



**An Roinn Oideachais
agus Scileanna**
Department of
Education and Skills

Committee of Public Accounts

2018 & 2019 Appropriation Accounts of the Department of Education & Skills

Opening Statement by Seán Ó Foghlú, Secretary General

Department of Education and Skills

20 October 2020

CHECK AGAINST DELIVERY

Chairman, and members of the Committee,

Thank you for the opportunity to discuss the 2018 and 2019 Appropriation Accounts of the Department of Education and Skills. We have provided the Committee with briefing material on both accounts and so, I propose to keep my opening statement short.

As the Committee will be aware, a new Department of Further and Higher Education, Research, Innovation and Science was established on 10 July 2020 and since that time we have been working to finalise the transfer of certain functions previously performed by the Department of Education and Skills to the new Department. A transfer of functions order has been made today formally assigning most of the further and higher education functions to the new Department. Essentially, the Department of Further and Higher Education, Research, Innovation and Science will perform the functions the funding for which is allocated in programmes B and C of Vote 26 together with the non-voted expenditure by the National Training Fund. Functions are also transferring to the new Department from the Department of Business, Enterprise and Innovation.

In addition, the Government has announced that certain functions in relation to education welfare and the education welfare service will be transferring from the Minister for Children to the Minister for Education. Work in this regards is ongoing and will be reflected in future accounts for the Department.

The establishment of the new Department and the transfer of the various functions will impact on the 2020 Appropriation Accounts but has no impact on those for 2018 and 2019, which are under examination at this meeting today. The Secretary General of the new Department will be the Accounting Officer for the new Vote 45 once it is established in the coming weeks and will submit an Appropriation Account for 2020 in respect of the functions transferred to the new Department.

However, for 2018 and 2019, my comments and the sums referenced will apply to the entire of Vote 26, i.e. the Vote of the Department of Education and Skills.

The Department's net voted expenditure in 2018 was some €9.34 billion. Of this, some €742 million was capital expenditure. In addition, the Department's 2018 expenditure allocations included the non-Voted National Training Fund of €415 million, providing for up-skilling and re-skilling, both of those seeking employment and those in employment.

In 2019 net voted expenditure amounted to some €9.87 billion, of which €940 million was capital expenditure. The expenditure allocation for the National Training Fund in 2019 was €509 million.

Net pay and superannuation account for around 73% of the Department's overall budget. In 2019, this provided for over 110,000 public service employees and some 49,000 public service pensioners.

Department's Expenditure by Programme

The Department's expenditure was sub-divided into four expenditure programmes in 2018, reducing to three in 2019. This means the expenditure related to capital services, which previously was in a separate programme is now included within the remaining three programme figures for 2019 and allocated accordingly.

- Programme A provides for first, second and early years' education. The overall actual expenditure in 2018 was €7.1 billion and €8.2 billion in 2019. This expenditure covers, for example, pay and superannuation for teachers and Special Needs Assistants, grants to schools including capitation, costs associated with teacher education and provision of school transport.

- Programme B covers skills development, including up-skilling and re-skilling that meets the needs of individuals and the labour market. The overall expenditure from the Vote in 2018 was €361 million and €433 million in 2019, which among other things, covered grants to SOLAS in respect of further education and training. It also provides funding for support of the European Social Fund's activities in Ireland. This programme is transferring to the Department of Further and Higher Education, Research, Innovation and Science.
- Programme C supports learning, research and innovation opportunities in the higher education sector. Expenditure in 2018 was over €1.6 billion and almost €1.7 billion in 2019, covering grants to higher education institutions, superannuation costs, research, student support and related costs, international activities and grants to the Higher Education Authority. This programme is also transferring to the Department of Further and Higher Education, Research, Innovation and Science.
- Programme D of the 2018 Accounts covered Capital Services and supported the planning and provision of appropriate infrastructure for learning environments through the Department's building programme. The total expenditure in 2018 was €703 million which covered the costs of building, equipping and furnishing of schools,

higher education capital costs and costs associated with public private partnerships. In the 2019 Accounts capital expenditure was allocated to each of the three programmes.

Supplementary Estimate

The Department was voted supplementary estimates of almost €182 million towards the end of 2018 and €68 million in 2019. These made provision for increased allocation across a range of areas.

Procurement

The Statement of Internal Financial Control that forms part of both accounts provides details regarding the control systems in place. It also notes details of instances of non-compliance with public procurement rules. Such instances have arisen for reasons such as urgency, need for business continuity and sole supplier. I can assure the Committee that action is taken where feasible to address such instances. The Department is proactively engaged with the procurement reform programme and is taking the opportunity to use centralised contracts and frameworks where appropriate.

Public sector reform

The Statement on Internal Financial Control also notes the Department activity in the area of shared services. Under the Shared Services Plan for 2017-2020 we have been investigating

the opportunities for shared service initiatives across the entire education and training sector and actively participating in the roll out of shared services.

Developments in 2020

The effects of the COVID-19 pandemic is a significant event that has impacted severely on the economy and the education sector. This event has no impact on the 2019 Accounts but will of course impact on those for 2020 and later years.

The Department is participating in the central co-ordination structures in relation to Covid- 19 to ensure a joined-up approach across Government. The education and training system's response is aligned to our core national priority of saving lives, while being focused on ensuring continuity of education for learners, including a particular focus on more vulnerable students.

Thank you for the opportunity to address the Committee, and I am happy to take any questions.

END