts of the Compulsory Health Insurance Fund for 2024 (2025)

Results of the financial audit of the set of accounts of the Pension Annuity Fund for 2024 (2025)

European Union investments

European Union investments constitute a significant part of public investment; therefore, their planning, management and internal control have a direct impact on the efficiency of the use of assistance and the reliability of results. Our audit of the functioning of the management and control system created for the implementation of the Operational Programme for European Union Funds Investment for 2014–2020, expenditure declared in the accounts and the expenditure declared for the period from 1 July 2023 to 30 June 2024, for which reimbursement has been requested from the European Commission, revealed significant systemic problems.

We found that more than EUR 235 million had been misused, and the overall error rate stood at 14.15 percent, the highest for the entire period. Due to this error rate, Lithuania had to make a correction of more than EUR 216 million from public funds.

We issued an adverse opinion due to the errors identified. The auditors also highlighted risks relevant to the administration of projects under the 2021–2027 EU funding period.

Due to inadequate risk management controls for the "E-commerce Model Covid-19" measure, the quality of most results did not justify the expenditure incurred to achieve them. EU projects for 2021–2027 include a measure with similar content relating to e-solutions, so the irregularities and risks identified by the auditors remain relevant.

Changes to public procurement practices regarding modifications to works carried out during the implementation of works contracts pose a risk to the equality of former project participants.

Audit results: *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 2023 to 30 June 2024 for which Reimbursement has been Requested from the European Commission*

State assets and the efficiency of their management

Changes in the management of state-owned real estate took place in 2025, but state assets could be managed more efficiently.

A centralised system of state real estate management has been established, allowing for the systematic planning of property needs and the optimisation of its volume across all areas of state activity, thereby reducing maintenance costs.

Audit results: *The Management of State Real Estate (2018)*

State real estate managed by local authorities on a trust basis is more often used for its intended purpose, but progress is uneven – some local authorities have not yet achieved this change. Although the proportion of property being used inappropriately has decreased (from 25 to 3.6 percent), some property remains unused or is being used for purposes other than those intended.

Audit results: *Management of State Real Estate Transferred in Trust to Municipalities (2020)*

State-owned real estate managed by the State Enterprise Turto Bankas could be managed more efficiently. To ensure that there is sufficient property to perform state functions, the SE Turto Bankas has been tasked with optimising the property under its management. Some budgetary institutions using premises managed by the SE Turto Bankas still have scope to optimise the space they occupy. During the audit, we identified cases where a single employee had as much as 20–30 square metres of institutional space. Furthermore, 39 percent of the real estate managed by the SE Turto Bankas is in poor condition, which increases property maintenance costs. Therefore, state institutions should be encouraged to reduce the space they use, whilst the SE Turto Bankas should carry out property renovation projects on time and within budget.

Audit results: *Activities of the SE Turto bankas in the provision of services for the management and maintenance of state real property (2025)*

The centralisation of administrative real estate must ensure a faster disposal of surplus assets and a more efficient use of existing assets. Decisions regarding the future management of the remaining residential, educational, healthcare and other real estate have yet to be taken.

> **The state should manage only as much property as is necessary for the performance of its functions.**

From 2022, ministries and other institutions specified in the strategic management methodology are required to disclose in their management programmes how much of the state budget is used to ensure their operations; however, the current procedure does not ensure comparable and reliable data. Only some of the budget managers provide information on expenditure allocated to management, and the unclear allocation of expenditure results in a fragmented and sometimes misleading picture of the cost of public sector administration. In the absence of a single, clear methodology, it is impossible to objectively assess the efficiency of public sector administration and to make informed decisions on potential cost-saving or efficiency-enhancing measures.

> **Although the state is seeking to make savings, it currently lacks reliable systematic data on how much is spent on administration and how efficient that administration is.**

Assessment results: *Use of data from ministerial management programmes (2025)*

To encourage long-term investment and ensure the country's economic growth and competitiveness, a financial contribution from the state is required. The use of financial instruments (loans, guarantees, venture capital investments) in the provision of state aid is particularly relevant when implementing the country's strategic objectives in areas where market-based financing is insufficient and/or sub-optimal, whilst avoiding the use of these instruments and subsidies for similar types of investment targeting the same beneficiary group.

In order to assess the impact of the civil service reform launched in 2024 on public sector employees' pay and changes in staff numbers, and to identify risks relevant to future decisions, we have prepared an overview of general government sector employees' salaries, analysing changes over a one-year period.

The results revealed that the very first year of the reform had already prompted changes: pay gaps between institutions narrowed, whilst the salaries of managers and judges increased. However, little use was made of the flexibility to reallocate funds earmarked for salaries.

Overview results: *Overview of general government sector salaries (2025)*

> **The use of loans, guarantees and venture capital investments in the provision of state aid is managed with partial efficiency, but the need for and impact of these measures are not sufficiently assessed, and the evaluation of applications and projects is slow, which increases the risk that financial instruments will not be utilised when they are most needed.**

Implementation of the audit recommendations will lead to more efficient use of financial instruments – their compatibility with other state support will be assessed, and their impact and benefits to the market will be systematically analysed.

Audit results: *Use of financial instruments (loans, guarantees, venture capital investments) to provide state aid (2025)*

Efficient management of public finances and state assets is inseparable from reliable and sufficient data, on the basis of which decisions are made and reliable digital infrastructure is implemented.

The role of the State Data Agency in coordinating official statistics has been strengthened, and the quality and reliability of statistical data have improved. Statistical data is compiled using appropriate methodologies, and the proportion of methodologically harmonised surveys has risen to 97 per cent (in 2021 – around one-third), creating the conditions for ensuring accurate and up-to-date data. Data accessibility and comprehensibility have also improved – information on official statistical surveys is published on the Official Statistics portal, and most indicators (around 96 per cent) have metadata, enabling the statistical information to be properly interpreted and used.

