



Has vocational secondary education become more attractive and does it train specialists demanded in the country? \_\_\_\_\_

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## Audit report

Has vocational secondary education become more attractive and does it train specialists demanded in the country?

4 September 2020

Compliance/ performance audit “Development of the vocational secondary education system in Latvia”

The audit was performed based on the audit schedule No 2.4.1-6/2019 of the First Audit Department of the State Audit Office of 1 April 2019.

The cover design uses a photo from the website *Depositphotos*.

## Dear Reader,

We offer to familiarise with the assessment by the State Audit Office regarding the results of the vocational education system performance and recommendations for system improvements. We have drafted two audit reports, where we assess the implementation of the vocational secondary education development policy by paying special attention to the educational institutions subordinate to the Ministry of Education and Science (MES) and the Ministry of Culture (MC). Two ministries together are responsible for the vocational education and training of 92% of students in vocational education institutions and the provision of general education. In this report, we provide an assessment of the functioning of the vocational secondary education system in general by focusing on the results of vocational education implemented by the Ministry of Education and Science.

The system of vocational secondary education trains specialists of the secondary qualification level so much needed for the labour market and also plays an important role in adult education. As a result, more than 1 billion euros has been invested in developing the system over the last decade. Representatives of employers have become permanent cooperation partners of educational institutions and ministries and participate in solving issues related to ensuring the quality of education.

Nevertheless, the performance of the vocational secondary education system is poor, which leads to the conclusion that something has not been implemented in full while reforming the system. Therefore, it is the right time to reassess whether we are doing the right things and doing them right.

The system of vocational secondary education is still fragmented and therefore difficult to manage in our country but one does not use the opportunities provided by information technology sufficiently for perfecting the governance. With the number of young people decreasing due to demographic trends, the “struggle for a student” entering the school of each educational institution will become more and more acute because the

number of students is a precondition for the existence of the educational institution and its curriculums. In the competition between the “filling” of the curriculums most demanded in the labour market and the “filling” of the curriculums chosen by the students, the latter wins. The Ministry of Education and Science, on the other hand, is not sufficiently strictly and purposefully involved as a referee in this process so that it would be in line with labour market demand trends..



Competences centres for vocational education and training (VET CC) have only started to perform their function of methodological guidance in a coordinated manner during the audit, as they have not used the possibility established in laws and regulations to become the driving forces of the development of sectoral vocational education before.

Much has been achieved in the development of vocational education, and there are new approaches to acquiring professional skills created. Still, there are also long-standing problems. One may not postpone the decisions on the financing of the system anymore required for the system to function more efficiently. We have prepared recommendations on those and other improvements in the performance of the vocational education system.

We would like to thank the employees of the Ministry of Education and Science and its subordinate educational institutions, the employees and representatives of the Sectoral Expert Councils, the Employers' Confederation of Latvia, the Competition Council, the Ministry of Finance, and SJSC “*Valsts nekustamie īpašumi*” for their support in the audit work.

Respectfully yours,  
Inese Kalvāne

A handwritten signature in blue ink, appearing to read 'Inese Kalvane', written in a cursive style.

Department

Director

## Summary

Vocational secondary education and vocational education are a significant constituent of the education system, which must train a student for work in a certain profession by providing the student with increased theoretical training and professional skills. Consequently, the vocational education system should not only provide an opportunity to obtain education and professional qualifications, but also be able to respond to the demand of the labour market by training the workforce needed by the sectors. In addition, vocational secondary education should provide an opportunity for the student to prepare for continuous education at the level of vocational higher education, which is no less important for the student.

Although the vocational secondary education system as a whole should have undergone significant changes in the country in the last decade, as the funds of more than a billion euros have been invested in its implementation and development from both the state budget and the EU Structural Funds to facilitate its quality and prestige among students and employers, one has not managed to succeed in everything planned.

The prestige of vocational secondary education is still low, because young people do not prefer vocational secondary education and there is no positive trend in the increase in the number of vocational secondary education students in proportion to the number of general secondary education students in the country as a whole. More than one third of the learners do not finish the started vocational curriculum, and this could be due both to the quality of the vocational education system and the insufficient level of the previously acquired knowledge of the learners.

Out of 100 students enrolled to vocational education institutions subordinate to the MES and graduating from it, 42 graduates work or continue their studies in higher education institutions, but only 14 of them do so in the profession they have mastered.

