NATIONAL AUDIT OFFICE OF LITHUANIA

• BRINGING BENEFITS •

2019

ANNUAL REPORT

TEAM OF THE NATIONAL AUDIT OFFICE OF LITHUANIA

AUDITOR GENERAL'S WORD

Lithuania is the only Member State of the European Union (EU) where in one rather than in separate institutions the functions of three autonomous institutions – Supreme Audit Institution (SAI), EU investment Audit Institution and Fiscal Institution – are concentrated.

Public audit process is recognised by foreign experts as meeting the International Standards of Supreme Audit Institutions. The Organisation for Economic Co-operation and Development (OECD) and the European Court of Auditors (ECA) have internationally recognised the best practices of the National Audit Office of Lithuania (NAOL). The quality management system of the NAOL has been approved by external experts to meet the requirements of the ISO standard. The NAOL was elected as external audit institution of the global SAI organisation INTOSAI.

In 2019 the NAOL continued to perform systemic horizontal audits. They revealed systemic problems in the State budget governance, education, healthcare, social assistance and other areas.

The OECD has recognised regular reports on the implementation of recommendations issued by the NAOL to strengthen parliamentary oversight as best practice and recommends it to its other members. Against this background, the NAOL has sought to further enhance the impact of audit recommendations. Openness of the NAOL activities, dissemination of results and public confidence have also increased. The annual conference SIGNALS initiated by the NAOL has acquired international standing. New ambitious tasks are knocking at the NAOL door. It is necessary to learn to assess and commence ex ante audits of the quality of reform planning and management. The NAOL must develop new competencies to enable the use of the latest technological data analysis tools in audit processes and to complement its activity programme with data economy audits.

Regrettably, complying with INTOSAI principles, requirements of International Standards of Supreme Audit Institutions, commitment to audit independence and non-interference with a supreme audit institution, already for 15 months, i.e., from January 2019 the NAOL has not had the possibility to carry out a full-scale personnel policy as it may not apply the centralised civil servants selection procedure. Such selection is currently organised and carried out by the Executive which is a public audit entity, and auditors may not audit either themselves or the system of which they are a part.

The current situation conflicts with the constitutional principle of responsible governance, has a direct negative impact on the development of the NAOL and poses a serious risk to operational stability. The NAOL budget share per one staff member is the lowest among all EU Member States even compared to only supreme audit institutions of those countries.

We and our State must ensure the functional and organisational autonomy of the NAOL necessary for the objective fulfilment of the tasks entrusted to it and implementing the recommendations made to Lithuania in 2019 by the OECD and ECA as well as in 2020 by the European Commission. This requires a recast of the Law on National Audit Office, which eliminates conflicts of principles with the regulation of the civil service and eliminates legal gaps in the areas of autonomy of the NAOL activity and non-interference with it. I believe that this is the only way to make the NAOL a centre of competence and a disseminator of best management practices that has certified experts and encourages the entire public sector to improve, implement positive management changes and create a culture of quality planning and management.

Thank you to all people of the NAOL for their work, for promoting the values of professionalism, responsibility, cooperation and innovation, for their patience and for being the guardians of professional independence; thank you to audited entities for listening to recommendations and an aspiration to develop!

Arūnas Dulkys, PhD

INDEPENDENCE IS THE FUNDAMENTAL VALUE

Four years ago, when we dared to say loudly the name corresponding to our mission – supreme audit institution – it was not the publicity that we sought; we were striving for increased public audit impact. We aimed at increasing the awareness of the public about auditors' activities and their results. Today we assess the success of our activities and base them not only on the number of completed audits or the time resources allocated to them, but on professional evaluations and their positive impact on the State and its citizens.

Following the events commemorating the 100th anniversary of the NAOL establishment, looking at the links between the past and present we develop the vision of the future on the basis of strategic objectives and the agreed values.

The NAOL may implement the assigned functions efficiently only when it is independent and protected from the outside influence.

Three independent institutions are acting under the umbrella of the NAOL: Supreme Audit Institution, European Union Investment Audit Institution and Budget Policy Monitoring institution. With such an unusual structure in place, every effort is made to ensure the proper performance of three entirely different functions. Therefore, independence is one of the fundamental operational principles of the NAOL.

We are pleased that in Lithuania public auditors have every opportunity to present their reports and recommendations, to autonomously choose audit topics, however, the existing legal regulation does not yet ensure full operational autonomy and still poses challenges to the NAOL in implementing the assigned functions.

It is important to us that citizens of Lithuania see results of auditor's work in their daily lives.

In an annual international conference on sustainable development SIGNALS, along with best national and foreign professionals we seek to focus the attention of the public sector on essential problems of our State. Expecting the sustainable public sector changes and performance results we need to continuously be one step ahead.

Year 2020 is the final year of the implementation of the NAOL Strategy 2016–2020. This encourages to not only rethink the results of the work done, but also having evaluated the experience to choose a direction which the new period strategy should take. We have to get ready and adapt the NAOL to its future environment.

We hope that the efforts of the National Audit Office to enhance its independence by law will be adopted as it is necessary to further increase the efficiency of the institution's performance.

Margit Kraker, INTOSAI Secretary General

"It is essential to monitor the independence of supreme audit institutions in the world because the significance of the autonomy and independence principles is established in the founding principles of the external government auditing community - the Lima Declaration and the Mexico Declaration. Only fully independent supreme audit institutions can ensure accountability, transparency, good governance, and the sound use of public funds providing unbiased, reliable, and objective analysis and audit findings."

Klaus-Heiner Lehne, President of the European Court of Auditors

"Independence of a supreme audit institution was also a precondition for the accession of Lithuania to the European Union, and it is also stipulated in the Accession Treaty of Lithuania to the European Union."

Eduardo Ruiz García, Secretary-General of the European Court of Auditors

"An independent Auditor General is a must to achieve sustainable development goal-16 of United Nations Agenda 2030 and build an effective and inclusive institution for the benefits of the citizens."

Lisa von Trapp, Senior Policy Analyst, Budgeting and Public Expenditures Division, Directorate for Public Governance, Organisation for Economic Co-operation and Development

"An effective independent Fiscal Institution acts as a lighthouse shining a light on risks to the public finances and bringing benefits to citizens. We have witnessed remarkable progress in terms of a very young institution building a good reputation for solid analysis but challenges remain. Our recommendations aim to reinforce the institution's independence and strengthen the institution overall."