Audit results: *Organisation of official statistics (2022)*

Measures have been identified to ensure the sustainability of the state nformation resources managed by the Centre of Registers. Their development is based on analysis, data and risk assessment.

Audit results: *State Information resources managed by the Centre of Registers (2021)*

We conducted an audit and assessed the consolidation of the state information resources infrastructure. We found that not all services required by the public sector are provided centrally, and there is no assessment of whether IT centralisation helps to save public money. Public sector institutions make little use of centrally provided IT services.

Implementing the audit recommendations will create an effective IT service model that delivers real benefits to the public sector without creating an additional administrative burden.

Audit results: *Consolidation of the State's information resources infrastructure (2025)*

The potential of artificial intelligence (AI) in the public sector is enormous, and it could become a key tool for improving the efficiency of public sector operations. In the absence of a strategic approach, proper resource management and clear security guidelines, we risk not only missing out on opportunities to streamline public administration and save money but also facing serious security risks. The National Audit Office's audit "Management of artificial intelligence in the public sector" clearly demonstrated that it is time to move from fragmented initiatives to the implementation of a national strategy.

If the audit recommendations are implemented by 2030, public sector institutions will be able to effectively apply innovations and AI solutions.

Audit results: *Management of artificial intelligence in the public sector (2025)*

National security and energy independence

In the current geopolitical context, energy independence is an integral part of national security, as dependence on energy sources directly affects a state's resilience and freedom of decision-making. Our audits and the risks we monitor indicate that risks in these areas arise from the same factors – insufficient planning, unclear division of responsibilities and the pace of decision implementation.

National security

The resilience of the state and society, and their ability to respond to crises, is one of the prerequisites for national security. Audits carried out by the National Audit Office show that decisions regarding the strengthening of military capabilities, public preparedness and inter-agency coordination are insufficiently coordinated and implemented inconsistently.

The Lithuanian Armed Forces are composed on a mixed basis of professional military personnel, conscripts performing compulsory initial military service, and volunteer soldiers. The recruitment of conscripts for regular compulsory initial military service in the Lithuanian Armed Forces is improving year on year (from 93 percent in 2022 to 102 percent in 2024). The number of applications from volunteers for voluntary non-permanent military service is increasing every year; however, those who leave of their own accord account for as much as 63 percent of all discharged soldiers, so it is essential to better assess their motivation. Incentives are applied to retain soldiers in professional military service. However, there is a lack of measures specifically designed for officers and non-commissioned officers, making it difficult to retain the most scarce senior-ranking soldiers, whose training takes a long time.

> There is a lack of measures to retain officers and non-commissioned officers in service.

Implementing the recommendations will ensure better recruitment, readiness and retention within the armed forces.

Audit results: *Administration of the Lithuanian Armed Forces Conscription and Recruitment (2025)*

Following an audit of the preparation of citizens of the Republic of Lithuania for civil resistance, we found that at the national level, plans are still only at the planning stage regarding how citizens should resist.

> It is essential to strengthen leadership in civil resistance at the national level, ensure inclusive adult education in the regions, and integrate national defence knowledge into the education system.

Unarmed civil resistance would be aided by civil resistance training for adults across a larger part of the country and its adaptation for people with disabilities; stronger development of civic competence within the education system; and closer cooperation with non-governmental organisations.

Once the recommendations have been implemented, a new action plan will be drawn up by 2028, and the public will be better informed about opportunities to contribute to civil resistance.

Audit results: *Preparation of citizens of the Republic of Lithuania for civil resistance (2025)*

Following an audit of the modernisation of the public warning system and the development of collective protection structures and shelters (protective structures), we found that the public warning and protection systems would function better if it were ensured that the public warning system activated all warning measures simultaneously; clear criteria and requirements were established for the selection of collective protection structures and shelters, specifying the number of places to meet the needs of the population; and the accessibility of protection structures for people with disabilities was ensured.

The state is not yet prepared to ensure the protection of the entire population in the event of an emergency or war.

In order to draw the attention of decision-makers to the problems identified during the audit as soon as possible, and taking into account that the Ministry of the Interior and the Fire and Rescue Department have already planned and begun to implement measures provide the basis for addressing the shortcomings identified during the audit, we concluded the audit with a preliminary study.

Audit results: *Modernisation of the public warning system, development of collective protection structures and shelters (2025)*

The changes planned for 2025, aimed at improving preparedness for emergency management, are being implemented late.

Preparations for health emergencies, including the provision of medical facilities, the mobilisation of human resources and the strengthening of specialists' competencies, are behind schedule.

Audit results: *Ensuring sustainability of health care in emergencies (2022)*

In order to prepare adequately for emergencies, it is necessary to establish conditions for the consistent identification and assessment of all potential high- and very high-risk hazards at the national level, so that preparedness measures can be planned in a targeted manner. To this end, it is necessary to establish clear assessment criteria and develop a national risk analysis methodology.

Audit results: *Preparedness of institutions to respond to emergencies (2022)*

Energy independence

At the request of the Seimas, we conducted an audit of the Curonian Nord offshore wind farm project in the Baltic Sea. The results show that the project's implementation is stalling, risks are mounting, and the future of the project's success is becoming increasingly uncertain. The division of responsibilities and transparent, efficient management will determine whether Lithuania will have an offshore wind farm. Delaying decisions would mean not only lost time but also challenges to energy independence.

The audit made recommendations; implementing the changes they propose will ensure the project is carried out properly and that the planned energy targets are met by 2030.

Audit results: *Implementation of the first offshore wind farm project in the Baltic Sea - Curonian Nord (2025)*

> The offshore wind farm project can only be implemented by fundamentally changing the current model, which does not comply with legislation and poses critical risks. A comprehensive analysis of the factors involved is required, on the basis of which realistic deadlines can be set and urgent decisions taken regarding the project's future course.