In the last decade, the development of the vocational secondary education system has been possible mainly due to the funding acquired within the framework of the EU Structural Fund projects, which has actually allowed not reviewing the topicality of state budget funding and the efficiency of the funding system in general for more than ten years. Consequently, the development and quality of the vocational secondary education system might be endangered in the absence of external financial resources, for example, if other priorities are set for the allocation of the EU Structural Funds and the expansion of sources of funding for vocational secondary education is not considered.

## Main Conclusions

One cannot deny that the vocational secondary education system has undergone significant changes in the last decade, which were initiated with the implementation of the guidelines for the optimisation of the vocational education network. As a result, between 2010 and 2019, the network of vocational education institutions has been optimised for the improvement and development of vocational secondary education inter alia vocational education institutions were differentiated by establishing competence centres for vocational education and training, the infrastructure and material and technical basis of educational institutions were modernised, modular curriculums were introduced, the implementation of work-based learning programs was started, and majority of the standards and qualification requirements of curriculums were updated.

The planned activities and changes were intended to raise the quality and prestige of vocational secondary education and favour the efficient use of the resources of educational institutions. Nevertheless, the implementers of vocational secondary education policy have still failed to achieve the set objectives in vocational education and the established system is not sufficiently effective but can be improved.

In the country as a whole, vocational education is provided in ten sectors of the economy. Five ministries, several local and regional governments, and other legal entities and individuals implement it. The Ministry of Education and Science is the designated authority responsible for the planning of vocational education policy, which also organises and coordinates its implementation, while the Ministry of Culture is responsible for the education of cultural and creative industries as the part of vocational secondary education.

In the audit, the State Audit Office sees significant differences in the implementation of the vocational secondary education policy of the two ministries, resulting in the lack of common strategic vision and management for the development of vocational secondary education in the country in general. The students of the educational institutions subordinated to both ministries constitute 92% of the trained labour supply with vocational secondary education or vocational education, which thus plays a crucial role in the training of the labour supply with vocational secondary education and vocational education.

### *Quality and efficiency of the vocational secondary education system*

Although vocational secondary education is recognised as significant and necessary for industries to train the workforce, the implementers of vocational secondary education have failed to achieve the intended results and improve the prestige of vocational education and to promote the choice of learners in favour of vocational secondary education. As of 1 January 2020, only 38.5% of students have chosen vocational secondary education after graduating from the primary educational institution. According to the representatives of industries<sup>1</sup>, relates to the stereotypes present in the public that young people who do not do well in primary school choose to study in vocational education institutions and that studying in general secondary school will provide them a greater advantage when entering higher education institution, thus not reaching the planned proportion of students in general and vocational education at the level of secondary education of 50/50 %.

Still, a large part of the students (38%) of the learners admitted to the vocational education institutions subordinated to the MES and the MC do not complete vocational curriculums. In addition, more than 4.62% of students in the country as a whole did not complete their studies due to failure or non-attendance in the 2018/2019 school year. One should also note that this indicator is definitely higher, as the audit has discovered that educational institutions do not provide true and complete information on the reasons for learner expel in the State Education Information system (SEIS).

Educational institutions subordinated to the MES and the MC show good results in professional qualification examinations. Yet, relatively low results were found in centralised state examinations of students in educational institutions subordinated to the MES, which does not advance the opportunities of students to continue their studies in a higher education institution in the profession obtained. This is also evidenced by the fact that only 21% of the graduates of vocational secondary education institutions subordinated to the MES started studies in a higher education institution after graduating from a vocational secondary education institution in 2017-2019, while this indicator was almost three times higher in educational institutions subordinate to the MC by reaching 60%, as their graduates score

significantly better on centralised examinations. One can also explain it by the fact that all institutions subordinate to the MC implement curriculums in the arts, music, and dancing, where learners are admitted by passing entrance examinations. Thus, educational institutions have admitted students with average better assessments of academic achievement from the very beginning of the first school year.

Only about 23% of graduates from vocational secondary education institutions subordinate to the MES and 38% of graduates from vocational secondary education institutions subordinate to the MC are employed and/or start studies in their profession. Moreover, only 14 graduates out of 100 learners enrolled in vocational secondary education and vocational curriculums implemented by the educational institutions subordinate to the MES start an employment and/or continue their studies in the acquired profession.

