



**Cynulliad Cenedlaethol Cymru  
Pwyllgor Archwilio**

**The National Assembly for Wales  
Audit Committee**

**Coleg Gwent**

**Cwestiynau 1-93  
Questions 1-93**

**Dydd Iau 15 Mehefin 2000**

**Thursday 15 June 2000**

*Aelodau o'r Cynulliad yn bresennol: Janet Davies (Cadeirydd), Lorraine Barrett, Peter Black, Alun Cairns, Jane Davidson, Geraint Davies, Brian Gibbons, Alison Halford, Dafydd Wigley.*

*Swyddogion yn bresennol: Gillian Body, Swyddfa Archwilio Genedlaethol Cymru; Syr John Bourn, Archwilydd Cyffredinol Cymru; Sharon Davies, Swyddog Cydymffurfio Cyllid Gweithredol Cynulliad Cenedlaethol Cymru.*

*Tystion: Jon Shortridge, Ysgrifennydd Parhaol, Cynulliad Cenedlaethol Cymru; Steve Martin, Prif Weithredwr, Cyngor Cyllido Addysg Bellach Cymru; Richard Hirst, Cyfarwyddwr Cyllid, Cyngorau Cyllido Cymru; David Mason, Prifathro a Phrif Weithredwr, Coleg Gwent.*

*Assembly Members present: Janet Davies (Chair), Lorraine Barrett, Peter Black, Alun Cairns, Jane Davidson, Geraint Davies, Brian Gibbons, Alison Halford, Dafydd Wigley.*

*Officials present: Gillian Body, National Audit Office Wales; Sir John Bourn, Auditor General for Wales; Sharon Davies, Acting Finance Compliance Officer of the National Assembly for Wales.*

*Witnesses: Jon Shortridge, Permanent Secretary, National Assembly for Wales; Steve Martin, Chief Executive, Further Education Funding Council for Wales; Richard Hirst, Director of Finance, Welsh Funding Councils; David Mason, Principal and Chief Executive, Coleg Gwent.*

*Dechreuodd y cyfarfod am 9.33 a.m.  
The meeting began at 9.33 a.m.*

[1] **Janet Davies:** I welcome everybody to this meeting of the Audit Committee. As you undoubtedly know, the purpose of the first part of the meeting is to take evidence in connection with the 'Treasury Minute to the Public Accounts Committee Report on Financial Management and Governance at Gwent Tertiary College'. I invite the witnesses to introduce themselves.

**Mr Shortridge:** I am the Permanent Secretary of the Assembly.

**Mr Mason:** I am the principal and chief executive of Coleg Gwent.

**Mr Martin:** I am the chief executive of the Further Education Funding Council for Wales.

**Mr Hirst:** I am the director of finance of the Welsh Funding Councils.

[2] **Janet Davies:** I understand that the witnesses have some assistants. On my list

[1] **Janet Davies:** Estynnaf groeso i bawb i'r cyfarfod hwn o'r Pwyllgor Archwilio. Fel y gwyddoch mae'n siŵr, diben rhan gyntaf y cyfarfod hwn yw cymryd tystiolaeth ynghylch 'Treasury Minute to the Public Accounts Committee Report on Financial Management and Governance at Gwent Tertiary College'. Gofynnaf i'r tystion gyflwyno eu hunain.

**Mr Shortridge:** Ysgrifennydd Parhaol y Cynulliad wyf fi.

**Mr Mason:** Prifathro a phrif weithredwr Coleg Gwent wyf fi.

**Mr Martin:** Prif weithredwr Cyngor Cyllido Addysg Bellach Cymru wyf fi.

**Mr Hirst:** Cyfarwyddwr cyllid Cyngorau Cyllido Cymru wyf fi.

[2] **Janet Davies:** Deallaf fod gan y tystion gynorthwy-wyr. Ar fy rhestr mae Arwel

are Arwel Thomas, senior auditor of the Welsh Funding Councils; Richard Hart, head of the Further Education Funding Council Division; Andrew Bevan, director of finance and information at Coleg Gwent; and Derek Adams, head of the Further and Higher Education Division of the National Assembly.

Before we start, I will remind speakers that they will need to ensure that the microphone is on before they speak. Anyone who wishes to speak Welsh is welcome to do so.

Two Committee members have declarations of interest to make. I declare an interest as my husband at one time worked for an accountancy firm that was later taken over by Deloitte and Touche. He now receives a small pension from that company. He did not actually work for Deloitte and Touche itself, I hasten to add.

[3] **Jane Davidson:** I also declare an interest. My husband is the secretary of the National Association of Teachers in Further and Higher Education in the Welsh region further education sector.

[4] **Janet Davies:** There has been a lot of concern about Coleg Gwent. The Public Accounts Committee report was quite strong and the Committee felt that it was important that we had a look at how things are progressing in the college. We are trying to check that the right structures are being put in place. My first question is to Mr Mason. I will look at the college's financial position in more detail later in the session. However, first, I understand that the college will have to repay £2.9 million to the European Union, in respect of the money from the European social fund. How will that affect the college's financial position and its ability to provide comprehensive education and training?

**Mr Mason:** I think that I can reassure the Committee on the repayment, which has yet to be finalised. Perhaps I could just clarify where we are on the repayment. The situation—as I am sure that members of the Committee know—is that we first of all

Thomas, uwch archwilydd Cyngorau Cyllido Cymru; Richard Hart, pennaeth yr Is-Adran Cyngor Cyllido Addysg Bellach; Andrew Bevan, cyfarwyddwr cyllid a gwyobdaeth yng Ngholeg Gwent; a Derek Adams, pennaeth Is-Adran Addysg Bellach ac Uwch y Cynulliad Cenedlaethol.

Cyn inni ddechrau, atgoffaf y siaradwyr y bydd angen iddynt sicrhau bod y meicroffon ymlaen cyn iddynt siarad. Mae croeso i unrhyw un sydd am siarad yn Gymraeg wneud hynny.

Mae gan ddau aelod o'r Pwyllgor ddatganiadau buddiant i'w gwneud. Datganaf fuddiant am fod fy ngŵr wedi gweithio am gyfnod i gwmni cyfrifwyr a gafodd ei feddiannu gan Deloitte a Touche yn ddiweddarach. Mae'n derbyn pensiwn bach gan y cwmni hwnnw bellach. Nodaf na weithiodd erioed i Deloitte a Touche ei hun.