We have presented an overview of the progress towards achieving energy consumption targets to the public. The results of the overview show that the planned energy efficiency improvement measures will enable only one of the three energy efficiency targets set for Lithuania to be achieved by 2030, but they are insufficient to achieve all the targets. In order to use energy efficiently, it is necessary to continuously monitor and assess the distribution of energy consumption across the country's economic sectors and to forecast future energy demand.

To achieve energy efficiency targets, the public sector must take active measures to improve the energy efficiency of public buildings. The analysis showed that the modernisation of buildings is one of the most important areas for energy saving; therefore, based on the analysis carried out, we launched an audit entitled "Improving the Energy Efficiency of Public Buildings".

Audit results: *Overview of the achievement of energy efficiency targets (2025)*

In the long term, the sustainability of energy solutions is also linked to the management of environmental risks. Preparing for the disposal of waste from solar and wind power plants and energy storage facilities is becoming particularly important.

> The number of solar, wind and energy storage facilities that will need to be disposed of in the future is increasing significantly.

These facilities have a long operational lifespan, but measures must be taken now to ensure that, when the time comes, they are disposed of effectively and that consumers do not face waste management challenges. This topic has been included in the 2026 activity plan.

Public services and social welfare

Public services are designed for people, and their accessibility and quality directly affect everyone's daily life and future prospects. From education and healthcare to justice, science and social protection – decisions made in these areas shape people's opportunities, security and trust in the state.

Education and science

Education is one of the most important areas in which the state's decisions shape people's future choices; it is therefore particularly important that the system ensures high-quality education that is accessible to all. In 2025, changes prompted by previous audits took place in this area, but the organisation of general education poses challenges.

The implementation of the recommendations is increasing access to pre-school education. It is noted that the number of children growing up in families at social risk who are compulsorily enrolled in pre-school education programmes has increased from 66 children in 2019 to 793 children in 2025, exceeding the target by almost 300 children. This ensures a better and more consistent quality of education nationwide, regardless of children's social, economic and cultural circumstances.

Audit results: *Do the Changes in Education Determine Pupils' Better Learning Achievements? (2020)*

We conducted an audit of the digitalisation of education and found that there is a lack of digital learning resources, not all children have equal access to digital tools, and teachers' skills need to be improved.

The digital transformation of education is not sufficiently effective.

We recommended that general education be made more personalised, interactive and engaging, by increasing the variety of tasks for all pupils, including those with special educational needs; schools should ensure the availability of essential products (e.g. licences, security measures), involving school representatives in identifying needs.

Audit results: *Digital transformation of education in schools (2025)*

We conducted an audit of the integration of foreign children into the general education system, which contributes to an international audit on ensuring the right to education for Ukrainian children in schools across Europe. During the audit, we found that almost 15,000 foreign children are enrolled in general education schools in Lithuania, 67 percent of whom are Ukrainian citizens.

Current practices regarding the integration of foreign children in education are inadequate – a new national model for the integration of foreign children is required.

A properly designed national model would ensure the effective integration of foreign children into the general education system. More than half of these children would be taught in Lithuanian. The number of children failing to reach the threshold level in Lithuanian language proficiency tests would decrease. Each year, teachers would systematically improve their competences in line with the national professional development programme for the education of foreign children and would be better prepared to work with these children.

Audit results: *Integration of foreign children into the general education system (2025)*

In 2025, the assessment committees for the national school-leaving examinations decided to add 10 points to the final mark achieved by each student in the 2025 state matriculation examinations, with the exception of Lithuanian Language and Literature, without changing the maximum mark (100 marks). Having assessed the applicable legal framework, we concluded that the decision by the state final examination assessment committees to add an additional 10 points poses a risk to the reliability of the student achievement assessment system. On the basis of this assessment, we launched an audit entitled “Effectiveness of planning and implementing changes in education to ensure conditions for pupils’ achievement”.

Overview results: *Observations on decisions to add an additional 10 points to the results of the 2025 State Matriculation Exams (SME) (2025)*

Changes have been made to improve the higher education evaluation system. The external evaluation and accreditation system for higher education institutions has been updated, and the external evaluation methodology has been approved, under which external evaluations have been carried out at all higher education institutions.

Audit results: *Is the quality of studies ensured in higher education institutions (2021)*

Long-term human well-being depends not only on the decisions relevant today, but also on the state’s ability to invest in the future. We are monitoring the risks associated with improving the efficiency of the research and development (R&D) system. Strengthening R&D potential is one of the most significant areas of the country’s progress. To further promote the adoption of advanced technologies and the creation of high value-added products, it is important to consistently improve the efficiency of the R&D system. The Lithuanian Science Council plays a particularly significant role in this process. The development of the most innovative projects, which in the long term strengthens the country’s scientific potential and international competitiveness, depends particularly on transparent selection processes that meet international standards and effective management. This risk remains relevant in 2026.

In order to assess whether the promotion of innovation creation and implementation is managed effectively and whether innovation promotion measures are applied efficiently, we are conducting an audit entitled “The Business Innovation Promotion System”.

Healthcare

Following the implementation of recommendations from previous audits, the management of reimbursable medicines has improved, but there are still issues regarding the availability of medicines and the provision of treatment services.

Data-driven management of reimbursable medicines has been strengthened – systematic monitoring of the impact of pricing has been introduced, including the assessment of monitoring indicators, and decisions on pricing changes are made based on monitoring data.

Continuous monitoring of medicine availability and public expenditure on medicines has been ensured. By the end of 2026, it is planned to ensure that decisions on the inclusion (or exclusion) of medicines on the lists of reimbursable medicines are taken within a set timeframe, thereby facilitating faster access to reimbursable medicines.