The lowest share of graduates from vocational education institutions subordinate to the MES working and/or studying in the acquired profession was found in beauty treatment and in arts, design, and creative industries by reaching only 4% of the total number of graduates. The largest share of graduates who are not employed at all and/or do not study in the acquired or other profession is stated in the tourism sector totalling to 36% and in the construction sector totalling to 34%. At the same time, according to the conclusions of the study<sup>2</sup> on the shadow economy in the respective sectors in Latvia, the share of the shadow economy in the construction and services sectors is high.

The cooperation of the educational institution with the representatives of the sector and potential employers is essential for the employment of the learners in the acquired profession. The audit finding that better results in professional qualification examinations and graduate employment are achieved in curriculums with successful cooperation with the sector also demonstrates that.

In its turn, the State Audit Office considers that the audit finding that 40 graduates have not started studies and/or employment in the acquired profession out of 45 graduates from the curriculum “Beauty Treatment Services” and “Interior Design” of the four vocational education institutions subordinate to the MES and included in the audit sample (SRS data do not contain information about profession - profession code for 5 graduates), indicates an inefficient approach to the implementation of education and training and resonates with the indicators of the shadow economy in the service sector<sup>3</sup>.

*Will the planning of the number of state-funded student places safeguard the supply of labour according to the provided forecasts of labour demand?*

There is a labour demand and supply forecasting system established in the country, whose forecasts on labour demand trends, in the opinion of the State Audit Office, are not sufficiently used in planning the supply of vocational secondary education, that is, the number of state-funded student places, although it is one of the tools enabling to forecast the emergence of market imbalances in the future and to take the necessary actions to facilitate their elimination, which would thus regulate the compliance of labour supply with demand and ensure the efficient use of financial resources allocated to vocational education and training.



Only 14 graduates out of 100 enrolled students start an employment or studies in the acquired profession.



According to the audit findings, the representatives of employers in the sectoral expert council participate in the development of the vocational secondary education offer by approving the structure of the industry qualification and standard requirements, amending them, and partially providing opinions on the specialists required by the industries.

However, as the MES has not provided the sectoral expert councils with sufficient and up-to-date information since 2016, the proposals of the sectoral expert councils on the number of specialists required by the industries are provisional and insufficient for accurate planning of the number of state-funded student places.

In addition, the country does not have a system for monitoring the future progress of vocational education graduates, whereas the data of surveys of graduates conducted by educational institutions subordinate to the MES do not offer complete and true information. According to the information of the state data registers, the actual proportion of graduates (23%) who have started their work or study in the chosen profession is significantly lower than the calculated proportion from the surveys of educational institutions (55%) resulting in the fact that the MES does not have real information to make reasoned decisions on the number of state-funded student places by sectors.

Although the demand and supply of the labour market should be decisive in the operation of the vocational education system, including the planning of the number of state-funded student places, the State Audit Office considers that the choice of learners themselves, the capacity of vocational education institutions, and state budget funding form the distribution of learners by curriculums implemented in sectors, qualifications to be awarded, and their proportion mainly. Both in the admission plan and in the later approved additional admission, the number of learners and their proportion in the groups of curriculums at the MES differ from the forecasts by the Ministry of Economics (MoE) on labour demand trends for 2025.

Creating a balanced offer of vocational curriculums in the country is essential for the rational use of all types of resources. Still, the audit has detected that the MES coordinates the commencement of the implementation of curriculums in the regions contrary to the statements of a sector or those already implemented in one of the regional educational institutions, thus allowing inefficient program offer and use of state budget resources.

For example, the curriculum “Manufacture of Wood Products”, which was already implemented by VET CC Kuldīga Technology and Tourism Technical College in the region, the MES also coordinated the implementation thereof in the Ventspils Technical College and the allocation of the EU Structural Funds for the provision of material and technical basis in the amount of 148,098 euros in 2015. However, none of those learners admitted to the curriculum in 2015 have graduated from an educational institution and the curriculum is not implemented since December 2017, one has allowed inefficient use of the EU Structural Funds and state budget funds.

In addition, due to the institutional subordination of educational institutions, there is no uniform planning of the state vocational secondary education offer provided in several groups of curricula, such as in cultural and creative industries, wherefore more students are



The state budget spending is planned based on provisional and incomplete information.

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There is no comprehensive planning of the number of state-funded student places in cultural and creative industries education.