FACTS AND FIGURES 2019

24 PUBLIC AUDITS AND OTHER ASSESSMENTS

6 OPINIONS AND REPORTS ON BUDGET POLICY MONITORING

82% OF RECOMMENDATIONS PLANNED FOR IMPLEMENTATION IN 2010–2019, WERE IMPLEMENTED

37% OF THE PUBLIC TRUST THE NAOL

11 AMENDMENTS OF LAWS AS A RESULT OF THE IMPLEMENTATION OF AUDIT RECOMMENDATIONS

25 SPEECHES DELIVERED IN INTERNATIONAL EVENTS

EUR 9.2 M
BUDGET ALLOCATED TO THE NAOL

295
STAFF MEMBERS

80 %
OF NAOL STRATEGY 2016–2020 IMPLEMENTED

1.2 %
FUNDS ALLOCATED TO CAPACITY DEVELOPMENT

8.2 OUT OF 10
AUDITED ENTITIES' ASSESSMENT OF THE RELEVANCE OF AUDIT TOPICS

PUBLIC AUDIT

BUDGETARY GOVERNANCE

Changes in strategic planning and budgeting

National set of financial statements

3580 +/- 130 ENTITIES

appropriate scope in Q4 of 2021

Identified deficiencies

- Revenue
- Land
- Roads
- Cultural values
- Consolidation process
- Application of accounting principles and methods

PUBLIC ADMINISTRATION

Framework of functions implemented by municipalities

60 municipalities

36 State (delegated by the State) functions

44 independent functions

EUR 1.3 BN State budget funds (16% of State budget)

Economy	20%
Education	19%
General State services	17%
Social security	14%
Defence	8%
Public order and public safety	6%
Healthcare	6%
Recreation, culture, religion	5%
Environment protection	3%
Housing and utilities	2%

Smart tax administration system

Costs of development of i.MAS EUR 16.7 M

Costs to taxpayers EUR 52.4 M

Planned investments to i.MAS amount to EUR 69 M

INFORMATION RESOURCES

Protection of consumer rights

37 % LT of the consumers surveyed know their rights 49 % EU

EUR 4 M used for settling of disputes

21 % of the consumers surveyed encountered unfair commercial practices

JUSTICE

Rail Baltica project

870 KM railway line from Tallinn to the Lithuanian-Polish border

EUR 5.78 BN estimated price of the project

TRANSPORT

SOCIAL SECURITY

Does social assistance meet the needs of persons living in poverty

3 % of persons living alone who receive assistance had their minimum consumption needs met

56 % of families with 3 and more children who receive assistance had their minimum consumption needs met

14 % of beneficiaries of social assistance had their minimum consumption needs met

HEALTHCARE

Promotion of child health

51% of educational institutions do not ensure that children have 60 mins of physical activity a day

59 % of educational institutions experience difficulties in implementing the healthy catering policy

44 % of educational institutions did not organise a single event in the area of work and recreation

85% of public health professionals work on part-time basis

Issuing of construction permits

49 % of illegal construction permits selected for assessment administrative liability was not imposed due to the period of limitation

Territorial planning

59 % up to 240 working days delays in registration of territorial planning documents

ENVIRONMENT PROTECTION

Safe and legal participation in the labour market

EUR 6 M Budget of the SLI

1,6 % Funds of the SLI Communication Division for the educational activities

SLI – State Labour Inspectorate

SOCIAL SECURITY AND LABOUR

We can help manage wisely only when we are listened to

Four years ago, we wondered why the implementation of public audit recommendations was so difficult, why findings in published public audit reports did not drive changes. We realised that audit does not end with signing of a public audit report and that we should not only be principled and responsible when agreeing on the expected outcome, but also should more actively contribute to the implementation of the recommended changes. We had to become the ones who speak out about audit findings until essential change is observed. Benefits to the society and significant changes in the State – these are the main aspects according to which we choose priority audit areas, plan public audits and evaluate the implementation of public audit recommendations.

Timely implementation of recommendations is crucial in achieving progress in the public sector. Implementation of 29 per cent of recommendations made in 2010–2019 is lagging behind, therefore we invite the audited entities to responsibly plan measures and deadlines for implementation of recommendations at the clearance procedure stage so that later at the implementation stage there would be no need to change them or withdraw the commitments.

Almost a third of our recommendations refer to the need for strategic, complex changes that, we understand, require time. Today, regrettably, local changes that are focused on one area are still implemented first thus postponing systemic changes and key decisions.

To bring about fundamental changes in the public sector, it is necessary to amend or supplement the legal framework. We are pleased with a particularly active cooperation with the Committees of the Seimas of the Republic of Lithuania. In pursuing the shared goals, in 2019 our public audit recommendations encouraged legislative changes in areas of patients' rights, management of the State and municipal assets, centrally managed State assets, law-making and activities of social enterprises. We welcome the Government efforts to reform the strategic planning and budgeting system as well as the implemented transitional measures, however, we are still awaiting the systemic changes in the future.

Open data on the implementation of recommendations generate added value and make a positive impact on the transparency and development of the public sector. We invite to use the NAOL data, generate changes together and see the whole.

Priority areas in 2018–2020

Budgetary governance, education, public administration, management of public land, information society development

18
PUBLIC AUDITS COMPLETED IN 2019

11
LAWS AMENDED AS A RESULT OF THE IMPLEMENTATION OF RECOMMENDATIONS

23 %
OF RECOMMENDATIONS PLANNED TO BE IMPLEMENTED IN 2019 WERE IMPLEMENTED

13 %
OF RECOMMENDATIONS IMPLEMENTED WITHIN THE AGREED TIMETABLE IN 2019

74
PROPOSALS FOR AUDIT TOPICS RECEIVED FROM 40 INSTITUTIONS

BUDGETARY GOVERNANCE

priority area

Socially responsible budget should boost the trust of the society

High quality and results-oriented budgetary governance is a guarantee of rational and transparent allocation and use of the State resources. In 2016 we talked that by properly managing and planning the State expenditure it is possible not only to save but also to enhance our shared assets and use the State resources in a more efficient way. We made recommendations on the strategic planning of our State; we talked about the importance of linking the objectives of appropriations with the results as well as to demand the accountability for them.

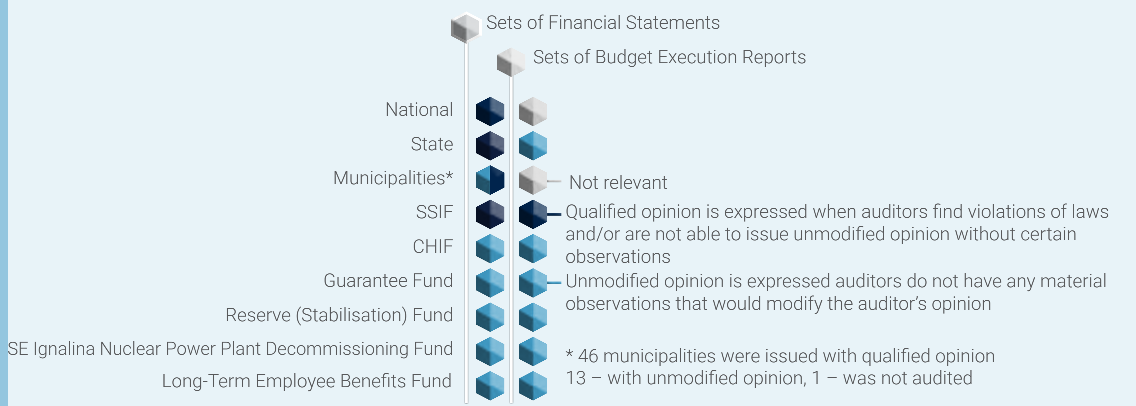
Following the assessment of the progress of strategic planning and budgeting reform, we identified that no essential positive changes in the system have been observed, which raises concerns as to the realistic nature of the deadlines set for the implementation of changes. Issues related to the State budgeting should be addressed when in the absence of negotiations, programmes, funds and establishments are financed with share of taxes and other revenue established in the legislation and fixed in advance, also giving attention to the financing of project activities and other entities applied by appropriation managers. Up to now the drafted State Investment Programme does not reflect either all State investments or detailed information about the planned projects while their inclusion does not ensure their successful implementation within the planned deadlines.

UP TO 1.5 YEARS

extension of the deadlines of implementation of the reform's interim milestones: new quality budget may be postponed beyond 2021

2019 audit "Assessment of Changes in Strategic Planning and Budgeting".