Audit results: *Availability of medicines for the population (2023)*

Having carried out an assessment of the reduction of waiting lists for personal healthcare services, we noted territorial disparities between cities and regions, an insufficient number of patients using advance registration, and an unregulated workload for doctors.

Audit results: *Reducing waiting queues for personal healthcare services (2025)*

Justice

Justice is one of the areas on which public trust in the state depends. Changes implemented in this area in 2025 have made it possible to access public services more quickly.

By removing functions not typical of the courts, conditions have been created to balance judges' workloads and specialisation. In all district courts, judges specialise in hearing civil or criminal cases and cases of administrative offences, thereby ensuring greater judicial competence and faster, higher-quality case handling.

Audit results: *Judicial System (2020)*

Notarial services have become available in all municipalities – they are provided remotely in all notary offices. The groundwork has been laid to reduce the volume of notarial acts by establishing alternative options for certain services, allowing people to turn not only to a notary but also to other entities.

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

Social security

Social security ensures that people can meet their basic needs and remain independent. Decisions in this area are aimed at ensuring that assistance reaches those who need it most, when they need it most.

In the field of social protection, as in other areas, accurate and reliable data is essential.

The Social Support for Families Information System (SPIS) has introduced a Social Support Recipient Summary, which collects information on all the support provided to a person or their social support provided to the family (cash benefits received, compensation, social services), making it easier for local authorities to plan and evaluate social support.

Audit results: *Does Social Assistance Ensure the Minimum Consumption Needs of People Living in Poverty and Promote the Labour Market Integration (2019)*

In implementing the financial audit recommendations, SODRA inventoried and recorded in its accounts more than EUR 1 million in one-off benefits (sickness, unemployment, accidents at work and occupational diseases, and parental benefits) allocated between 2021 and 2024. Some people have already received the SODRA benefits to which they were entitled (EUR 162,000), which had previously been "stuck".

Audit results: *Results of the financial audit of the set of accounts of the State social funds for 2024 (2025)*

Unimplemented recommendations regarding the adaptation of buildings for people with disabilities highlight the risk that the measures implemented do not yet ensure a real change in accessibility. Although a system for assessing and monitoring the adaptation of buildings has been established and guidance documents have been prepared, by the end of 2025, only 4 percent of the most important buildings had been adapted for people with disabilities, failing to meet either the set target of 40 percent or the baseline value. This highlights the need to review the effectiveness of the measures and to strengthen the focus of decisions on actual impact.

Audit results: *Social Integration of Persons with Disabilities (2020)*

In the long term, the effectiveness of social security is linked to opportunities to establish oneself in the labour market, as earned income is one of the ways to reduce poverty and income inequality.

Increasing productivity and aligning skills with labour market needs. In recent years, wage growth in Lithuania has outpaced labour productivity. The 2021 Organisation for Economic Co-operation and Development (OECD) report "Skills Strategy for Lithuania" identified opportunities and made recommendations on how the country could better prepare young people for work and life, promote adult and corporate learning, make more efficient use of people's skills in the workplace, and strengthen the governance of skills policy. The implementation of these recommendations remains relevant and will be monitored in 2026.

Reducing income inequality, poverty and social exclusion. Income inequality in Lithuania remains high – the income of the richest 20 percent of the population is 6.4 times higher than that of the poorest 20 percent. In order to efficiently reduce inequality and social exclusion, it is essential that the measures planned and implemented are geared towards systemic solutions, take existing social problems into account and ensure a long-term impact. For these reasons, the identified risk remains relevant in 2026.

Why are changes in the country stalling?

From audit recommendations to real change

The National Audit Office's recommendations are intended to ensure that identified shortcomings are transformed into real change. However, practice shows that clear recommendations, planned measures and set deadlines alone do not always guarantee results if the audited institution or agency does not manage their implementation and lacks clear accountability.

Each year, we select the highest-risk areas of the public sector, to which we devote the most attention when planning audit topics. We monitor some key risks on an ongoing basis and, where necessary, adjust the annual activity plan in response to particularly pressing issues.

The impact of public audit manifests itself in both direct and indirect benefits generated by the implementation of recommendations. To objectively assess this impact, we monitor changes that create long-term benefits. Upon completion of the audit, we agree with the audited entity not only on the measures for implementing the recommendations, but also on the indicators for assessing the changes and the deadlines for achieving them.

Significant results often only become apparent after several years, so we carry out consistent monitoring. We analyse whether institutions have implemented the recommendations, what changes this has led to, and to what extent the audit findings have contributed to these changes. In this way, we assess the real impact of the audit on progress in the public sector.

Progress in 2025

By 2025, 61 of the planned change indicators had been achieved in almost all areas of the public sector. However, despite these achievements, a third of the planned changes have not been implemented – mainly in the areas of information resource management and public security, whilst the implementation of changes in public finance is taking the longest.

> The rate of implementation of recommendations is steadily increasing, but the time taken to achieve changes is lengthening.

Monitoring results from recent years show that the extent of implementation of recommendations is steadily increasing – **87 percent of audit recommendations have been implemented.** However, the time taken to achieve changes is increasing – implementation of recommendations is delayed by an average of as much as 17.9 months. The main reasons for the delay are: protracted drafting, coordination and implementation of legislation; lengthy processes for the development or modernisation of IT systems; and stalled public procurement procedures.

Leadership – a key factor for success

The success of implementing recommendations depends on the effectiveness of government processes. These can be accelerated by clear leadership from public sector institutions and a consistent commitment to improving public sector governance. This requires clear accountability, consistent implementation of decisions and effective monitoring of their execution. Merely presenting recommendations does not guarantee results if their implementation is not managed in a targeted manner and becomes dependent on changes in the political cycle.

Strengthening competencies and partnerships –to create impact

The impact created by the National Audit Office depends on professional competencies, compliance with standards, resources and partnerships.