[3] **Jane Davidson:** Datganaf innau fuddiant hefyd. Fy ngŵr yw ysgrifennydd Cymdeithas Genedlaethol yr Athrawon mewn Addysg Bellach ac Uwch o fewn sector addysg bellach rhanbarth Cymru.

[4] **Janet Davies:** Bu cryn bryder ynglŷn â Choleg Gwent. Yr oedd adroddiad y Pwyllgor Cyfrifon Cyhoeddus yn un eithaf cryf ac yr oedd y Pwyllgor o'r farn ei bod yn bwysig ein bod yn cael golwg ar sut mae pethau'n datblygu yn y coleg. Yr ydym yn ceisio sicrhau bod y strwythurau cywir yn cael eu rhoi ar waith. Mae fy nghwestiwn cyntaf i Mr Mason. Byddaf yn ystyried sefyllfa ariannol y coleg yn fanylach yn ddiweddarach yn y sesiwn. Fodd bynnag, yn gyntaf, deallaf y bydd yn rhaid i'r coleg adalu £2.9 miliwn i'r Undeb Ewropeaidd mewn perthynas â'r arian o'r gronfa gymdeithasol Ewropeaidd. Sut y bydd hynny yn effeithio ar sefyllfa ariannol y coleg a'i allu i ddarparu addysg a hyfforddiant cynhwysfawr?

**Mr Mason:** Credaf y gallaf sicrhau'r Pwyllgor ynglŷn â'r ad-daliad, sydd heb ei gadarnhau'n derfynol hyd yn hyn. Efallai y gallaf egluro'r sefyllfa sydd ohoni ynghylch yr ad-daliad. Y sefyllfa yw—fel y gŵyr aelodau o'r Pwyllgor, mae'n siŵr—inni

placed the matters in the hands of the Gwent fraud squad, which considered whether there were any criminal charges that should be brought. That took a long time. I think that some members of the Committee may wonder why this seems to have been going on for such a long time. However, these wheels do move rather slowly, as you know.

Early this year, we received all the documentation back from the Gwent Police and we have asked our external auditors, Price Waterhouse Coopers, to undertake a detailed investigation of which of the moneys that we received will, in their view, have to be paid back. We have a meeting with the Department for Education and Employment next Friday to finalise both the sum of money to be paid back and the phasing.

I want to focus first of all on the phasing. Whatever the sum of money that we have to pay back, we understand that the repayment will take place over a period, probably, of three years. I would like to think that we could negotiate a longer period than that, because, obviously, the longer we have to pay it back, the easier it will be. However, my understanding is that it is likely to be a three-year period.

The sum, which has been bandied about in the public domain, in the press and so on, is around £2.9 million. I think that what I can say to the Committee is that the early indications from Price Waterhouse Coopers are that it will be near to that sum. I think that it is unlikely to be much less than that sum. If we, just for the purpose of my answer to this question, assume that it is £3 million in round terms, it would seem that we will have to pay back £1 million in each of the next three financial years.

What effect would that have on the college? In a sense, I am pleased to say that, although I think that many people in the community fear that it is going to mean courses closed or staff losing their jobs, it really is not that sort of a problem. The issue will simply be that, in the capital programme that we are planning—for example, next year, we were hoping to invest about £7 million in capital investment in the college—we will be investing £6 million instead of £7 million.

dros glwyddo'r mater i heddlu twyll Gwent, a ystyriodd a oedd unrhyw gyhuddiadau troseddol y dylid ei dwyn. Cymerodd hynny amser hir. Credaf fod rhai o aelodau'r Pwyllgor yn dyfalu efallai pam yr ymddengys bod hyn yn mynd ymlaen ers cymaint o amser. Fodd bynnag, mae'r olwynion hyn yn troi'n araf braidd, fel y gwychoch.

Yn gynnar eleni, dychwelodd Heddlu Gwent yr holl ddogfennaeth inni ac yr ydym wedi gofyn i'n harchwilwyr allanol, sef Price Waterhouse Coopers, gynnal ymchwiliad manwl i gadarnhau pa symiau o arian a dderbyniastom y bydd yn rhaid eu had-dalu, yn eu barn hwy. Yr ydym yn cyfarfod â'r Adran Addysg a Chyflogaeth ddydd Gwener nesaf i gadarnhau'n derfynol y swm o arian i'w ad-dalu a'r cyfnodedd.

Hoffwn ganolbwyntio gyntaf oll ar y cyfnodedd. Waeth beth fo'r swm o arian y bydd yn rhaid inni ei ad-dalu, deallwn y bydd yr ad-dalu'n digwydd dros gyfnod o dair blynedd, fwy na thebyg. Hoffwn feddwl y gallem negodi cyfnod hwy na hwnnw, oherwydd, wrth gwrs, po fwyaf o amser a fydd gennym i'w ad-dalu, hawsaf fydd. Fodd bynnag, caf ar ddeall mai cyfnod o dair blynedd fydd hwn fwy na thebyg.

Mae'r swm, sydd wedi cael ei grybwyll yn gyhoeddus, yn y wasg ac ati, tua £2.9 miliwn. Credaf mai'r hyn y gallaf ddweud wrth y Pwyllgor yw y bydd yn agos i'r swm hwnnw yn ôl yr arwyddion cynnar gan Price Waterhouse Coopers. Ni chredaf ei fod yn debygol o fod yn llawer llai na'r swm hwnnw. Os ydym yn rhagdybio, a hynny dim ond at ddiben fy ateb i'r cwestiwn hwn, mai £3 miliwn ydyw yn fras, ymddengys y bydd yn rhaid inni ad-dalu £1 miliwn ymhob un o'r tair blynedd ariannol nesaf.

Pa effaith a gâi hynny ar y coleg? Ar un olwg, mae'n dda gennyf ddweud, er y credaf fod llawer o bobl yn y gymuned yn ofni y bydd yn golygu bod cyrsiau'n cau neu fod aelodau o staff yn colli eu swyddi, nad problem felly ydyw mewn gwirionedd. Y mater yn y bôn yw, yn y rhaglen gyfalaf yr ydym yn ei chynllunio—er enghraifft, y flwyddyn nesaf, yr oeddem yn gobeithio buddsoddi tua £7 miliwn o fuddsoddiad cyfalaf yn y coleg—byddwn yn buddsoddi £6

Therefore, I think, probably, in summary, that we are confident that we can cope with the payback, in terms of it not dramatically affecting the day-to-day business of the college, the staff and the students. What it will clearly do is slow down the capital investment programme by that much each year.