Set of national financial statements reflects not all data of the general government entities, it contains material errors. If we had timely national data that objectively reflects assets and liabilities and covers all entities' financial data that affect the fiscal indicators (public debt, general government balance indicator), we could make a timely assessment of the resulting fiscal risks. Significant qualitative changes in data accuracy and completeness of sets of financial statements could be brought about by a broadened base of consolidated entities and corrected material errors.



2019 financial (regularity) audits

Audit impact

Efforts are made to increase the transparency of the budgetary framework, strategic planning and budgeting system reform is further pursued

In 2019, the Government drafted a document "2019 Budget at a Glance" easily comprehensible to all people. It is one of the key elements of the budgeting system reform implemented by the Government that increases the accountability for and supervision of the budgetary framework as well as inclusion. Continuing the strategic planning and budgeting system reform, the Government developed a new model of strategic management system, which is established in the draft Law on Strategic Management that is submitted to the Seimas together with the related draft amendments of laws.

Unified requirements for reporting on annual performance results

Uniform requirements for annual reports of public sector entities have been approved, provision of the surplus information was scrapped.

2016 audits "Programme Budget System: Setting up Strategic Action Plans and Monitoring their Implementation" and "Management of the State Investment Programme".

ECUDATION AND SCIENCE

priority area

Most expected changes are in pre-school and general education areas

Our audits show that 36 per cent of children from social risk families are not educated in accordance with pre-school curricula. The OECD warns us that in this way we are creating future expenditure for ourselves as there is a risk that these children are condemned to become recipients of social benefits. Uniform qualitative indicators for monitoring the general education progress have not yet been established, while municipalities are left to decide this issue at local level. In the absence of agreement on these indicators related to pupils' achievements and education quality, the aim to improve pupils' achievements still remains a "paper" indicator in the most important national strategic document.

Implementation of the NAOL's recommendations by the Ministry of Education, Science and Sport would ensure the improvement in pupils' achievements and educational outcomes as well as cost-effective and efficient infrastructure maintenance.

Audit impact

Teachers will have an easier access to developing new competencies in teaching another subject

Legal preconditions are established allowing teachers to work and study another subject or a programme of module of subject and develop the necessary competencies in two or three years. In 2018–2019, the right to teach another subject was acquired by over 700 teachers. Such approach would help address the issues related to shortage of teachers and their workload.

2017 audit "Could Lithuanian Students Perform Better".

More comprehensive education monitoring was launched

Tactical national education monitoring indicators were approved and monitored; more indicators concerning the pupils' achievements are monitored. This enables to monitor the education situation in municipalities and make data-based decisions.

2016 audit "Monitoring of Education".

Access to non-formal education for pupils has increased

Data of Education Information System show that in 2015-2016, 66.6 thousand pupils took part in non-formal child education (NCE); following the introduction of the NCE financing based on pupils' basket, this targeted financing alone was used by 76.4 thousand pupils in 2016–2017, 69.2 thousand pupils in 2017–2018 and 82.7 thousand pupils in 2019.

2015 audit "Organising of Non-formal Education of Children".

PUBLIC ADMINISTRATION

priority area

We have to focus the system of municipal functions and their funding on the needs of the population

Both municipalities and the central government deliver public services in the same areas, therefore, their quality and accessibility depend both on the State and municipal decisions. The country's progress and economic indicators are improving; however, we are constantly facing challenges in the areas of education, health care and social services. The extent of these and other problems varies in each municipality, therefore, only the joint work of the central and municipal authorities can best respond to the needs of the population in individual municipalities. We agreed that it would be appropriate to restructure the system of municipal functions and review its funding.

EUR 163M

in 2017 were allocated to the implementation of independent functions without prior assessment of the expected impact.

EUR 1.1BN

of the State budget funds were allocated in 2017 to municipalities for the implementation of the State functions having identified the pursued objectives of only 1 function (out of 36).

2019 audit "Does the System of Municipal Functions and their Funding Provide Conditions for Efficient Operation?".

Audit impact

Issues related to prospects of public bodies are being addressed

When the Strategic Planning Methodology was changed, requirements for performance indicators were established, public bodies were encouraged to act more efficiently and implement the State goals as well as benefit the society.

2017 audit "Does the Involvement of the State and Municipalities in the Management of Public Institutions Ensure the Benefit of the Society?".

Legal regulation of the public sector internal control and internal audit was improved

The recast Law on Internal Control and Internal Audit enabled the development and improvement of internal control systems ensuring that the management information is reliable, the adopted decisions are justified and facilitate the institutions in achieving the best result using the available resources.

2017 audit "Are there Conditions in Place for the Effective Functioning of the Internal Control System in the Public Sector".

INFORMATION SOCIETY DEVELOPMENT

priority area

Importance of smart tax administration is obvious, however, its potential is still untapped

In 2014–2021, Lithuania implements a smart tax administration system (i.MAS) project, however, the potential of data analytics is not used at the national level in the fight against the shadow economy. To balance the need to control the taxpayers and reduce the administrative burden for the business as a result of the data reporting obligation, it is necessary to raise the level of advancement of the developed electronic services. Control measures ensuring the taxpayers' data security are to be developed.

EUR 11.3M

of additionally declared VAT in 2017–2018 as a result of i.SAF and i.VAZ, although based on the EC data, in 2017 the State budget had over EUR 1bn of unpaid VAT.

2019 audit "Smart Tax Administration System".

94%

of taxpayers consider that administration services of transport operations and 81% of e-VAT invoicing services have not proven helpful.

Audit impact

Increased cyber security in the country was ensured

As a result of the implemented changes Lithuania made its way to the 4th position in the Global Cybersecurity Index among the world's countries and to 3rd position among the EU countries in 2018.

2015 audit "Cyber Security Environment in Lithuania"

Use of broadband is increasing

The transparency of service pricing was enhanced and the use of broadband was promoted. Criteria for the calculation of prices of wholesale communication services were determined ensuring the periodic update of price calculations, systematic market analysis and public consultations.

2017 audit "Development of the State Electronic Communications Infrastructure".

ENVIRONMENT PROTECTION

Lengthy process of territorial planning is the result of the failure to comply with deadlines and procedures

Territorial planning affects a large part of the population, economic and social development of the territory, environment and human health, therefore, it is important to balance the interests of all parties when planning territories. One of the main challenges in this area is a lengthy process resulting from the use of automatic approvals, repeated involvement of the same institutions in processes related to issuing of planning conditions and coordination of documents, failure to comply with deadlines, etc.

We should conduct procedures prescribed in the legislation in order to ensure the implementation of the public interest in territorial planning, not to violate the legitimate expectations of interested persons and coordinate legitimate interests of various parties.

20%

of institutions raised additional requirements at the final stage of territorial planning as a result prolonging the drafting time of a document.

28%

of drafted territorial planning documents were approved with up to 234 working days delay.

2019 audit "Territorial Planning".

Even with a permit, construction may be declared illegal

Illegal issuing of permits, arbitrary construction and failure to comply with conditions set out in permits violate the constitutional principle of the primacy of law, public interest, harm the environment and sustainable territorial development, while in recent years the extent of illegally issued construction permits and constructions not complying with conditions established in permits as well as arbitrary constructions are not decreasing.

An efficiently operating system for issuing of construction permits would prevent situations where developers have a construction permit, however, it is declared illegal.

49%

of illegal construction permits selected for assessment administrative liability was not imposed due to the period of limitation.

EUR 2M

amount of damage compensated to the State and municipal developers following the concluded proceedings of 2015–2018.