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admitted to a curriculum than required according to the forecasts provided by the MoE.

Despite the fact that the legislator has stipulated that state and municipal vocational education institutions that implement vocational primary education, vocational education, and vocational secondary education curricula establish a convention aimed at promoting the development of a vocational education institution in accordance with labour market requirements<sup>4</sup>, some vocational education institutions do not ensure successful operation of the convention. Hence, the educational institution and the MES do not have regular and up-to-date information on the development of the region and sectors.

### *Network of vocational education institutions and the status of a competence centre for vocational education and training for educational institutions*

Between 2010 and 2015, one planned to optimise the network of vocational secondary education institutions and establish competence centres for vocational education and training in order to concentrate teaching resources and modernise the material and technical basis and infrastructure of educational institutions, thus promoting the prestige and quality of vocational education.

However, within the framework of optimisation of the network of vocational secondary education institutions, teaching resources were not concentrated in educational institutions, which would facilitate efficient use of resources, as 19 educational institutions were transformed into structural units of other educational institutions (places for the implementation of curricula) due to optimisation, thus not reducing the number of places for the implementation of curricula but just changing their status. Consequently, the State Audit Office finds that the establishment of competence centres for vocational education and training and places for the implementation of curricula were necessary to apply for the allocation of the EU Structural Funds and report on its spending.

During the audit, the auditors of the State Audit Office have concluded that the investments of the EU Structural Funds in the vocational secondary education system have ensured the development of the vocational education system by also establishing VET CC. Vocational education institutions that did not obtain the status of VET CC were not given an equal opportunity to modernise their material and technical basis and infrastructure by means of the EU Structural F and to develop compared to VET CCs and their structural units (places for the implementation of curricula), which have significantly smaller number of students, although the assessments of the graduates of vocational secondary schools in professional qualification exams are equal and even better than the assessments of individual graduates from VET CCs.

There are criteria determined for granting and maintaining the status of a VET CC, which are mostly without certain achievable values, and therefore, in the assessment of the State Audit Office, are only partially applicable in determining and evaluating the quality of VET CCs' performance not motivating the VET CC for ensuring better results and not facilitating their development.

The criteria specified in the laws and regulations<sup>5</sup> are subject to different interpretations, and the MES and the MC have not



**Doubtful quality of the data  
from the State Education  
Information System.**



established a common procedure for determining their fulfilment, thus not providing a reasonable assessment for maintaining the status of VET CC. In addition, vocational education institutions apply different approaches to determining and compliance with the criteria for maintaining the status and do not always provide complete and truthful information to the SEIS on the fulfilment of the criteria for obtaining and maintaining the status of VET CC. The State Audit Office has already indicated in the regularity (compliance) audit “Scholarship awarding system in the segment of vocational education institutions”<sup>6</sup> that educational institutions do not enter complete and true information on unjustified delays of learners and their reasons in the SEIS.

Moreover, the wording of the criteria allows for the possibility to indicate information on compliance with the criteria of VET CC in such a way that the criterion can be considered fulfilled and the status of the educational institution is not called into question. When losing the status of VET CC, the educational institution will not receive a 10% bonus for the remuneration of teachers and will not have to perform part of the duties such as methodological guidance, assessment of professional competence acquired outside the formal education system, and other functions.

The VET CCs must perform the functions of the regional or sectoral methodological centre since 2011. However, the MES has determined the division of sectors for the implementation of methodological guidance during the audit only eight years later. Until then, each educational institution implemented methodological guidance in areas that were determined at its own discretion. On the other hand, the distribution of methodological guidance areas among educational institutions subordinated to the MC is based on the historical distribution that all vocational secondary education institutions subordinated to the MC perform the tasks of methodological centres on a regional basis. methodological guidance. Thus, the State Audit Office considers that vocational education institutions in the country are operating in general and are operating without a coordinated methodological guidance.

### *Do vocational education institutions receive reasonable funding for the learner’s studies and is its appropriate use ensured?*

Since 2010, the MES has invested significant funding from the state budget and the European Union in the implementation and development of vocational education, at least a total of 1.0735 billion euros<sup>7</sup>, where 37% comes from the EU Structural Funds constituting a significant part of the financial contribution, without which the progress would not be possible. In their turn, in the educational institutions founded by the MC, the investments of the EU Structural Funds for the modernisation of their infrastructure and material and technical basis increased significantly only from 2016 by resulting in the amount of the state budget and the EU Structural Funds invested totalling to 108.7 million euros.