[5] **Janet Davies:** I will just ask about the capital investment programme. Clearly, you have several campuses, and there must be quite a problem with some of the maintenance, I would imagine. If you are cutting back on the capital investment programme, could that affect major general maintenance as well as any new facilities?

**Mr Mason:** Obviously, when you are looking for a reduction of £1 million in each of those three years in the capital investment programme, then it has to be cut back from somewhere. In the first year that I arrived, when we were facing the first year of the crisis—what we called the survival year—we took a tactical decision that we would cut back to meet the budget requirements and to try to move the college forward. We concentrated on non-pay rather than staff costs. It is true to say that we did cut back significantly on maintenance. We really had no choice. We had to do something. Money was haemorrhaging from the college. Again, I do not know if members of the Committee have a feel for it, but I arrived in April 1998 and by July we could not pay the staff's salaries. We had run out of money. In fact, the funding council had to give us an advance on our grant.

Given that situation, as I am sure that you will appreciate, you look for ways to stem the flow of blood that have the least impact on the day-to-day running of the business. So we cut back on maintenance. However, in our capital investment programme plans for the next three years we have given a high profile to estates maintenance. We had a condition survey done of all the College's campuses by GVA Grimley. The amount that we are planning to spend next year in response to that condition survey—that is, in the first of

miliwn yn hytrach na £7 miliwn. Felly, credaf, fwy na thebyg, yn gryno, ein bod yn ffyddiog y gallwn ymdopi â'r ad-daliad, o ran na fydd yn effeithio'n sylweddol ar fusnes y coleg, y staff a'r myfyrwyr o ddydd i ddydd. Yr hyn y bydd yn ei wneud yn amlwg yw arafu'r rhaglen buddsoddi cyfalaf yn ôl y swm hwnnw bob blwyddyn.

[5] **Janet Davies:** Gofynnaf yn fyr am y rhaglen buddsoddi cyfalaf. Yn amlwg, mae gennych sawl campws, ac mae'n rhaid bod cryn broblem ynglŷn â pheth o'r gwaith cynnal a chadw, fe dybiwn. Os ydych yn cwtogi ar y rhaglen buddsoddi cyfalaf, a allai hynny effeithio ar waith cynnal a chadw cyffredinol o bwys yn ogystal ag unrhyw gyfleusterau newydd?

**Mr Mason:** Wrth gwrs, pan fyddwch yn edrych am ostyngiad o £1 miliwn yn y rhaglen buddsoddi cyfalaf ymhob un o'r tair blynedd hynny, mae'n rhaid cwtogi rywle. Yn y flwyddyn gyntaf imi gyrraedd, pan oeddem yn wynebu blwyddyn gyntaf yr argyfwng—y flwyddyn oroesi, fel y'i gelwid gennym—gwnaethom benderfyniad tactegol y byddwn yn cwtogi er mwyn bodloni gofynion y gyllideb a cheisio symud y coleg ymlaen. Canolbwyntiasom ar y costau nad oeddent yn ymwneud â thâl yn hytrach na chostau staff. Mae'n wir dweud ein bod wedi cwtogi'n sylweddol ar waith cynnal a chadw. Nid oedd unrhyw ddewis gennym mewn gwirionedd. Yr oedd yn rhaid inni wneud rhywbeth. Yr oedd arian yn llifo o'r coleg. Unwaith eto, ni wn a all aelodau'r Pwyllgor amgyffred â hynny, ond cyrhaeddais yn Ebrill 1998 ac erbyn Gorffennaf ni allem dalu cyflogau'r staff. Yr oedd ein harian wedi dod i ben. Yn wir, yr oedd yn rhaid i'r cyngor cyllido roi blaendal o'n grant inni.

O ystyried y sefyllfa honno, fel y gwerthfawrogwch, yr wyf yn siŵr, yr ydych yn chwilio am ffyrdd i atal y llif sydd yn effeithio leiaf oll ar redeg y busnes o ddydd i ddydd. Felly, cwtogasom ar y gwaith cynnal a chadw. Fodd bynnag, yn ein cynlluniau rhaglen buddsoddi cyfalaf ar gyfer y tair blynedd nesaf, yr ydym wedi rhoi blaenoriaeth uchel i waith cynnal a chadw'r ystadau. Cynhaliodd GVA Grimley arolwg o gyflwr pob un o gampysau'r Coleg ar ein rhan. Yr ydym yn bwriadu gwario £2 filiwn

the three years of the plan—is £2 million. So I think that I can reassure you that while we would like to spend more money more quickly, we will be investing a significant amount in trying to rebalance the underinvestment—not just of last year, but of the past few years.

[6] **Janet Davies:** I think that we are getting a feel for what it was like. Clearly, in that situation maintenance can slip and quite bad structural problems can develop after several years. However, we will leave that point. Geraint Davies has a question for you.

[7] **Geraint Davies:** Good morning. My question is to Mr Mason. The Treasury minute states the College has improved its procedure for managing and controlling the use of European funds and that the College is likely to restart running such courses shortly. Can you summarise the improved procedures and when do you expect to recommence running European funded courses? Will the money go where it is intended to go?

**Mr Mason:** I will contextualise my answer. I think that, because the amount of money involved in the European social fund payback has been so large, there has been a perception that the failure of the control systems in the area of the ESF money was different from the failure of controls in the rest of the College. I want to stress that it was the failure of the control mechanisms across the college generally that enabled people to do what they did and led to the money being claimed from the European social fund. It is very important to understand that. It was not that the European social fund money was in any way different from any other money. If we receive money from the training and enterprise council, it is audited in exactly the same way as the money from the funding council.

One thing that I want to stress is that the ESF debacle is evidence of the lack of control systems in the college. What we have done is put in some very tight control systems in the financial area across the college. In a sense,

yn y flwyddyn nesaf—hynny yw, yn y flwyddyn gyntaf o'r cynllun tair blynedd—mewn ymateb i'r arolwg cyflwr hwnnw. Felly credaf y gallaf eich sicrhau, er yr hoffem wario mwy o arian yn gynt, y byddwn yn buddsoddi swm sylweddol wrth geisio gwrthbwysu'r tanwariant—nid dim ond yn ystod y llynedd, ond yn ystod yr ychydig flynyddoedd diwethaf.