2019 audit "Granting Construction Permits and Compliance of Construction Process to the Set Requirements".

Audit impact

Conditions are in place to check whether the management of hazardous waste will not negatively affect the public health

In order to ensure that the hazardous waste is managed only by those entities that do not negatively affect the public health, procedures are put in place to assess the accuracy of calculations of the spread of contamination of the planned economic activity.

2018 audit "The Management of Hazardous Waste".

SOCIAL SECURITY AND LABOUR

Indicators of absolute poverty are improving, however, not as a result of the provided social assistance

Income inequality and poverty in Lithuania remain amongst the highest in the European Union. Social assistance system in Lithuania in most cases does not ensure minimum consumption needs for the beneficiaries, the potential for enabling persons is left untapped while means of information lack simplicity and clarity, therefore, people may find it complex to use all the potential of this assistance.

Integrated model for provision of social assistance is vital in reducing poverty and income inequality. To achieve this objective, it is necessary to make the system accessible for everyone, facilitating the access to the labour market, i.e., enabling and ensuring at least minimum consumption needs and adequate.

86%

of persons (households) were not ensured a level of minimum consumption needs in 2018 when granting benefits, providing services and advantages.

94%

of persons who completed the Programme for Increasing Employment in 2018 did not stay in the labour market for more than 3 months.

2019 audit "Does Social Assistance Ensure the Minimum Consumption Needs of People Living in Poverty and Promote the Labour Market Integration".

Prevention and control of unsafe and illegal work may be more effective

To prevent accidents at work and legalise employment relationship, greater emphasis must be laid on general prevention, to change the public attitudes towards and encouraged intolerance for unsafe and illegal work. It would allow to target the resources where they could be better used, decrease the number of offences while data-based market assessment would allow to select less entities for checks making the checks more targeted.

6.8%

of highest-risk entities checked in terms of safety and health of workers.

28.6%

effectiveness of control of illegal work.

2019 audit "How the State Labour Inspectorate Ensures Safe and Legal Participation in the Labour Market".

Audit impact

Conditions governing the use of support for the acquisition or rental of housing are improving

Amendments of the Law on Support for the Acquisition or Rental of Housing were adopted: municipalities were allowed to sublet housing that was rented on the market; levels of income were raised thus determining the rights of persons to compensations of proportion of housing rent and lease payments, etc.

2017 audit "On the Assurance of Housing Accessibility to Low Income Residents".

The aim is to increase the transparency of social enterprises by enhancing the integration of persons with disabilities

Following the improved legal regulation of social enterprises (working hours of persons with disabilities were regulated, restrictions were imposed on ineligible activities, etc.), more efficient provision of the State assistance, use of benefits, better social integration of the disabled persons were enabled.

2014 and 2015 audits "On the Results of Financial (Regularity) Audit of the Ministry of Social Security and Labour of the Republic of Lithuania".

ENERGY

It is necessary to ensure a smooth Ignalina Nuclear Power Plant decommissioning process

Decommissioning of the Ignalina nuclear power plant (INPP) is an exceptional financial burden for Lithuania. Based on the final decommissioning plan, the works are scheduled for completion by 2038, and the total projected cost of works will amount to EUR 3.32bn.

Amendments of legislation propose to cumulate the funds necessary for the installing of the long-term disposal facility of the spent fuel and the financing of the radioactive waste management in the Reserve (Stabilisation) Fund: to allocate to this 50 per cent of dividends from the State-owned enterprises received by the Fund (25 per cent of all dividends paid by these enterprises to the State budget). However, the projected changes would negatively affect the rate of the fiscal reserve accumulation in this Fund.

EUR 2.2BN

is required for decommissioning of INPP by 2038.

EUR 2.5BN

cost of installation of INPP deep disposal facility of the spent fuel.

EUR 42.7M

average amount of funds annually required by 2078.

Audit impact

Enterprises are encouraged to invest in energy efficiency measures

Following the adoption of amendments to the Law on Electricity, a differentiated taxation model for public service obligations (PSO) was approved entitling energy-intensive industrial enterprises to a partial recovery of the paid PSO contributions if the recovered funds are channelled to the introduction of energy efficiency measures.

Ministry of Energy may receive information from authorities about the implemented measures and the achieved energy saving effect

Evaluating the energy consumption efficiency, we recommended to envisage energy saving targets when allocating financing to the maintenance and renovation of public sector buildings. In 2019, the Government established that by 1 March each year the State authority which implements efficiency policy measures should submit an information about the implemented measures and achieved energy saving effect to the Ministry of Energy.

2018 audit "Achievement of Energy Efficiency Targets".

JUSTICE

More than half of consumers do not know where to turn to defend their rights

For the consumer rights to meet their needs, there has to be a properly functioning business oversight system in place ensuring both the quality of goods and services and protection of consumer rights, which protects against unfair or misleading practices of service providers and sellers. Gaps in legal regulation and insufficient coordination of the policy implementation of consumer rights protection do not ensure that authorities take effective measures to protect consumer rights. One third of consumers experienced misleading advertising, other unfair commercial practices or lengthy dispute settlement procedures.

>100
authorities ensure protection of consumer rights

68%
of identified violations were not made public, therefore, consumers were not informed that in those cases they were able to demand redress of the damage.

25%
of the consumers surveyed in LT trust out-of-court consumer dispute settlement,
in EU 52%

Lithuania ranks
24th
out of 28 EU countries by Consumer Conditions Index

37%
of the consumers surveyed in LT know their rights, in
EU 49%

2019 audit "Is the Protection of Consumer Rights Ensured".

Audit impact

Higher-quality legislative process

Ex-post evaluation of impact of the valid legal regulation established in the Law on Legislative Framework will allow to collect evidence about the benefits and weaknesses of the valid legal regulation.

The Government set the requirements for legal entities involved in the legislative process to start drafting the legislation earlier and submit them for consideration of the Government in a timely manner. When Lithuanian national law is harmonised with EU law, the conditions are created to choose the solution that meets the best interests of the State.

2018 audit "Legislative Process".

TRANSPORT AND COMMUNICATIONS

Implementation period of the Rail Baltica project and its costs may be higher than planned

Supreme audit institutions of Estonia, Latvia and Lithuania completed a joint audit which showed that roles, responsibilities and procedures for managing the Rail Baltica project were mostly in place, however, inefficiencies in the project management present a risk that the project will exceed the agreed budget and timeline of 2026.

Authorities implementing the project in all countries should agree at all levels on decision-making mechanism in project implementation as well as change and risk management plans in order to reduce the risk of the project cost and time overruns.

870 KM

railway line from Tallinn to the Lithuanian-Polish border.

UP TO 2030

possible delays of the project, implementation of some activities lags behind by an average of 1.5 years.

EUR 59.3M

Budget overrun of the first signed Grant Agreement.

2019 audit "Implementation of the Rail Baltica project".

Audit impact

Performance supervision system of public railway infrastructure manager is enhanced

Ministry of Transport and Communications obliged a public railway infrastructure manager to submit reports each calendar year by 15 February while administrative divisions of the Ministry were assigned to analyse the submitted reports and make recommendations for the senior management.

2018 audit "Management of the Public Railway Infrastructure"..

HEALTHCARE

1 EUR investments to improvement of children's health would lead to 1.3 EUR return

To promote healthy lifestyles, skills need to be shaped in childhood. Recently in Lithuania there has been a noticeable increase in attention on improvement of children's health, updated arrangements for children's catering were laid down, active school project is implemented and a third physical education lesson is introduced.