The development of vocational secondary education is actually financed from the EU Structural Funds.

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One must note that significant measures for the improvement of the vocational secondary education system have been and are being implemented exactly from the EU Structural Funds including

modernisation of material and technical basis and infrastructure, revision of vocational secondary education content, implementation of career support measures, and development and introduction of modular curricula and work-based learning. Is such a policy, which allows for the strengthening and development of vocational secondary education by relying solely on funding from the EU Structural Funds, sustainable and does not it jeopardise itself?

For more than a decade, the MES has not provided the updating of the law<sup>8</sup> that sets forth the minimum costs for the implementation of vocational curricula per one learner. Moreover, no information is available on what is included in the cost coefficients and standardised costs of groups of curricula, therefore the auditors of the State Audit Office cannot obtain assurance on the sufficiency of funding for the implementation of curricula.

The students of the educational institutions subordinated to the MES included in the audit sample undergo qualification internships with businesses, and the audit has not identified any shortcomings in their implementation, although the MES has not provided funding for the organisation of qualification internships intended for the payment of costs such as transportation charges of a learner, the purchase of working clothes, personal protective equipment, necessary materials, etc., which amounted to a total of 3,717,962 euros in 2019. Expenditure on organising qualification internships for some students is financed from the EU Structural Funds if the student acquires the program in the form of work-based learning, or within the project “Implementation of Initial Vocational Education Programs under the Youth Guarantee”. Besides, agreements on qualification internship, which are concluded among the educational institution, a business, and the learner, include the obligation for the business to provide the necessary things such as personal protective equipment, working clothes, etc. for the implementation of qualification internship. At the end of 2019, the funding not used for emergency situations and other unforeseen expenses was allocated as additional funding to cover business expenses, payment for services, teaching aids, purchase, and modernisation of material and technical basis costs, and hostel in the total amount of 725,265 euros.

In addition, according to the representatives of educational institutions, the funding model “money follows the student” creates “unhealthy” competition between general and vocational education institutions by “fighting” for each learner, because the amount of funding for educational institutions depends on the number of learners, incl. remuneration of teachers and principals. The State Audit Office perceives that the desire of general education institutions to admit as many students as possible to secondary education curricula is understandable; however, this is in fact opposite to the goal set by the state aiming to increase the number of students enrolled in vocational education curricula. Consequently, the achievement of the policy objective, that is, the proportion of learners in general and vocational education institutions after the 9<sup>th</sup> grade be 50/50 %, is not facilitated either.

### *Are own revenues of educational institutions a “healthy” by-product of providing the learning process?*

According to the State Audit Office, the economic activity of an educational institution should be a “healthy” by-product in the implementation of its main function, and it should not affect the competition among market participants in goods and services adversely because vocational education institutions have an advantage if compared to sectoral enterprises, id est, they receive funding for the implementation of vocational education curricula and have ensured the modernisation of their infrastructure and material and technical basis from the EU funds.

Although a vocational education institution in Latvia is entitled to carry out economic activities independently, the State Audit Office considers that the MES has not taken sufficient actions to reduce the risk of cross-subsidisation in the economic activities of both its subordinate educational institutions that educational institutions and state-owned Riga Technical College of Tourism and Creative Industries Ltd to prevent the risks that educational institutions provide services at prices that do not even cover the prime cost of the paid service provided, thus creating negative effects on competition, e.g.:

- ✓ There is cross-subsidisation at the Smiltene Technical College, as veterinary services are provided at prices that do not cover all costs related to the provision of services (prime cost), not including maintenance and renewal costs of fixed assets in the amount of 193,497 euros since 2014, security costs, laboratory equipment, medical devices, maintenance and repair expenses, expenses for the maintenance of real estate, etc., in the amount of 1,392 euros in 2018 and 2019 respectively, and expenses for heating, water supply, and electricity, expenses for security system services;
- ✓ Educational institutions do not have clear requirements (restrictions) for the implementation of economic activity when balancing the benefits of providing paid services and their impact on competition and ensuring their proportionality based on the fact that the Ventspils Technical College has a training bistro working seven hours a day and a restaurant working until 10 p.m. or “to the last customer”, while VET CC Kuldīga Technology and Tourism Technical College manages to provide training practice in a much shorter period of time, only three hours a day. In addition, the Ventspils Technical College plans<sup>9</sup> to expand the scale of economic activity, which, in the opinion of the State Audit Office, exceeds the scale necessary for the study process;
- ✓ The price of self-produced products of educational institutions is only partially based on reasonable calculations and the set mark-up perhaps does not cover all expenses arising from production, for example, state-owned Riga Technical College of Tourism and Creative Industries Ltd has lower prices for self-produced products than companies offering similar products.