[6] **Janet Davies:** Credaf ein bod yn cael rhyw amcan o'r sefyllfa. Wrth gwrs, mae'n bosibl i'r gwaith cynnal a chadw ddirywio yn y sefyllfa honno a gall problemau strwythurol eithaf difrifol ddatblygu ar ôl nifer o flynyddoedd. Fodd bynnag, gadawn y pwynt hwnnw. Mae gan Geraint Davies gwestiwn ichi.

[7] **Geraint Davies:** Bore da. Mae gennyf gwestiwn i Mr Mason. Mae cofnod y Trysorlys yn dweud bod y Coleg wedi gwella ei weithdrefn ar gyfer rheoli'r defnydd o arian Ewropeaidd a bod y Coleg yn debygol o ailgychwyn cyrsiau o'r fath cyn bo hir. A allwch roi crynodeb o'r gweithdrefnau gwell a phryd yr ydych yn disgwyl ailgychwyn trefnu cyrsiau a ariennir gan Ewrop? A gaiff yr arian ei wario yn ôl y bwriad ar ei gyfer?

**Mr Mason:** Rhoddaf fy ateb yn ei gyddestun. Credaf, am fod swm yr arian o dan sylw i'w ad-dalu i'r gronfa gymdeithasol Ewropeaidd mor sylweddol, y bu amgyffrediad bod y methiant yn y systemau rheoli ym maes arian y gronfa gymdeithasol Ewropeaidd yn wahanol i'r methiant i reoli yng ngweddill y Coleg. Hoffwn bwysleisio mai'r methiant yn y mecanweithiau rheoli ar draws y coleg yn gyffredinol a alluogodd bobl i wneud yr hyn a wnaethant gan arwain at geisiadau am arian gan y gronfa gymdeithasol Ewropeaidd. Mae'n bwysig iawn deall hynny. Nid bod arian y gronfa gymdeithasol Ewropeaidd yn wahanol mewn unrhyw ffordd i unrhyw arian arall. Os y derbyniwn arian gan y cyngor hyfforddiant a menter, caiff ei archwilio'n union yn yr un modd â'r arian gan y cyngor cyllido.

Un peth yr hoffwn ei bwysleisio yw bod helynt y gronfa gymdeithasol Ewropeaidd yn amlygu'r diffyg systemau rheoli yn y coleg. Yr hyn yr ydym wedi ei wneud yw rhoi rhai systemau rheoli llym iawn ar waith yn y maes

we do not differentiate between the controls on the spending of European social fund money and those on any other money that we receive. It is all money coming into the college that has to be accounted for and spent appropriately. I think that I can reassure you that if, or rather when, we move back into work with European social funding, the control mechanisms that we have established in the college—and I am happy to expand on that if you want me to—will apply as much to the money coming in from the European social fund as to any other money coming into the college. It was a failure of controls in the financial area, not just a failure of controls in the area of European social fund.

[8] **Geraint Davies:** You say that you now have extra controls. Have these controls been approved by the funding council and are you confident—and perhaps you could expand upon them, as you offered to do—that you can ensure that this will not happen again?

**Mr Mason:** Several parties have been involved. First of all, we have a completely new internal committee structure in the college for the governors. There is a finance committee. So there are governance controls where the executive is, if you like, called to account for what is going on. We also have the internal and external auditors, obviously. However, more important are the internal controls that we are putting in place in the college.

It is difficult in an environment like this to give you examples of how bad some of the controls were. For instance, if you look at the training shop area, where the European social fund money was coming in, there is a comment in the NAO report about staff being appointed without that being approved. That would be an example of a control failing. That could not happen now. A person cannot get onto the payroll if the appointment is not approved at the appropriate level.

ariannol ar draws y coleg. Ar un olwg, nid ydym yn gwahaniaethu rhwng y rheolaethau yn ymwneud â gwario arian y gronfa gymdeithasol Ewropeaidd a'r rheini sydd yn ymwneud ag unrhyw arian arall yr ydym yn ei dderbyn. Mae i gyd yn arian a ddaw i mewn i'r Coleg y mae'n rhaid cyfrifo ar ei gyfer a'i wario'n briodol. Credaf y gallaf eich sicrhau, os neu, yn hytrach, pan fyddwn yn ailgydio yn y gwaith â chyllid cymdeithasol Ewropeaidd, y bydd y mecanweithiau rheoli a sefydlwyd gennym yn y coleg—ac yr wyf yn fodlon ymhelaethu ar hynny os dymunwch—yr un mor berthnasol ar gyfer yr arian sydd yn dod o'r gronfa gymdeithasol Ewropeaidd ag ar gyfer unrhyw arian arall sydd yn dod i mewn i'r coleg. Methiant rheolaethau yn y maes ariannol ydoedd, nid dim ond methiant rheolaethau ym maes y gronfa gymdeithasol Ewropeaidd.

[8] **Geraint Davies:** Dywedwch fod gennych reolaethau ychwanegol bellach. A yw'r cyngor cyllido wedi cymeradwyo'r rheolaethau hyn ac a ydych yn hyderus—ac efallai y gallech ymhelaethu arnynt, gan eich bod wedi cynnig gwneud hynny—y gallwch sicrhau na fydd hyn yn digwydd eto?

**Mr Mason:** Mae sawl parti wedi bod ynghlwm wrth hyn. Yn gyntaf oll, mae gan y coleg strwythur pwyllgorau mewnol cwbl newydd i'r llywodraethwyr. Mae gennym bwyllgor cyllid. Felly, ceir rheolaethau llywodraethu pan fydd y pwyllgor gweithredol, fel petai, yn atebol ar gyfer yr hyn sydd yn digwydd. Mae gennym hefyd yr archwilwyr mewnol ac allanol, wrth gwrs. Fodd bynnag, yn bwysicach na'r rhain yw'r rheolaethau mewnol yr ydym yn eu rhoi ar waith yn y coleg.

Mae'n anodd mewn amgylchedd fel hwn i roi enghreifftiau ichi o ba mor wael yr oedd rhai o'r rheolaethau. Er enghraifft, os ystyriwch faes y siop hyfforddi, a oedd yn derbyn arian o'r gronfa gymdeithasol Ewropeaidd, ceir sylw yn adroddiad y Swyddfa Archwilio Genedlaethol ynghylch staff yn cael eu penodi heb fod hynny'n cael ei gymeradwyo. Byddai honno'n enghraifft o reolaeth yn methu. Ni allai hynny ddigwydd yn awr. Ni all person fynd ar y gyflogres oni chaiff y penodiad ei gymeradwyo ar y lefel briodol.