Investments to improvement of children's health already bring benefits, but their daily physical activity is not yet ensured and a comprehensive integration of improvement of children's health into general education is still insufficient. In our view, a proactive involvement of public healthcare specialists in educational institutions needs better conditions; it is also important to measure impact of applied measures.

EUR 35.2M

State, municipal and EU funds allocated in 2016-2018 to physical activity, healthy nutrition, work and rest measures.

51%

of educational institutions do not ensure that children have 60 mins of physical activity a day.

2019 audit "Is Promotion of Child Health Insured".

Funding and Organisation of Healthcare Lack Consistency

The NAOL carried out an assessment of the healthcare system including the overview of audits conducted during the nine-year period and identified the main areas of concern that should receive particular attention. Analysis showed that the scope and composition of healthcare services are still not clearly defined, their prices are not based on actual costs, while the development of less costly out-patient services is insufficient. The number of doctors is by 20 per cent and the number of hospital beds is by 45 per cent higher, the number of visits to healthcare institutions is by one third higher in Lithuania compared to the EU average, while the number of deaths that could have been avoided by visiting a healthcare institution is twice as high as the EU average. Due to weaknesses in administration of the Compulsory Health Insurance Fund (CHIF), healthcare institutions experience unequal competition conditions and people have unequal access to healthcare services although they pay contributions under the same conditions.

EUR 1.2BN

paid in 2017 for personal healthcare services not on the basis of actual costs, in 2018 – EUR 1.34bn.

55%

of the population consider that long queues are the key challenge faced by the healthcare system.

2019 audits "Assessment of Healthcare System" and "Assessment of Regularity of 2018 Sets of Consolidated Financial and Budget Execution Reports and Legality of Management, Use and Disposal of Funds and Property of the CHIF".

Audit impact

Patients are allowed to more quickly and straightforwardly obtain redress while doctors may learn from mistakes

Following the adoption of amendments to the Law on the Rights of Patients and Compensation of the Damage to their Health a no-fault model was first established in Lithuania. Other amendments of legal regulation expanded the list of adverse events resulting from healthcare process and sources of their identification.

2018 audit "Quality of Personal Health Care Services: Security and Effectiveness".

Treatment with new technologies will be made more accessible

Inclusion of personal healthcare services in the list of services compensated by the Compulsory Health Insurance Fund was regulated, the evaluation and decision-making process for financing of new technologies was set out. This improved the accessibility of treatment with new technologies and increased the quality of healthcare services.

2018 audit "The Accessibility of Healthcare Services and the Orientation Towards the Patient".

More efficient management of assets of healthcare entities is ensured

Following the adoption of amendments to the Law on Healthcare Institutions, a manager of healthcare area assets was changed: The Ministry of Health was replaced by public healthcare entities which would be transferred assets under trust agreements.

2017 audit "The Management of State Assets Transferred to Public Healthcare Institutions".

CULTURE

Culture is priority of the State, however, its creators and heritage protection lack attention

Cultural policy-making in Lithuania needs sufficient and reliable data to make informed decisions, qualitative culture area information, accurate data on the actual number and type of culture and art establishments needed in Lithuania. Clear national cultural priority objectives would encourage establishments to develop activities and use State budget funds in a targeted way linking them with positive changes in culture management.

Audit impact

Transparency, clarity and equal conditions of pay for experts were ensured

The Ministry of Culture approved the level of remuneration and arrangements for payment to members of councils and commissions (previously some experts/members were remunerated and some were not).

2017 audit "How the Ministry of Culture Forms Culture Policy and Organises and Manages Its Implementation".

Qualitative performance indicators of theatres and concert establishments were set out

A uniform set of performance evaluation criteria and quality indicators of culture establishments was adopted. The started monitoring of qualitative performance characteristics of establishments allowed to increase the compliance of culture services to public needs and place greater focus of establishments' activities on qualitative result.

2018 audit "Can Theatres and Concert Establishments Operate More Effectively?".

EU INVESTMENT AUDIT

Management and control system for the EU investments is functioning properly and only minor improvements are necessary

We completed audit procedures of the fourth reporting period (1 July 2017 – 30 June 2018) and on 14 February 2019 submitted audit report and opinion to the European Commission. In 45 audited projects we detected EUR 5 million of ineligible expenditure.

2019 audit "Assessment of Functioning of Management and Control System Created for the Implementation of the 2014-2020 Operational Programme for European Union Funds Investments, Expenditure Declared in the Accounts, and Expenditure Declared for the Period from 1 July 2017 to 30 June 2018 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)"

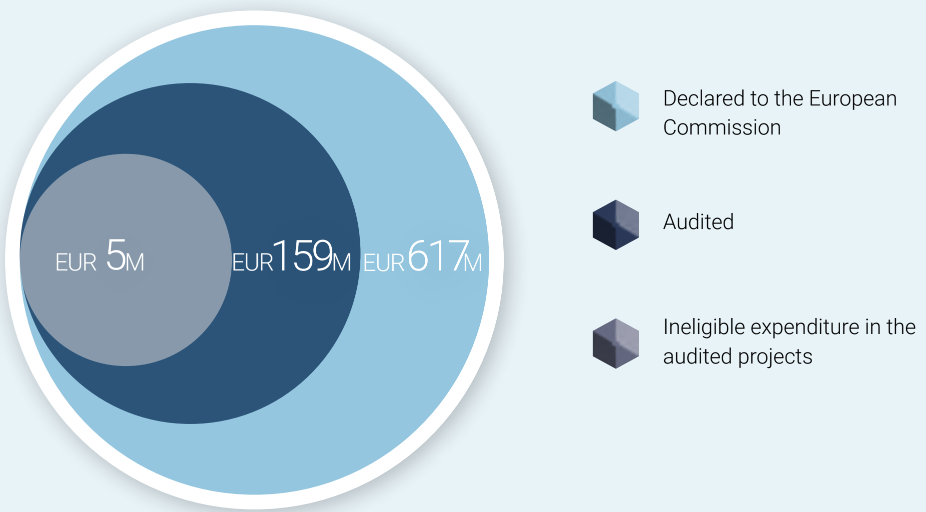
Considering the fact that the weaknesses identified in audit are not characteristic of the entire administrative system, and having regard to the risk mitigation and corrective measures implemented by audited entities (implemented recommendations), it was concluded that during the reporting period the management and control system for the European Union fund investment programme was functioning properly, and requires only minor improvements. We made 40 recommendations, one third of them were implemented during the audit.

Given the fact that the likely error rate in the expenditure declared to the EC during the reporting period slightly exceeded the tolerable 2 per cent threshold, we issued a qualified audit opinion.

In 2019 we also conducted audit procedures of the fifth reporting period (1 July 2018 – 30 June 2019): eligibility of expenditure amounting to EUR 157 million was assessed in detail.

In total EUR 946 million were declared to the EC during this reporting period.

Audit documentation of the NAOL is the best practice example. Such assessment was given by the European Court of Auditors to international auditing community.



FISCAL POLICY MONITORING

The information provided here is based on data from 2019 and assumptions valid then. If assumptions would change significantly, the indicators forecasted by the Fiscal Institution would accordingly change.

Lithuania's fiscal policy remained pro-cyclical in 2019, however, it was forecasted to improve its direction and become neutral in 2020

Based on the estimation of the Fiscal Institution, in 2007–2019 pro-cyclical policy prevailed in Lithuania. It means that a sufficient fiscal space was not established during good times to be able to implement counter-cyclical stimulation in the bust period.