Events and performance results in 2025

January February March April May June July August September October November December

January
- International Monetary Fund experts' meeting with the National Audit Office representatives
- First visit by Taiwan's SAI
- Launch of the audit results information system ARIS

February
- Meeting with representatives of the American Chamber of Commerce in Lithuania
- EUROSAI Draft Strategic Plan prepared together with colleagues from the German, Swedish and Polish SAIs
- Peer Review of the National Audit Office

March
- Joint meeting of the EUROSAI SG1 and SG2 implementors
- Report on the implementation of the National Audit Office's recommendations

April
- Conference "Public Finances and Demographic Challenges: How to Prepare for the Future?"

May
- Visit of the Congress of Local and Regional Authorities of the Council of Europe
- Meeting of the Baltic States SAIs Task Force on the Rail Baltica Project implementation

June
- Visit by experts from the International Monetary Fund
- International conference "Security of EU countries from the perspective of Supreme Audit Institutions"
- Meeting with the Head of the EC Representation in Lithuania
- EUROSAI Governing Board meeting
- Introducing the updated Financial Audit Manual to representatives of municipal audit services

July

August
- Meeting with representatives of museums, Ministry of Culture and Ministry of Finance

September
- Lithuanian Chamber of Auditor's Conference "30 Years of trust: LCA's path and the challenge for the future"
- Meeting with the members of the Scottish Parliament's Finance and Public Administration Committee
- Introductory meeting of the EUROSAI PG "#Audit talks"
- Report on the implementation of the National Audit Office's recommendations

October
- The XXV INTOSAI Congress and the Baltic States SAI Forum
- International SAI Congress
- Study visit by students of the Vilnius University Faculty of Economics and Business Management

November
- International Monetary Fund Experts' visit
- EU SAI Heads' Contact Committee Meeting

December
- Presentation of the audit of "The preparation of the citizens of the Republic of Lithuania for civil resistance" at a sitting of the National Defence Coordination Council at the Presidential Palace
- Presentation of the OECD review of the independent fiscal institution function performed by the National Audit Office, in the Seimas
- Annual conference of the Association of controllers for local authorities
- Cooperation agreement signed with the Centre of Excellence in Anti-Money Laundering

Cooperation Innovation Other work

Compliance with professional standards

The National Audit Office, as the Supreme Audit Institution (SAI), performs its activities in accordance with the standards of supreme audit institutions. Compliance with these standards ensures that activities are carried out transparently, to a high standard and professionally, and that their results are reliable. The National Audit Office bases its activities on the principles of integrity, independence, objectivity and professional competence. Adherence to these principles is essential to ensure the reliability of the results of its activities.

The activities of the Supreme Audit Institution meet the requirements

Relevance Response to the changing environment	**8** audits and assessments were carried out additionally in response to changes in the country and in accordance with Seimas resolutions.
Accountability Conducting audits to ensure accountability for the management and use of public resources	**12** opinions issued (6 qualified and 6 unqualified) following an assessment of whether the data on assets, liabilities, income and expenses presented in the reports give a true and fair view of the financial position and results of operations.
Impact Enabling those charged with public sector governance to discharge their responsibilities in responding to audit findings and recommendations and to taking appropriate corrective action	**38%** of audit recommendations implemented (planned to be implemented by 2025).
Independence Improving the oversight of public funds, by exercising its powers and acting at its own discretion	Taking into account the identified public sector risks, the **25** audits, assessments and overviews were included in the activity plan. Due to audits mandated by Seimas resolutions, two audits were declined.
Professionalism Independent and objective insights, promoting change in the public sector	Shared professional experience and insights **90** times.
Good governance Appropriate organisational management structure	The National Audit Office has been assessed as reliable and professional – following an international external review by experts from supreme audit institutions.
Communication Dissemination of performance results	**2398** press releases; **86** presentations at the Seimas; **7.8 points** (out of 10) – external communication index.
Transparency Ensuring transparency and accountability	**11** datasets have been made available and data on the implementation of recommendations are being published.
Capacity building Learning and knowledge sharing	For professional training, each National Audit Office staff member spent an average of **27** hours.
Cooperation Efficient communication with stakeholders	**9.5 points** (out of 10): auditees rate the cooperation of auditors.
Ethics Activities based on the Code of Ethics	**9.8 points** (out of 10) – assessment of the ethical communication of the audit/assessment team within the team.
Competence Quality and professionalism	**9** points (out of 10) – overall assessment of audit quality by auditees.

Compliance with standards is assessed by external evaluators every five years.

The activities of the independent fiscal institution are carried out in accordance with the OECD principles

As an independent fiscal institution, the National Audit Office adheres to the OECD principles for independent fiscal institutions. Compliance with these principles ensures objective, transparent and politically independent fiscal analysis.

An OECD expert group conducted the second external evaluation of the fiscal institution, with the aim of assessing the quality of its work in light of the applicable OECD principles, identifying challenges and providing recommendations for improvement. The recommendations from the 2019 assessment led to significant changes. This assessment has now recognised the significant progress made over the past five years in strengthening the independence and transparency of the fiscal institution – enhanced analytical capabilities have enabled the regular publication of macroeconomic forecasts, whilst reports and opinions have become clearer and more accessible. These changes have bolstered the credibility of the professional insights provided by the Budget Monitoring Department (to be renamed the Fiscal Monitoring Centre from April 2026) and laid the foundations for stronger fiscal surveillance. However, key previous recommendations relating to the strengthening of institutional independence and visibility have so far been only partially implemented. In view of this, recommendations have been made to strengthen institutional independence, ensure a clear mandate, allocate adequate resources, and increase visibility and impact.