We have a monthly financial reporting system where we monitor financial progress against targets. As you will be aware, we are, basically, checking the whole time. The two things that we have put in place that are important are controls and a monitoring process for those controls. Those were the two things that were missing. Not only was there a failure of controls, but those failures of controls were, in a sense, not picked up, because no monitoring was taking place. So there is very tight monthly monitoring. In the early months in which we were trying to cope with the crisis, we were down to what I would call almost daily housekeeping controls. We were cash managing the business because we were so short of money.

We then moved to a situation where—it sounds astonishing, but for about nine months Andrew Bevan, my finance director, approved every single purchase requisition in the college. During that survival phase we did not allow any money to be spent without Andrew's personal approval. That certainly slowed things down for the business, but it also stopped us from spending a lot of money on items that were not absolutely essential during that survival year.

So I think that I can reassure you about the sort of controls that we have put in place. In answer to your question on whether they have been approved, in a sense, I would have to defer to Steve Martin on that. However, certainly in our internal audit reports, the categorisation of our internal audit controls have lifted dramatically. The 4Cs that we were getting have gone up to 2As and so on. There is a lot of evidence to give us confidence. Having said that, I think that the danger is, as you begin to get confident, you have to guard against complacency slipping in. We are still very vigilant.

[9] **Geraint Davies:** I understand that the funding council has given you new guidance. How does that guidance differ from that you had previously?

**Mr Mason:** Is this the guidance in relation to European social funding?

Mae gennym system cofnodi ariannol fisol pan fyddwn yn monitro'r cynnydd ariannol yn erbyn targedau. Fel y gwyrddoch, yr ydym, felly, yn gwirio drwy'r amser. Y ddau beth pwysig yr ydym wedi eu rhoi ar waith yw rheolaethau a phroses fonitro ar gyfer y rheolaethau hynny. Y ddau beth hynny oedd yn eisiau. Nid yn unig y cafwyd methiant o ran rheolaethau, ond ni sylwyd ar y methiant yn y rheolaethau hynny, ar un olwg, am nad oedd unrhyw fonitro'n digwydd. Felly ceir gwaith monitro misol tynn iawn. Yn y misoedd cynnar pan oeddem yn ceisio ymdopi â'r argyfwng, yr oeddem yn gweithredu yr hyn y byddwn yn eu galw'n reolaethau cadw tŷ dyddiol bron. Yr oeddem yn rheoli'r busnes fel busnes arian parod gan ein bod mor brin o arian.

Wedyn symudasom i sefyllfa—mae'n swnio'n anhygoel, ond am tua naw mis, yr oedd Andrew Bevan, fy nghyfarwyddwr cyllid, yn cymeradwyo pob archeb brynu yn y coleg. Yn ystod y cyfnod goroesi hwnnw, nid oeddem yn caniatáu i unrhyw arian gael ei wario heb gymeradwyaeth bersonol Andrew. Yn sicr, arafodd hynny bethau ar gyfer y busnes, ond, hefyd, ataliodd ni rhag gwario llawer o arian ar eitemau nad oeddent yn gwbl hanfodol yn ystod y flwyddyn oroesi honno.

Felly credaf y gallaf dawelu'ch meddwl ynglŷn â'r mathau o reolaethau yr ydym wedi eu rhoi yn eu lle. I ateb eich cwestiwn a ydynt wedi cael eu cymeradwyo, ar un ystyr, byddai'n rhaid imi ildio i fam Steve Martin ar hynny. Fodd bynnag, yn sicr yn ein hadroddiadau archwilio mewnol, mae categoraiddiad ein rheolaethau archwilio mewnol wedi codi'n sylweddol. Mae'r graddau 4C yr oeddem yn eu cael wedi codi i raddau 2A ac ati. Mae llawer o dystiolaeth sydd yn rhoi hyder inni. Wedi dweud hynny, wrth ichi ddechrau magu hyder, credaf fod yn rhaid ichi wyllo rhag bod yn hunanfodlon. Yr ydym yn wylwadwys iawn o hyd.

[9] **Geraint Davies:** Deallaf fod y cyngor cyllido wedi rhoi arweiniad newydd ichi. Ym mha ffordd y mae'r arweiniad hwnnw yn wahanol i'r hyn a gawsoch yn y gorffennol?

**Mr Mason:** Ai'r arweiniad ynghylch y gronfa gymdeithasol Ewropeaidd yw hwn?



[10] **Geraint Davies:** Yes.

**Mr Mason:** You need to understand that for the last two or more years, we have not been directly involved in any European social funding project. Therefore, in a sense, the guidance in that area has not been a high priority for us. We have put an absolute stop on any European social fund involvement and, as we said to the Public Accounts Committee, we are now planning to move back into that area. I stress the word 'planning'. We feel that it is important to pursue the agendas that the Assembly is pursuing, particularly in terms of Objective 1 funding. A college of our size and importance should get back into that area. What we plan to do is appoint two specialist people to the college to help us with that transition back into European social funding.

[11] **Geraint Davies:** I have a question for Mr Shortridge on monitoring further education colleges in Wales and, in particular, their use of European social fund income. What form does this monitoring take and are you satisfied that all European funding is being properly applied for in this sector? Do you think that you have had a hands-off approach in the past and that we have paid dearly for that?

**Mr Shortridge:** In terms of financial monitoring, I look to the funding council for that and I seek my assurance from it and from the panoply of auditing that goes on around that. On European social funds, I make the point that—this is not in any way an excuse—as you know, the accountability for European social funds does not come through me but through the Department for Education and Employment. So I do not have a personal responsibility for that, as it happens. On the other hand, I clearly do have a personal responsibility for ensuring that the financial control systems across the sector are fit for purpose. In the light of what has happened as a result of the terrible events at Gwent Tertiary College, I have a significant degree of assurance that things are now much better. However, as Mr Martin will be able to tell you, if Coleg Gwent is not quite still in

[10] **Geraint Davies:** Ie.