After the assessment of the draft budget for 2020 prepared by the Ministry of Finance, the Fiscal Institution pointed out that the projected general government balance for 2019 and 2020 may respectively reach 0.0 and 0.2 per cent of GDP. According to the Fiscal Institution's ex-ante assessment, general government budgets for 2020 are prepared in accordance with national rules of fiscal discipline, except for the risk that the compliance with the surplus general government rule will not be observed.

Lithuania's economic growth is balanced; however, external risk factors remain important

We carried out an assessment of the Economic Development Scenario for 2019–2022 prepared by the Ministry of Finance and concluded it to be suitable for the preparation of general government budgets. The Economic Development Scenario was adopted as cautious, corresponding to the assumptions of that period.

The Fiscal Institution noted that Lithuania's economic growth was positively contributed by final consumption expenditure, investment and net export. The growth of the country's average gross monthly wage remained among key factors supporting the growth of private consumption expenditure. High political uncertainty in Europe, the slowdown of world economies is likely to affect not only the growth of major euro area economies, but also Lithuania's.

The balance of risk factors for public debt is negative

Refinancing the bond issues carried out at the crisis period with new ones reduced the debt management expenditure, therefore, the projected debt-to-GDP ratio remained stable and, based on assessment of the Fiscal Institution, reached 36.6 per cent of GDP in 2019.

However, debt may be increased by higher than project State budget deficit. The projected primary general government surpluses in 2020 will not reduce public debt as projected surpluses of Social and Healthcare Funds sub-sector are allocated for the accumulation of reserves. Debt-to-GDP ratio will remain stable if economic growth and a low interest rate remain favourable.

Ex-ante assessment of the compliance with the fiscal discipline rules of the local governments was conducted for the first time

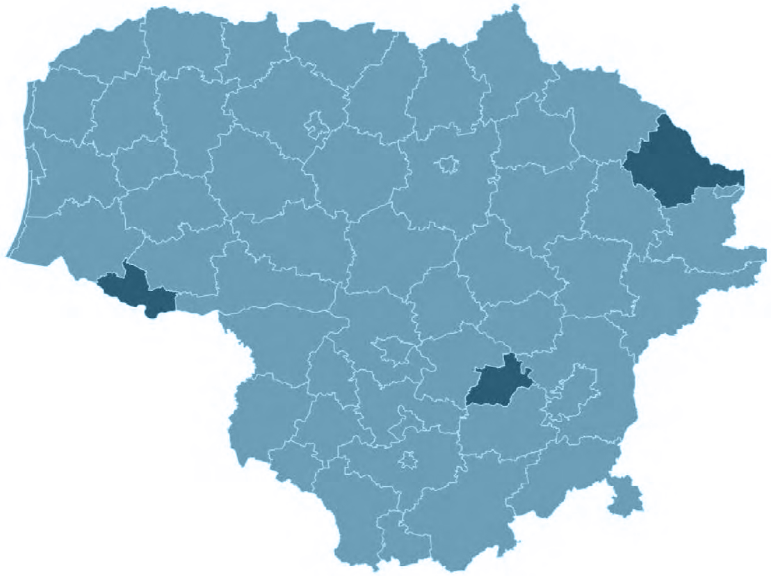
The contribution of local government to the sustainability of public finances is obvious: the finances of local government have been in a surplus over the last five years, the debt was steadily declining. Compliance with fiscal discipline in a country can significantly reduce the cost of debt management. This makes it possible for the State and municipalities to reallocate the saved resources to a number of priority areas. The importance of compliance with the fiscal discipline rules for municipalities is significant in order to ensure the maintenance of grants for the co-financing of projects from the European Union Structural Funds. The assessment of the Fiscal Institution will help municipalities to understand the indicators according to which the opinion on compliance with the above-mentioned rules is issued and to reduce the risks of non-compliance.

3.9%

growth of GDP in 2019 according to preliminary data.

36.6%

debt-to-GDP ratio in 2019.



Municipality complied with fiscal discipline rules
Municipality did not comply with fiscal discipline rules

Assessment of the compliance with the fiscal discipline rules of the local governments in 2019.

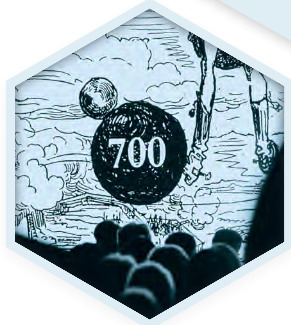
Lithuania's Fiscal Institution has brought transparency but its long-term viability should be based on strengthening of operational independence

In order to strengthen Lithuania's Fiscal Institution, in 2019 a team led by the OECD experts carried out an external review of Fiscal Institution's quality of work. Reviews of Fiscal Institutions carried out by the OECD team aim to evaluate the quality of work of these institutions against the applicable OECD principles, to reveal the encountered challenges and make recommendations.

The team led by the OECD experts noted that Lithuania's Fiscal Institution has benefitted from the NAOL's gains and in a relatively short period has established a reputation for independent analysis. However, the experts observe that despite recognition of the quality of its work, it lacks the operational independence to carry out its functions effectively in the longer term. It also lacks a clear public identity, with many stakeholders unable to clearly distinguish between the independent Fiscal Institution and the supreme audit institution which work together under one roof of the NAOL.

We produce not only opinions and reports but also other assessments: scoreboard of fiscal risks, Lithuania's economic temperature scale, fiscal monitor. Since 2019 we have been providing a public information on the data used and graphs prepared along with every report. Interactive graphs containing the execution of the State budget revenue as well as deviation between the tax planning and actually collected taxes have also been provided.

Reliable data sources are necessary when planning the fiscal policy and making decisions important for the State, therefore, it is crucial to increase the openness, accessibility and reliability of fiscal data.



STRATEGY 2020

There is only one step left to the new stage, and today we have to get ready for the future environment of the NAOL

Following the NAOL's mission – to help our State manage public funds and property wisely – in 2016, together with the entire team of the NAOL we developed a future vision of who we want to be: bringing benefits, valued, and recognisable.

The NAOL today is an example of institutional development and growing management maturity where in spite of the changing environment ambitious goals of institutions remain, publicity and neutrality principles are followed, independence is pursued and people learn to be professionals.

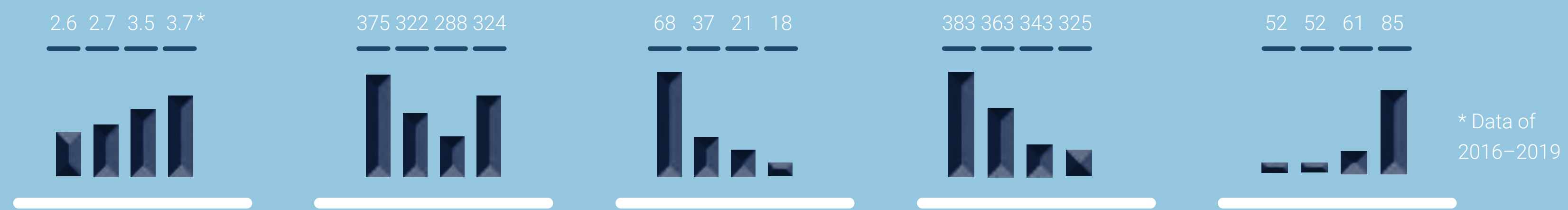
We proved that by choosing strategic directions – impact, quality, communication – and properly utilising our capacities, we can increase the public audit impact, produce positive change in the public sector, save budget funds, strengthen internal control system. Since 2015, we have not been extending the deadlines for the implementation of audit recommendations, therefore, our performance indicators show how many of the agreed changes have been implemented on time. We meet the new centenary of the institution with principled assessment of the expected audit and recommendations' impact.

