



**NATIONAL AUDIT OFFICE OF THE REPUBLIC OF LITHUANIA
PRESS RELEASE**

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National Audit Office Presented Comments on the Funding of Forestry Needs



The supreme audit institution performed an audit of the Programme of Funding of General Forestry Needs and found that in 2015 half of the programme funds (around 4 million euros) were spent on the management costs of subordinate institutions of the Ministry of Environment, rather than the improvement of the state of forests. Auditors noted that administration costs should not be considered a priority, because the purpose of this tax-funded programme is to finance general forestry needs.

The programme funds are generated from 5-percent deductions made from the income received by state and private (since 2015) forest holders for the sale of wood in the rough and uncut forest as well as compensations paid by individuals for modification of the use of the wooded land. The funds are used to finance the implementation of the programme measures. The audit revealed that the development, administration and implementation of the programme are not

without shortcomings, while the system created by the ministry for the funding of programme measures sometimes fails to ensure that the funds are spent on the most important measures.

Auditors also note that around 10 million euros (or 50 percent) of programme funds (including the remaining amount for the previous year) remain unused every year, which shows that there is a need to improve the effectiveness of planning of the use of the state funds.

The supreme audit institution presented recommendations to the Ministry of Environment, which, if properly implemented, could improve the effectiveness of the administration system of the programme funds, making sure that greater amounts are spent on forestry development and implementation of the key measures.

National Audit Office of the Republic of Lithuania
Pamėnkalnio str. 27, LT-01113 Vilnius
www.vkontrole.lt