**Mr Mason:** Mae angen ichi ddeall nad ydym wedi bod yn ymwneud yn uniongyrchol ag unrhyw brosiect a ariennir drwy'r gronfa gymdeithasol Ewropeaidd yn ystod y ddwy flynedd diwethaf neu fwy. Felly, ar un olwg, nid yw'r arweiniad yn y maes hwnnw wedi bod yn flaenoriaeth uchel inni. Yr ydym wedi rhoi'r gorau i wneud ceisiadau i'r gronfa gymdeithasol Ewropeaidd yn gyfan gwbl ac, fel y dywedasom wrth y Pwyllgor Cyfrifon Cyhoeddus, yr ydym yn awr yn bwriadu symud yn ôl i'r maes hwnnw. Pwysleisïaf y gair 'bwriadu'. Teimlwn ei bod yn bwysig dilyn yr agendâu y mae'r Cynulliad yn eu dilyn, yn enwedig o ran cyllid Amcan 1. Dylai coleg o'n maint a'n pwysigrwydd ni ddychwelyd i'r maes hwnnw. Ein bwriad yw penodi dau berson arbenigol i'r coleg i'n helpu i ailgydio yn y cyllid cymdeithasol Ewropeaidd.

[11] **Geraint Davies:** Mae gennyf gwestiwn i Mr Shortridge ynglŷn â monitro colegau addysg bellach yng Nghymru ac, yn benodol, eu defnydd o incwm y gronfa gymdeithasol Ewropeaidd. Sut fath o fonitro yw hwn ac a ydych yn fodlon y gwneir ceisiadau yn y dull cywir am yr holl gyllid Ewropeaidd yn y sector hwn? A gredwch bod gennych, yn y gorffennol, ymagwedd peidio-ag-ymyrryd a'n bod wedi talu'n hallt oherwydd hynny?

**Mr Shortridge:** O ran y monitro ariannol, edrychaf ar y cyngor cyllido i wneud hynny a cheisïaf sicrwydd ganddo a chan yr amrywiaeth o archwiliadau sydd yn cael eu cynnal yn y maes hwnnw. Ynglŷn ag arian y gronfa gymdeithasol Ewropeaidd, nodaf—ac nid esgus yw hwn o gwbl—fel y gwyddoch, mai'r Adran Addysg a Chyflogaeth sydd yn atebol am arian y gronfa gymdeithasol Ewropeaidd ac nid myfi. Felly nid oes gennyf gyfrifoldeb personol am hynny, fel mae'n digwydd. Ar y llaw arall, yn ddiâu mae gennyf gyfrifoldeb personol am sicrhau bod y systemau rheoli ariannol ar draws y sector yn addas at eu diben. Yng ngolenui'r hyn sydd wedi digwydd o ganlyniad i'r digwyddiadau ofnadwy yng Ngholeg Trydyddol Gwent, yr wyf yn weddol ffyddiog bod pethau bellach yn llawer gwell. Fodd bynnag, fel y gall Mr Martin ddweud wrthy, er nad oes angen

intensive care, it is certainly still being looked at very carefully. There is not total confidence that the college's financial systems and its financial health are yet sufficiently robust.

[12] **Geraint Davies:** Are you happy in view of the fact that the amount of money from Europe will be greatly increased? Is it possible that the same situation will occur in other colleges because of lack of monitoring at the Assembly level?

**Mr Shortridge:** I do not think that it is a matter of lack of monitoring at the Assembly level. It is for the colleges themselves to have the systems in place and then for the funding council, in its financial relationship with the colleges, to be satisfied. My present view is that the very hard lessons have been learnt by Coleg Gwent but that we are still in the process of ensuring that sufficiently robust systems and procedures are in place to prevent any sort of recurrence. I am not talking about a recurrence on the same scale. I am always looking for near absolute assurances. I think that Mr Martin will be able to indicate to you that, on the close monitoring of the financial health of the colleges in Wales, there is still a way to go.

[13] **Janet Davies:** Geraint wants to go on to Objective 1, but I will just bring Dafydd and Jane in first.

[14] **Dafydd Wigley:** Yr wyf yn ddiolchgar iawn oherwydd hoffwn ddod i mewn ar yr union bwynt yr oedd Jon Shortridge yn cyfeirio ato yn ei ateb i Geraint, sef ymhle y mae atebolrwydd gwleidyddol yn aros yn y materion hyn? Mae'n amlwg fod y saga hon yn un o'r penodau mwyaf tywyll yn ein hanes diweddar o safbwynt diffyg rheolaeth gyllidol yng Nghymru. Mae'n rhaid iddo fod yn fater yr ydym i gyd yn rhannu cyfrifoldeb amdano ac yn benderfynol na fydd yn digwydd eto. Nodaf â diddordeb mawr yr hyn a ddywedaso: nad gennyh chi yr oedd y cyfrifoldeb dros y materion yn ymwneud ag arian Ewropeaidd ond gan yr Adran Addysg a Chyflogaeth, ond bod cyfrifoldeb arall dros weithrediad y cyngor cyllido gyda chi.

Mae'r cyngor cyllido felly yn rhannol atebol i chi ac yn rhannol atebol i'r Adran Addysg a

gofal dwys fel petai ar Goleg Gwent bellach, yn sicr mae'n cael ei wyllo'n ofalus iawn o hyd. Nid ydym yn gwbl ffyddiog bod systemau ariannol y coleg a'i iechyd ariannol yn ddigon cadarn o hyd.

[12] **Geraint Davies:** A ydych yn fodlon o ystyried y bydd swm yr arian gan Ewrop yn cynyddu'n sylweddol? A yw'n bosibl y bydd yr un sefyllfa yn codi mewn colegau eraill oherwydd bod diffyg monitro ar lefel y Cynulliad?

**Mr Shortridge:** Ni chredaf mai mater o ddiffyg monitro ar lefel y Cynulliad ydyw. Y colegau eu hunain sydd yn gyfrifol am roi systemau ar waith ac wedyn mae cyfrifoldeb ar y cyngor cyllido, yn ei berthynas ariannol â'r colegau, i fodloni ei hun ynghylch hyn. Fy marn bresennol yw fod Coleg Gwent wedi dysgu'r gwersi anodd iawn, ond ein bod yn dal yn y broses o sicrhau bod systemau a gweithdrefnau digon cadarn ar waith i atal hyn rhag digwydd eto. Nid wyf yn siarad am hyn yn digwydd eto ar yr un raddfa. Yr wyf yn gofyn o hyd am sicrwydd llwyr bron. Credaf y bydd Mr Martin yn gallu dweud wrthyh fod tipyn o waith i'w wneud o hyd o ran monitro iechyd ariannol colegau Cymru yn fanwl.

[13] **Janet Davies:** Mae Geraint am symud ymlaen at Amcan 1, ond hoffwn adael i Dafydd a Jane siarad yn gyntaf.