Inviting public sector institutions to evaluate the efficiency of the used assets we led by example. Since 2016, we have significantly decreased the volume of the managed assets: number of office premises, car fleet as well as lower the maintenance costs of these assets.

Seeking the efficient management of human resources, we reorganised the organisational structure: it allowed to reduce the maximum number of the NAOL staff. Innovative solutions aimed at more efficient administrative processes stimulated the introduction of document management and quality management systems as well as e-signature, live broadcasts of sittings to the staff and their interactive participation when addressing activity issues.

Achievement of strategic goals encouraged to not only initiate changes in activity processes, but also to find a new approach to team values of the NAOL. Introduction of values of professionalism, responsibility, innovation, and cooperation in our daily activities became a powerful self-regulation of behaviour. Focus on professional development of the staff, promotion of staff engagement and corporate events gave an understanding that it may be fun working at the institution that carries out complex activities and that value really work here.

A new personnel management approach based on the development of organisational culture encouraged initiatives that improve emotional experiences of the staff at work: flexible working time, telework, badges of loyalty.



3.7 OUT OF 5
MATURITY OF ACTIVITY PROCESSES

323.8
REAL ESTATE COSTS (IN THOUSANDS EUR)

18.4
TRANSPORT COSTS (IN THOUSANDS EUR)

325
MAXIMUM NUMBER OF STAFF

85 %
SHARE OF ELECTRONIC DOCUMENTS

Our activity results are used in key national decision-making that affects the public life

Planning and selection system of public audits, planning of the expected audit impact, follow-up of recommendations and assessment of their impact

Map of public sector indicators

Assessment of changes generated by audit and implementation of audit recommendations

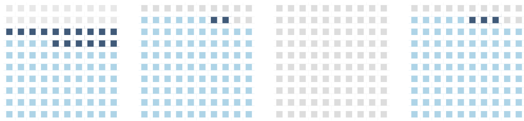
Audit cost-benefit calculation

Formulation of recommendations to achieve impact

Reports on implementation of recommendations submitted to the Seimas

IMPACT

61%	82%	13%	91%	23%
Public audits directly linked to the NAOL strategic goals	Implemented recommendations planned to be implemented in 2010-2019	Recommendations planned to be implemented in 2019 were implemented on the agreed deadline with auditees	Recommendations made during audit in 2019 were implemented	Recommendations planned to be implemented in 2019 were implemented



3.7 OUT OF 5	8.6 OUT OF 10	0	8.5 OUT OF 10
Maturity level of processes	Quality index of audits	Number of violations of official ethics	Audit quality index

QUALITY

We lead by example in the public sector; we set the highest quality requirements for our work

Public audit quality assurance, staffing policy

Updated form for audit report and opinion

Supplemented list of products produced by the NAOL

Developed staffing model

Organisational environment assessed

“Automation” of public audit process adapting and introducing e-tools

Concept of future office developed

We are recognised as an independent supreme audit institution; we present our activity results in a simple, sound and attractive manner

Presentation of the NAOL, new concept of the institution’s internet and intranet sites

Open NAOL data on the website

International conference SIGNALS

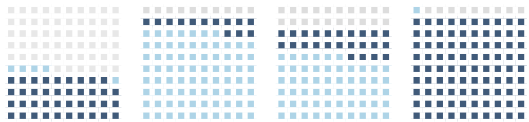
Reputation management policy

Dissemination of the best practice

NAOL style book

Publication of results of public audit stages

COMMUNICATION



37%	8.7 OUT OF 10	6.6 OUT OF 10	12 OUT OF 19
Trust in the NAOL	Score of communication and cooperation with stakeholders	Index of internal communication	Visibility rating of the NAOL

BRINGING BENEFITS

We combined our efforts with municipal auditors to bring maximum benefits to the society

In order to share its professional audit experience, best audit practice and develop cooperation on issues relating to external audits, the NAOL initiated a project in the area of municipal real estate management and invited municipal control and audit services to carry out a joint audit of municipal real estate. The jointed audit aimed to assess if the real estate in Lithuanian municipalities was managed in a targeted and complex manner, as well as weather it is used efficiently and with the aim of achieving the maximum benefits to the society.

We invited external auditors from all Lithuanian municipalities to voluntarily join the project. The more of them will get involved in the project, the more complete picture of the actual situation in the area of real estate management at the national level will be established.

Award for merits in management

In 2019 the NAOL received Vytautas Andrius Graičiūnas – the management classics who was among the first management consultants in Europe, management promoter and lecturer in Lithuania, prominent management theory researcher - award for the efforts to implement the highest management standards in public administration and increase the efficiency of the public sector. The award is given for prominent contribution to management science, introduction of high standards of management practices, up-to-date and efficient management technology in organisation's activities, considerable input to the development of a management culture, knowledge development, specialist training and staff development, active involvement in the society.

Our partners at the Seimas assessed if anti-corruption measures achieve their target

In the joint conference, the NAOL together with the Seimas Committee on Audit shared insights into the State's strategy for fighting the shadow, the costs and benefits of measures to combat it, and further plans in this area. It was noted there that a wide range of measures to reduce the shadow had been adopted, however, often a rather little effect was created, or their impact was not measured and it was not known if the intended outcome was achieved. The policy-makers invited to the conference discussed various options of looking at this problem from different angle.

55

MUNICIPALITIES ARE INVOLVED IN JOINT AUDIT ON THE ASSESSMENT OF THE REAL ESTATE

0

VIOLATIONS OF OFFICIAL ETHICS

89 %

OF AUDITEES POSITIVELY ASSESS THE COOPERATION WITH THE NAOL

VALUED

Activities of the NAOL comply with the International Standards of Supreme Audit Institutions

Team of international experts evaluated that the NAOL in all material aspects complies with the applicable International Standards of Supreme Audit Institutions, whereas its business processes, procedures, and auditing practices contribute to achieving the organisation's statutory goals and strategic objectives. The reviewers identified examples of good practice applied by the NAOL including audit planning on the basis of cost-benefit analysis, audit documentation system and audit communication policy. However, the review team noted the need to strengthen the functional, operational and organisational independence of the NAOL, which is currently limited by the Law on Civil Service.

An expert team lead by the Organisation for Economic Co-operation and Development carried out an external review of the Lithuania's Fiscal Institution. The aim of the review was to evaluate the Fiscal Institution's performance quality against the applicable OECD principles, to flag up the challenges and make recommendations for improvement. The team led by OECD expert team evaluated the compliance of the Fiscal Institution's activity with the OECD principles for independence, impartiality, transparency and sufficient funding. It also assessed the existing channels for communication with the public and their efficiency, and whether appropriate provisions are in place allowing the Institution to obtain the required data and information. The experts highly rated the effective independent Fiscal Institution that gives a timely warning of risks to the public finances and brings benefits to citizens. Remarkable progress was observed in terms of a young institution building a good reputation for solid analysis. The recommendations made identify the remaining challenges and aim to reinforce the Fiscal Institution's independence and strengthen the institution overall.