It is noted that Lithuania, like all EU Member States, must transpose the updated 2024 EU Economic Governance Directive into national law by the end of 2025. It strengthens the role of independent fiscal institutions (IFIs) and sets higher standards for their independence, legal status and resources.

Local level	The IFI operates within the Lithuanian institutional framework and legal system. Following legal changes that came into force on 1 January 2006, the National Audit Office is the supreme audit institution and an independent fiscal institution.
Independence and impartiality	The independence of the IFI is enshrined in the Law on the National Audit Office.
Mandate	The IFI's mandate is defined in the Constitutional Law on the Implementation of the Fiscal Treaty, the Law on Fiscal Governance Act and the Law on the National Audit Office.
Resources	The IFI's budget forms part of the National Audit Office's budget. The IFI employs economists who undergo continuous professional development and work in accordance with international best practice.
Relations with legislators	The IFI is accountable to the Seimas. The opinions and reports are presented to Seimas committees.
Access to information	Information is generally received in a timely manner, with access ensured by legislation and cooperation agreements with relevant institutions.
Transparency	Opinions and reports are published regularly and are based on up-to-date statistical and other information; the National Audit Office's website provides annual information and spreadsheets.
Communication	The results of IFI's activities are presented in opinions and reports, and key messages are published on the National Audit Office's website and social media channels. The IFI participates in the international activities of fiscal institutions.
External evaluation	In 2019 and 2025, the OECD conducted an external review of the IFI's activities. The 2025 recommendations relate to strengthening the institution's independence, ensuring a clear mandate and the allocation of adequate resources, and increasing visibility and impact.

National Audit Office Strategy 2025 implemented

The five-year National Audit Office Strategy is the main operational planning document defining the institution's mission, values, strategic directions and performance indicators.

In implementing the National Audit Office Strategy 2025, we focused primarily on developing analytical capabilities and tools, as well as on data analysis and evaluation. Over the entire duration of the strategy (2021–2025), 87 percent of the planned strategic measures were implemented. Some measures were not implemented due to the reallocation of resources to core activities – public audits and fiscal governance monitoring. The implementation of the strategic objectives has strengthened the National Audit Office's capacity to plan audits in line with public sector risks and to provide data-driven insights. The institution has become more mature, with a greater focus on analysis and creating long-term impact on the public sector.

We are embarking on a new strategic period with a stronger operational foundation and a clearer understanding of how to increase the impact we create for people and the state.

Changes in operations

For more than 20 years, the National Audit Office has assessed the management and control system created for the implementation of the operational programme for investments from the EU funds, the eligibility of funds declared to the European Commission, as well as the legal environment and projects in various areas of the public sector. Following the expiration of the Seimas' 2003 mandate to conduct audits of EU structural assistance received by the Republic of Lithuania, this function was transferred to the Ministry of Finance by a Government resolution.

The completion of this activity led to a shift in focus, concentrating attention on the highest-risk areas of the public sector.

Changes in strategic indicators

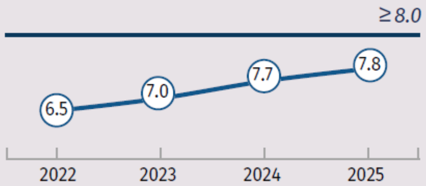
We measured the achievement of strategic objectives using indicators that demonstrate the relevance, quality and institutional maturity of our activities. The planned values for some indicators (relevance index, proportion of changes implemented, process management and digital maturity) were not achieved. The lower-than-planned figures were due to strategic measures not being implemented.

Results that bring positive change to the state and society

Activity relevance index

Target value ≥ 8.0 ▲

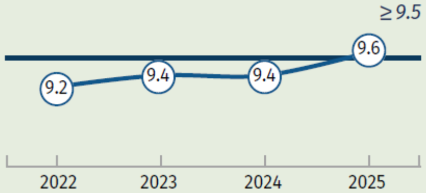
Comprises an assessment of the topic relevance, significance and alignment with priorities, the implementation of the annual activity plan and the assessment of benefits to stakeholders.



Performance quality index

Target value ≥ 9.5 ▲

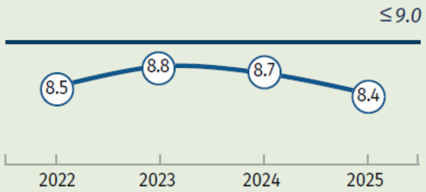
Comprises an assessment of compliance with the plan and deadlines, an assessment of quality reviews, and the results of surveys of auditees, auditors, and management.



Audit duration (months)

Target value ≤ 9.0 ▲

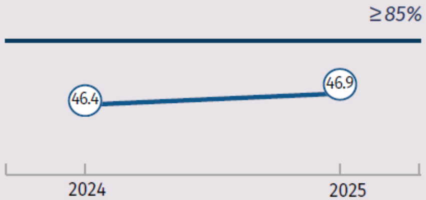
The average duration is calculated based on the actual duration of performance and compliance audits and assessments completed in a calendar year, in months.



Proportion of change

Target value ≥ 85% ▲

Calculated as the percentage of changes that have been implemented and partially implemented of the total number of planned changes.

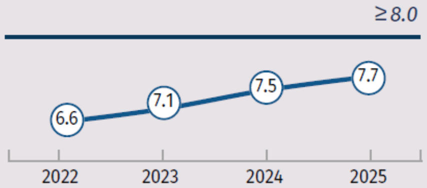


Activities demonstrating best practice in organisational management

Process management maturity

Target value ≥ 8.0 ▲

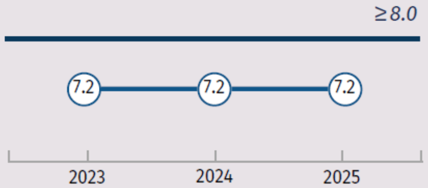
Assessment of the alignment of processes with strategy, the management model, change management, performance, improvement, tools and technologies.