[14] **Dafydd Wigley:** I am very grateful because I would like to come in on the exact point to which Jon Shortridge referred in his answer to Geraint, namely, where does political accountability rest in these matters? It is obvious that this saga is one of the darkest chapters in our recent history in terms of lack of budgetary control in Wales. This must be a matter for which we all share responsibility and we are determined will not happen again. I note with great interest what you said: that responsibility for matters relating to European funding did not lie with you but with the Department for Education and Employment, but that other responsibility for the operation of the funding council lies with you.

Therefore, the funding council is partly accountable to you and partly accountable to

Chyflogaeth ar fater fel hyn. Mae'n fy nharo bod y sefyllfa hon yn anfodddhaol os yr ydym am gael rheolaeth lawn o fewn y Cynulliad ar y sector addysg uwch a phellach yng Nghymru. Byddai'n dda gennyf gael eich sylwadau ar sut y gallwn wella'r sefyllfa.

**Mr Shortridge:** I am in no way evading personal responsibility for the financial accountability of matters. In terms of where my accountability does lie, I have accountability for the expenditure of the European regional development fund but not for ESF. What was your main point again, please?

[15] **Dafydd Wigley:** Y cwestiwn yr wyf yn ceisio cael ateb iddo yw, os ydych yn gyfrifol am rai rhannau o weithgareddau'r sector hwn a rhai o'r cyfrifoldebau cyllidol ond nid rhai eraill—ac yn amlwg mae'r cyfan yn gwau i'w gilydd o safbwynt gweithrediad unrhyw goleg, Coleg Gwent yn y cyd-destun hwn—onid ydych yn teimlo y byddai'n gwneud llawer mwy o synnwyr i chi gael y cyfrifoldeb i gyd a bod y cyngor cyllido yn atebol i chi yn gyfan gwbl am y cyfrifoldebau hyn?

**Mr Shortridge:** I would be much more comfortable if that were the case but, having said that, to an extent there is a false distinction. I would expect the systems of control, monitoring and assurance for all the expenditure of the college or institutions in the sector to be of the same high standard. I would be very surprised if there were different standards operating in the case of European social fund from those in the case of European regional development fund, for example. So although I felt that I should make the point, nonetheless I do not think that it is a substantive point in this context. I need to be sufficiently satisfied that the public funds that find their way into further education institutions, from whatever source, are being properly accounted for, properly used and properly monitored.

[16] **Jane Davidson:** This is an extension of the same point because following incorporation, colleges are private businesses. I want to ask you about whether or not the debacle that we have seen in Gwent could have happened if we still had had democratic

DfEE on such a matter. This situation strikes me as unacceptable if we are to get full control within the Assembly of the higher and further education sector. I would appreciate your comments on how we can improve the situation.

**Mr Shortridge:** Nid wyf yn ceisio osgoi cyfrifoldeb personol dros atebolrwydd ariannol materion o gwbl. O safbwynt fy atebolrwydd, yr wyf yn atebol dros wariant y gronfa datblygu rhanbarthol Ewropeaidd ond nid am y gronfa gymdeithasol Ewropeaidd. Beth oedd eich prif bwynt eto, os gwelwch yn dda?

[15] **Dafydd Wigley:** The question to which I am trying to get an answer is, if you are responsible for some parts of this sector's activities and some of the budgetary responsibilities but not others—and obviously all this interrelates in terms of the operation of any college, Coleg Gwent in this context—do you not think that it would make much more sense for you to have all the responsibility and for the funding council to be accountable to you for these responsibilities?

**Mr Shortridge:** Byddwn yn llawer mwy cyfforddus pe bai hynny'n digwydd, ond wedi dweud hynny, ceir gwahaniaethu camarweiniol i raddau. Byddwn yn disgwyl i'r systemau rheoli, monitro a sicrwydd ar gyfer holl wariant colegau a sefydliadau yn y sector fod o'r un safon uchel. Byddwn yn synnu'n fawr pe bai safonau gwahanol yn bodoli ar gyfer y gronfa gymdeithasol Ewropeaidd i safonau'r gronfa datblygu rhanbarthol Ewropeaidd, er enghraifft. Felly er fy mod yn teimlo y dylwn wneud y pwynt, eto i gyd nid wyf o'r farn ei fod yn bwynt perthnasol yn y cyd-destun hwn. Mae angen i mi fodloni fy hun bod yr arian cyhoeddus y mae'r sefydliadau addysg bellach yn ei dderbyn, waeth beth fo'r ffynhonnell, yn cael ei gyfrifo'n briodol, ei ddefnyddio'n briodol a'i fonitro'n briodol.

[16] **Jane Davidson:** Mae hyn yn ymhelaethu ar yr un pwynt gan fod colegau'n mynd yn fusnesau preifat ar ôl ymgorffori. Hoffwn ofyn ichi a allai'r helynt a gafwyd yng Ngwent fod wedi digwydd pe bai gennym reolaeth ddemocrataidd drwy'r

control through the local education authorities and, therefore, accountability to the Assembly.

**Mr Shortridge:** It is a hypothetical question. Can I answer it in this way? I think that, when the further education institutions were set up as independent self-governing bodies, the climate at the time was that—certainly as far as central Government was concerned—the Welsh Office should have a hands-off approach to their oversight and governance. The ethos was that they were to be established as strong independent bodies with representation from local businesses and local communities and it was not for the public sector to second guess. In the light of the events at Coleg Gwent and elsewhere, it has been shown that that assumption was not the right one. It is as a consequence of that that we have progressively seen all these additional controls, arrangements and procedures put in place to provide the level of assurance that I and the Members need that these bodies are being properly managed and run. I do not think that I want to speculate on whether this could have happened if they had all remained within the local government sector. The point that I have made is clear. For a combination of reasons, there was not a sufficient understanding and appreciation of the risks associated with the sort of arrangements that were established back in 1993. Ever since then we have been seeking to manage those risks in an appropriate way without at the same time totally undermining the independent nature of the bodies.

[17] **Brian Gibbons:** At a previous hearing in relation to the health service, it was argued that some of the problems that the health service had were a lack of strategic direction and a lack of holding the centre of the ring, as it were. I think that, in your answer, you have more or less said that this contributed to the Welsh Office's failure in this instance and that there was a strategic view that the Welsh Office should not have this hands-on approach. Would you agree that there was a sort of systematic strategic policy error in allowing this degree of autonomy and devolved responsibility, which has led to a number of crises including this one?