Representatives of the European Court of Auditors (ECA) conducted an audit of closure documents for 2007–2013 period prepared in 2017 by the EU Investment Audit Department and submitted to the European Commission. The NAOL received an opinion that no errors were found in the documents and no observations regarding the audited projects were made. The ECA point out to the international auditing community the audit documentation of the NAOL as best practice example.

Our experience in developing audit quality is important for our international partners

External audit team leaders of INTOSAI for 3 years

Since 2017, Lithuanian public auditors have been involved in external financial audit of International Organisation of Supreme Audit Institutions (INTOSAI). In 2019 the NAOL was elected to carry out external financial audit of INTOSAI for the second term. During the second term, the NAOL was entrusted the role of the audit team leader. This is a great responsibility for us, which shows not only that the NAOL is valued but also that the authority of Lithuania is growing in the international community.

70 participants from 26 countries discussed issues related to municipality audit

The third Annual Meeting and Seminar "Functions Performed by Municipalities" of the Task Force on Municipality Audit, chaired by the NAOL took place. At the event, representatives of EUROSAI analysed systems of functions performed by municipalities in various countries, their funding, processes of decentralisation as well as presented results of audits conducted by the member SAIs.

30 representatives from 16 countries across the world discussed the evaluation of public policies

At the Meeting of INTOSAI Working Group on Evaluation of Public Policies and Programmes organised together with the French Supreme Audit Institution in Vilnius we discussed the main characteristics and methods of the evaluation of public policies which the supreme audit institutions may follow while performing evaluations. NAOL representatives shared the outcomes of the budgetary governance maturity evaluation.

44 countries at the discussion "Emerging Issues and Emergency Situations"

Together with international public auditing community we looked for answers to how supreme audit institutions should respond to fast changing reality that directly affects each State and society, economic and social structures as well as public audit.

At the joint conference of European and Asian Organisations of Supreme Audit Institutions we presented Lithuania's challenges relating to demographic changes in the country, labour shortage, labour force retraining, social assistance, nursing and other matters.

RECOGNISABLE

SIGNALS 2019 – Let's see. Let's change.

It is becoming common that the annual international conference on sustainable development SIGNALS sees experts sharing their experience in implementing successful changes as well as raising questions about the impact of changes in the State on its residents and the reason why some reforms are implemented with delay.

We invited the participants of the third sustainable development conference to look at the most significant signals in 2019:

• Strategic thinking: Do we see a part of the whole?

• Added value generating change: how to implement it?

• Social welfare puzzle: how to make decisions that affect positive changes?

Reform of strategic planning and budgeting system is a complex and long process that requires the involvement of all interested institutions. The conference speakers invited to choose if we want to further monitor only some parts of the State activities and public finances or if we want to see the whole and make most efficient strategic decisions. We discussed these issues assessing the impact of strategic decisions on economic growth and welfare of the State, looking at finance management experiences of the strongest economies and best proven trends.

While discussing social inequality we talked about the importance of the efficiently operating social assistance system that would protect the most vulnerable groups in the society and people experiencing the risk of poverty. We discussed the effectiveness of social policy measures in reducing the income inequality, key challenges faced by the State that need to be immediately addressed.

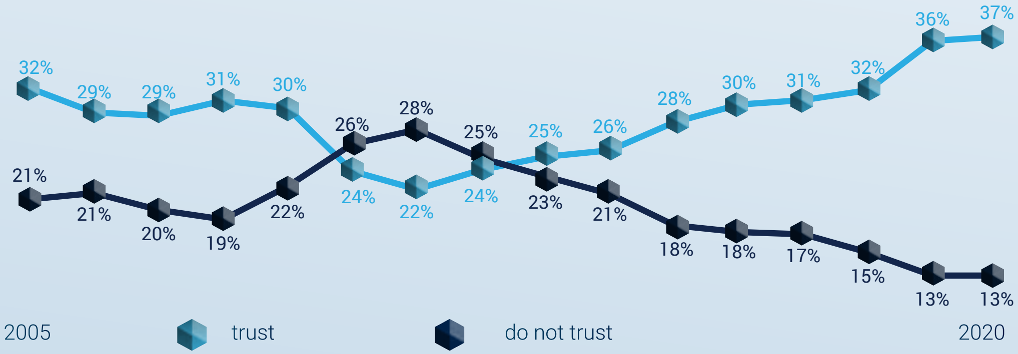
Together with national and international professionals we pondered when the expected changes happen, what changes are needed to reduce the income inequality in Lithuania; representatives of academia and society shared their insights and made suggestions on how the signals heard at the conference could be applied in our activities.

Conference saw the awards granted to municipal controllers and internal auditors who shared examples of the audit and recommendations made producing a significant change in the audited area.

500
PARTICIPANTS

10 OUT OF 12
SPEECHES FROM INTERNATIONAL EXPERTS

12 OUT OF 19
RANKING IN VISIBILITY RATING



FINANCIAL DATA

FINANCIAL DATA

EUR 9.2M — BUDGET ALLOCATED TO THE NAOL

2019 — AUDITOR'S OPINION: THE NAOL FINANCIAL STATEMENTS PRESENT FAIRLY, IN ALL MATERIAL RESPECTS, THE INSTITUTION'S FINANCIAL POSITION ON 31-12-2019, FINANCIAL PERFORMANCE AND MONETARY FLOWS IN ACCORDANCE WITH PUBLIC SECTOR ACCOUNTING AND FINANCIAL REPORTING STANDARDS (VSAFAS)

99% — LOWER-THAN-PLANNED USE OF FUNDS BY EUR 481 000 IN 2019

82 % — VALUE GENERATED BY AUDIT FOR PUBLIC SECTOR PERFORMANCE EFFICIENCY (WAS PLANNED 80%)

82 % — SCOPE OF EFFICIENCY ASSESSMENT OF THE PUBLIC SECTOR (WAS PLANNED 70%)

8.9 SCORE — QUALITY OF PUBLIC SECTOR OVERSIGHT (WAS PLANNED 8.8)

EUR 9.17M
APPROPRIATIONS USED

86 %
FOR WAGES AND SOCIAL SECURITY

1.2 %
FOR BUSINESS TRIPS

1.4 %
FOR UTILITIES

0.2 %
FOR TRANSPORT MAINTENANCE

TEAM OF THE NAOL

The sense of belonging that unites the team is evidenced by the results of staff engagement survey, 360 survey and other surveys. The greatest asset is creative people who believe in institution's vision, whose engagement and job satisfaction improve performance and increase their loyalty.

295

staff members at the end of 2019

We made our activities more efficient and optimised the size of the team by applying the process management principles. Since 2015, the maximum number of staff was reduced by 20 per cent.

80 % AND 20 %

proportion of women and men

Equal opportunities policy was adopted in order to increase the staff engagement and encourage their motivation; Working group for monitoring of equal opportunities was set up.

98 %

of staff raised their qualifications

More attention and funds are allocated to the development of professional qualifications of the staff. One staff member spent on average 40 hours for the development of qualifications.

60 %

staff used remote work option

We place focus on the NAOL staff members: a possibility of telework and flexible working time appeared, every staff member is able to watch live web streaming of the management sittings.

57 OUT OF 100

staff engagement index

Results of the third survey on the impact of environment and working conditions on the staff performance and welfare showed that emotional well-being of the staff is improving at working while anxiety has diminished.

200

staff members awarded for the promotion of the NAOL values

The values established in the Strategy 2020 have become our work ethos and a norm of behaviour; they encourage us to be professional, responsible, cooperative and innovative.