Digital maturity

Target value ≥ 8.0 〓

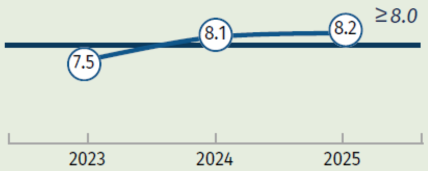
Standardised assessment by components: digital strategy and investment, digital/computer literacy, person oriented digitalisation.



Satisfaction with working conditions

Target value ≥ 8.0 ▲

Components: employee engagement index, user satisfaction (IT), assessment of physical working conditions.

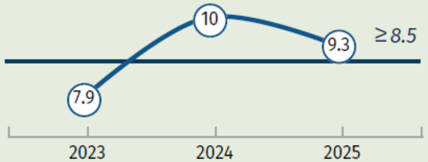


Team – professional, open and ethical

Expertise index

Target value ≥ 8.5 ▲

Assessment of active representation of the institution in Lithuanian and foreign institutions, and organisations by providing opinions, expert assessments, and sharing knowledge within the institution.



Partnerships

The quality and impact of the National Audit Office's work depend not only on the institution's internal capabilities, but also on its ability to cooperate with all relevant parties. Cooperation enables us to identify risks more accurately, strengthen the validity of our assessments and ensure that audit results lead to real changes and are relevant to decision-makers.

Dialogue for decisions

We continued our cooperation with the **Seimas** in 2025 by presenting audit results to Parliamentary Committees: the results of the National Audit Office's activities were presented 119 times, most actively to the Committees on Audit, on Budget and Finance, for the Future, and on State Administration and Local Authorities.

Based on the National Audit Office's assessment of demographic changes and their impact on public finances, a conference organised jointly with the Seimas Audit Committee discussed the long-term sustainability of public finances.

We collaborate with **universities and academic representatives** when conducting audits and assessments. At the outset of our work, their insights help us to better assess the problems and risks associated with the topic under review, and at the end – to discuss realistic potential changes and their impact. We collaborate with higher education institutions by giving lectures to students and sharing practical experience.

Partnerships – for expertise

By collaborating with academic institutions in other countries, we have strengthened the competencies of the independent fiscal institution. In order to expand the scope of our economic analysis and the products we produce, we participated in training focused on the development of macroeconometric models. The training organised jointly by the Vienna Institute and the International Monetary Fund provided knowledge on the rationale behind the specifications of different econometric models, their characteristics and limitations, as well as practical skills on how to use the EViews software to forecast and analyse policy issues.

During the visit by experts from the European Commission and the Cambridge Econometrics project, we implemented and tested the first version of the macroeconomic-fiscal model and carried out forecast simulations to assess the model's performance and identify areas for further improvement. In this way, we are contributing to the creation of an advanced analytical framework that supports data-driven decision-making, strengthens fiscal policy analysis and enhances the sustainability of public finances in Lithuania.

Resources and independence

The scope and capabilities of the National Audit Office's activities are directly determined by the financial and human resources available. As expectations placed on the institution grow, along with the volume of audits and assessments carried out, particularly in strategically important areas, it is essential to ensure a balance between tasks and available capacity.

Changes to the Annual Activity Plan

In 2025, the National Audit Office carried out its activities whilst undertaking additional mandates. Expectations placed on the institution grew faster than the financial resources allocated to it, so decisions were taken regarding the reallocation of resources and the organisation of activities. This enabled additional tasks to be carried out but limited internal development.

In line with the Seimas' assignments, we had to include two additional audits in the annual activity plan and reallocate resources to maintain focus on the areas of greatest public interest. We declined the audit of the effectiveness of road safety measures, assessments of media and information literacy education, and preparations for the disposal of waste from energy storage facilities, whilst the start of two audits in the field of national security was postponed to a later date. These decisions have enabled us to direct the institution's limited resources towards areas that generate the greatest benefit, balancing responsiveness to change with accountability for monitoring the most critical areas.

Insufficient financial resources limit the institution's ability to develop, improve the National Audit Office's IT infrastructure and better adapt to the changing environment. The current funding model creates a dependency on decision-makers, so changing the model could reduce the risks associated with the resources allocated to the National Audit Office.

Staff and competencies

The organisation's results are driven by its staff. Their competence, initiative and cooperation determine the **quality** of day-to-day operations and long-term progress. Strengthening staff competence, creating a motivating environment and adhering to ethical principles are an important part of the National Audit Office's operations and organisational culture.

At the end of 2025, the National Audit Office employed **208** staff, 54 percent of whom performed core functions – public audit and fiscal governance monitoring. Over the year, the number of staff decreased by 12 percent. This change was driven by natural staff turnover, organisational changes (the completion of EU assistance audits) and decisions to improve operational efficiency.

To better understand staff needs and expectations, we conduct an annual **staff engagement survey**. The results of this survey, which has been carried out for several years, remain stable. In 2025, the engagement rate stood at 63 percent, a slight decrease compared to the previous year (65 percent). The survey helped identify risks related to workload, effort and reward, and the work-life balance. In 2025, attention was focused on managing these risks, and they remain relevant in 2026.

A declining workforce, increasing operational volume and the digitalisation of the public sector have posed and continue to pose challenges related to data utilisation and analysis. In 2025, we tailored **staff training** to the institution's operational needs: data analytics, analytical methods, and strengthening professional culture. To enhance competencies, we drew on the practices of both Lithuanian institutions and the supreme audit institutions of other countries.

At the National Audit Office, we have established a team of analysts who, by participating in ongoing audits and assessments, are exploring ways to utilise digital platforms to enhance data efficiency and reliability, and to improve and standardise the analytical procedures applied during audits.