Adverse effect on the competition.

State-owned Riga Technical College of Tourism and Creative Industries Ltd is the only technical school that is not an educational institution subordinated to the MES. Although the grounds<sup>10</sup> for the establishment of state-owned Riga Technical College of Tourism and Creative Industries Ltd are not relevant for more than four years, the MES has not provided the definition of a strategic goal of state-owned Riga Technical College of Tourism and Creative Industries Ltd and has not reassessed the grounds thereof<sup>11</sup> for the maintenance of the status and the commercial activity be justified and in line with the strategic goal of its activities.



Why is an educational institution a state-owned limited liability company?  
No answer.

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### *Is the use of real estate efficient?*

Although safeguarding a more efficient use of all types of resources was one of the goals of the optimisation of the vocational education system launched in 2010, the MES has still not been able to

solve the issue of real estate unnecessary for the educational institutions in providing the study process, which consists of a land area of 577.45 ha and an area of buildings of 42,745.5 m<sup>2</sup> in the educational institutions as of 31 December 2019 included in the audit sample and which accounts for more than 50% of the total property area for individual educational institutions.

Since 2006, the MES has not fulfilled the obligation imposed by the Cabinet Order<sup>12</sup> to transfer real estate that is not used for educational and scientific functions to the possession of the Ministry of Finance and the management of state-owned JSC *Valsts nekustamie īpašumi*.

The process of transferring real estate that is not necessary for the study process is unsuccessful and time-consuming, because state-owned JSC *Valsts nekustamie īpašumi* objects to take over real estate until the distribution of property and execution of documents have been performed. Consequently, the distribution of property is vested in educational institutions and incurs additional expenses for them, except specific cases.

The State Audit Office considers that the activities of the MES in real estate management are insufficient due to the following:

- ✓ The educational institutions included in the audit sample use the state budget funds for the maintenance and management of unnecessary real estate, which amounted to at least 11,960 euros in 2019, thus reducing the funding intended for the provision of the study process;
- ✓ Buildings that are not used for the implementation of the study process and in whose maintenance no investment is made, lose their functionality, value, and might become dangerous to the public over time;
- ✓ Although the MES has indicated itself that the optimal study area is no more than 10 m<sup>2</sup> per learner, several educational institutions have significantly larger area of buildings, for example, 157 m<sup>2</sup> in all places for the implementation of curricula of Kandava Agricultural Technical School on average and 123 m<sup>2</sup> in Zilupe, the place for the implementation of curricula of Rēzekne Technical School. Thus, state resources are spent inefficiently on the management and maintenance of large areas of the buildings;
- ✓ The Ventspils Technical College has spent state budget funds in the amount of 39,190 euros for the maintenance and management of a service hotel in a state of emergency (which cannot be used for the intended purpose, accommodation of students, since September 2015) between 2016 and 2019. In addition, to accommodate the students, the educational institution is forced to rent service hotel rooms from the Ventspils University College additionally resulting in the state budget expenditures of the educational institution in the amount of 148,304 euros between 2016 and 2019.



Inefficient use of the state funds!

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## Major Recommendations

Based on the audit findings and the conclusions of the State Audit Office, there are recommendations provided to the Ministry of Education and Science:

- ✓ For improving the planning of the curricula offer of vocational secondary education, incl. the planning of the number of state-funded student places:
  - Ensure the provision of up-to-date and complete information to the Sectoral Expert Councils;
  - Safeguard the establishment of a system for monitoring the further progress of the graduates from vocational secondary education institutions;
  - Determine the number of state-funded student places to be admitted in the country as a whole in design and applied arts in cooperation with the Ministry of Culture and the Sectoral Expert Councils;
- ✓ For improving the performance of vocational education institutions as well as data quality:
  - Assess the criteria for granting and maintaining the status of competence centre for vocational education and training (VET CC), their formulation, and the procedure for evaluation by taking the necessary actions to ensure a clear and substantiated assessment of the quality of the development and performance of VET CC;
  - Assess the distribution of methodological guidance among the educational institutions established by the MES and evaluate the organisation of joint methodological guidance in cooperation with the MC in design and applied arts or determine a co-operation mechanism among educational institutions subordinate to both ministries;
  - Ensure the assessment of the activities performed by the institutions involved in the licensing process in order to improve the scope of activities if necessary;
  - Safeguard that educational institutions start the implementation of a curriculum only after receiving the license in accordance with Article 30.2 of the Vocational Education Law;
  - Provide that one enters the complete information on the number of learners involved in work-based learning into the State Education Information System in the country as a whole, regardless of the subordination of an educational institution;
- ✓ For the improvement of the financing system of vocational secondary education:
  - Ensure the updating of the costs of the implementation of vocational curricula specified in the law<sup>13</sup>;
  - Improve the budget planning process in accordance with the requirements specified in the law<sup>14</sup> by submitting proposals to the Ministry of Finance regarding all the financing required from the state budget;
  - Assess the current needs of educational institutions and to prevent unreasonable and mechanical distribution of state budget funding before making a decision regarding the distribution of the unused budget for emergency or unforeseen expenditures to educational institutions at the end of the budget year;

- Establish a transparent pricing system for paid services provided by its subordinate educational institutions that would prevent the risk of cross-subsidisation and would not have a negative effect on competition;
- ✓ Assess the necessity of using the real estate in its possession and transferred for the use of educational institutions regularly and determine a time schedule according to which the transfer or expropriation of real estate not necessary for the study process would be performed.





## References

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- <sup>1</sup> A good master will always be demanded, 11 July 2019. Available at <http://edruva.lv/labs-meistars-bus-vienmerpieprasits/> (Viewed on 2 July 2020).
- <sup>2</sup> Sauka. A., Stockholm School of Economics. Shadow Economy in Latvia, research 2020.
- <sup>3</sup> Sauka. A., Stockholm School of Economics. Shadow Economy in Latvia, research 2020.
- <sup>4</sup> Article 17<sup>1</sup>.1 of the Vocational Education Law.
- <sup>5</sup> Cabinet Regulation No 144 “Procedure for Granting and Revoking the Status of a Competence Centre for Vocational Education and Training” of 19 March 2013, Cabinet Regulation No 495 “Procedures for Granting and Revoking the Status of a Competence Centre for Vocational Education and Training in Arts, Music, or Dancing” of 25 August 2015.
- <sup>6</sup> Audit Report of the State Audit Office “What does affect the amount of scholarships for students of vocational education institutions?” for regularity (compliance) audit No 2.4.1-19/2018 “Scholarship Awarding System in the Segment of Vocational Education Institutions”.
- <sup>7</sup> State Treasury e-Reporting System Forms “Report on Budget Execution” in the program 02.00.00 “Vocational Education Institutions” and in the programs financed by the European Union for the period from 2010 to 2019.
- <sup>8</sup> Cabinet Regulation No 655 “Regulations regarding the Minimum Costs of Implementation of Vocational Curricula per One Learner” of 2 October 2007.
- <sup>9</sup> Development and Investment Strategy 2015–2020 of VET CC Ventspils Technical College.
- <sup>10</sup> Informative Report of the Ministry of Education and Science of 2 June 2015 on state-owned enterprises which were allocated state budget subsidies or grants for the implementation of basic state functions in the previous financial year. <http://polsis.mk.gov.lv/documents/5241> (Viewed on 24 February 2020).
- <sup>11</sup> Article 88.7 of the State Administration Structure Law, Article 7.1 and Article 25.3 of the Law on the Management of the Shares and State-owned or Municipal Enterprises of a Public Entity.
- <sup>12</sup> Sub-paragraph 8.3.3 of Cabinet Order No 319 “On the Concept of Unified Management and Administration of State Real Estate” of 9 May 2006.
- <sup>13</sup> Cabinet Regulation No 655 “Regulations regarding the Minimum Costs of Implementation of Vocational Curricula per One Learner” of 2 October 2007.
- <sup>14</sup> Cabinet Regulation No 655 “Regulations regarding the Minimum Costs of Implementation of Vocational Curricula per One Learner” of 2 October 2007.