In order to strengthen our expert competencies, in 2025 we developed and began applying an auditor competency model. Its application allows us to identify training needs and significant competence gaps more accurately. Competence centres will operate based on the competences available within the institution. This will enable better management of human resources and help to utilise all knowledge when conducting audits and making recommendations.

International leadership

In carrying out the functions of a supreme audit and fiscal institution, we actively develop international cooperation with the supreme audit institutions of other countries, international organisations and other international stakeholders. We apply this cooperation purposefully, not only by adopting best practice but also by actively shaping audit and fiscal governance standards.

Our professional competence is recognised within the international audit community. This is confirmed by invitations to participate in peer reviews of other countries' supreme audit institutions, contributing to the strengthening of audit quality and institutional capacity. In 2025, we continued the peer review of Kazakhstan's supreme audit institution.

In 2025, we were actively involved in EUROSAI, fulfilling the duties of a member of the Governing Board and contributing to strategic decisions regarding the organisation's priorities, projects and funding. Together with the German Supreme Audit Institution, we lead the **EUROSAI Strategic Goal dedicated to professional cooperation**. To achieve this, we actively engaged the international community in joint activities. In 2025, this was realised by initiating four new international cooperative audits with other supreme audit institutions, promoting mutual learning and long-term partnerships.

We developed **bilateral and multilateral relations** with partners in Europe and beyond, strengthening professional dialogue and our international role. Together with other supreme audit institutions, we contributed to the coordination of EUROSAI Strategic Goals and launched a new project group, #Audit talks, dedicated to new and less-explored topics in public sector auditing.

Within the framework of regional cooperation with the **supreme audit institutions of the Baltic States**, we discussed strategic priorities, the direction of national security and defence audits, the strengthening of communication and transparency, and the oversight of the implementation of the Rail Baltica project, with a view to enhancing the efficiency of cross-border control.

Digital transformation

In implementing the National Audit Office Strategy for 2021–2025, the institution has made targeted investments in digital solutions to enhance audit quality, increase operational efficiency and make better use of available data. The digital transformation was focused not on the implementation of technology, but on tangible benefits – a reduced administrative burden, more reliable data and greater analytical capacity.

The digital tools developed and implemented in 2025 enabled the standardisation of some audit processes and a reduction in the volume of technical work.

We have developed the **Audit Recommendations Information System (ARIS)**, where the entities responsible for implementing the recommendations submit data. This ensures better accessibility of information, data accuracy and consistency, whilst also reducing the time spent by National Audit Office staff.

We have developed a prototype for the automation of financial audit procedures, **Finauto**. With its help, financial data are automatically retrieved and reconciled from systems managed by the Ministry of Finance. This reduces the risk of errors and minimises the volume of technical work.

Digital transformation has involved expanding data access and strengthening analytical capabilities. Auditors have been given direct access to information resources managed by other institutions – this ensures the use of primary data whilst reducing the administrative burden.

We have launched the **Audit Methodology website**, which brings together public audit methodologies, guidelines, templates and training materials. This information, conveniently available in one place, can be used by both auditors and staff from other institutions.

We have established an **Innovation Lab** and implemented artificial intelligence tools that enable the rapid scanning of large volumes of data and more efficient data analysis.

We will continue to implement some of the measures aimed at improving public sector risk monitoring and contributing to the selection of the most relevant audit topics as part of the National Audit Office Strategy 2030.

Despite the progress made, strengthening analytical capabilities, refining analytical methods and developing tools remain relevant, which is why we have included this area of focus in the National Audit Office Strategy 2030.

Sustainability solutions

The National Audit Office operates in a socially responsible manner, and the continuous monitoring of environmental, social and governance (ESG) developments enables us to assess progress and improve operational management.

Environmental protection The following aspects of climate change, pollution, and resource use are assessed	Paper consumption	2025 2024	-50% -27%	↓
	CO_2 emissions from company vehicles	2025 2024	-20% -20%	=
Social information Working conditions, community inclusion and accessibility are assessed	Number of sustainability topics assessed in audits	2025 2024	9 5	↑
	Website accessibility for people with disabilities	2025 2024	meets partially meets	↑
	Level of insecurity regarding working conditions*	2025 2024	63% 54%	↑
	Number of cyber security exercises	2025 2024	4 4	=
	Involvement of stakeholders in audit planning (proposals received)	2025 2024	341 362	↓
Governance Organisational culture, ethics and competence strengthening are assessed	Assessment of management communication*	2025 2024	85% 85%	=
	Average duration of professional development (hours)	2025 2024	~47 ~61	↓

Information is presented in accordance with selected European Sustainability Reporting Standards (ETAS) topics relevant to the institution's activities.

* Data from the 2025 employee welfare survey

Financial data

The funding model for the National Audit Office is established in the Law of the Republic of Lithuania on the National Audit Office (Article 6). The amount of appropriations allocated to the National Audit Office is approved by the Seimas in the Law on the Approval of the State Budget. The Seimas Committee on Audit and the Committee on Budget and Finance assess the compliance of the budget appropriations proposed for the National Audit Office with the needs of the National Audit Office.

Appropriations and their use	2024	2025
	Thousand EUR	
Allocated budget	**10,395**	**10,074**
Appropriations used of which:	10,395	10,074
Salaries and social insurance	9,051	8,902
Rent and utility costs	431	247
Other goods and services	179	126
Social benefits (allowances)	171	286
IT goods and services	128	215
Professional development, expert and consultancy services	288	134
Office travel	87	70
Fixed assets	22	71
Representation expenses	20	3
Transport maintenance, communication services	6	9
Publicity costs	12	11

In 2025, the appropriations allocated to the National Audit Office were slightly lower than in 2024.

Allocated budget	10,395	10,074
	Thousand EUR	
Public audit	7,206	7,336
EU investment audit	704	299
Fiscal governance monitoring	447	353
Administration	2,038	2,086

2026