**Mr Shortridge:** With the benefit of

awdurdodau addysg lleol o hyd ac, felly, atebolrwydd i'r Cynulliad.

**Mr Shortridge:** Mae'n gwestiwn damcaniaethol. A gaf ei ateb yn y modd hwn? Credaf, pan sefydlwyd y sefydliadau addysg bellach fel cyrff annibynnol hunanlywodraethol, mai'r teimlad ar y pryd—yn sicr o ran Llywodraeth ganolog—oedd na ddylai'r Swyddfa Gymreig ymyrryd o ran eu goruchwyllo a'u llywodraethu. Yr ethos oedd y dylent gael eu sefydlu'n gyrff annibynnol cryf gyda chynrychiolaeth gan fusnesau lleol a chymunedau lleol ac nad cyfrifoldeb y sector cyhoeddus oedd ceisio rhagweld. Yng ngoleuni'r hyn a ddigwyddodd yng Ngholeg Gwent ac mewn manau eraill, profwyd nad oedd y dybiaeth honno yn un gywir. O ganlyniad i hynny yr ydym wedi gweld yr holl reolaethau, trefniadau a gweithdrefnau ychwanegol hyn yn cael eu rhoi yn eu lle yn raddol i roi lefel y sicrwydd y mae ei hangen arnaf a'r Aelodau bod y cyrff hyn yn cael eu rheoli a'u rhedeg yn briodol. Ni chredaf fy mod am ddyfalu a allai hyn fod wedi digwydd pe baent hwy oll wedi aros o fewn y sector llywodraeth leol. Mae'r pwynt a wneuthum yn glir. Oherwydd cyfuniad o resymau, ni chafodd y risgiau sydd yn gysylltiedig â threfniadau o'r fath a sefydlwyd yn ôl yn 1993 eu deall a'u gwerthfawrogi ddigon. Ers hynny yr ydym wedi bod yn ceisio rheoli'r risgiau hynny mewn modd priodol heb danseilio'n llwyr natur annibynnol y cyrff ar yr un pryd.

[17] **Brian Gibbons:** Mewn gwrandawriad blaenorol ar y gwasanaeth iechyd, dadleuwyd mai diffyg cyfeiriad strategol a methiant i gadw pethau ynghyd, fel petai, oedd rhai o broblemau'r gwasanaeth iechyd. Credaf eich bod wedi dweud, fwy neu lai, yn eich ateb mai hyn a gyfrannodd tuag at fethiant y Swyddfa Gymreig yn yr achos hwn a bod barn strategol y dylai'r Swyddfa Gymreig beidio ag ymyrryd. A fyddech yn cytuno mai rhyw fath o gamsyniad sylfaenol o ran polisi strategol oedd caniatáu y fath annibyniaeth a chyfrifoldeb datganoledig, sydd wedi arwain at nifer o argyfyngau gan gynnwys yr un dan sylw?

**Mr Shortridge:** Wrth edrych yn ôl, yr oedd

hindsight, the procedures and systems that were put in place following the establishment of these bodies as self-governing institutions in 1993 were inadequate to deal with the sorts of events that occurred at Coleg Gwent—either, in the first place, to prevent them or, once they had happened, to identify them quickly and bring them under control. I do agree with that.

[18] **Geraint Davies:** We have the great opportunity of Objective 1. No doubt you will be trying to capitalise on that because training is a major factor in the Objective 1 programme. Have your plans in the college to benefit from Objective 1 been hindered by your experiences with the training shop, and will it have an adverse effect on the people who will be trained in Gwent in the future?

**Mr Mason:** No, I do not think so, in the sense that already the embryo community consortia for education and training are beginning to develop. We are, for instance, in a partnership with Newport County Borough Council. We are also in a strong partnership in Caerphilly and in Torfaen. One of the things that, in a sense, we are modest enough to accept is that there are a lot of people with whom we are in partnership who have had a lot of experience in the ESF area. As I say, we are confident that our control mechanisms and the monitoring procedures that we have in the college will enable us, with confidence, to become involved in those partnerships. I do not think that it will inhibit us. I think that it has been a shame that, for two to three years, we have had to withdraw. We took a view, and I advised the governors, that until this thing was settled and we were confident that we could put our hand on our hearts and say that we had sorted it, it would be very high risk to do any more ESF-funded work.

That decision was perhaps criticised by some people because they feel that we have fallen a little behind the drag curve. However, looking positively to the future, I think that going back into ESF-funded work with that sort of confidence—that we can control and monitor and ensure that the funds are appropriately used—is a very good starting point. We can begin to develop with our

y gweithdrefnau a'r systemau a roddwyd yn eu lle yn sgîl sefydlu'r cyrff hyn fel sefydliadau hunan-lywodraethol yn 1993 yn annigonol i ddelio â'r math o ddiwyddiadau a gafwyd yng Ngholeg Gwent—naill ai, yn y lle cyntaf i'w hatal neu, unwaith iddynt ddiwydd, eu nodi'n gyflym a'u rheoli. Cytunaf â hynny.

[18] **Geraint Davies:** Mae Amcan 1 yn gyfle gwych inni. Yn ddiaw, byddwch yn ceisio manteisio ar hynny gan fod hyfforddiant yn ffactor o bwys yn y rhaglen Amcan 1. A yw eich profiadau o ran y siop hyfforddi wedi llesteirio'ch cynlluniau yn y coleg i elwa ar Amcan 1, ac a fydd yn cael effaith andwyol ar y bobl a gaiff eu hyfforddi yng Ngholeg Gwent yn y dyfodol?

**Mr Mason:** Na fydd, yn fy marn i, yn yr ystyr bod yr egin-gonsortia cymunedol ar gyfer addysg a hyfforddiant yn dechrau datblygu. Yr ydym, er enghraifft, mewn partneriaeth â Chyngor Bwrdeistref Sirol Casnewydd. Y mae gennym bartneriaeth gadarn â Chaerffili a Thor-faen yn ogystal. Un o'r pethau yr ydym yn ddigon diymhongar i'w dderbyn, fel petai, yw bod gan lawer o bobl yr ydym mewn partneriaeth â hwy brofiad helaeth ym maes cronfa gymdeithasol Ewrop. Fel y dywedais, yr ydym yn ffyddiog y bydd ein mecanweithiau rheoli a'r gweithdrefnau monitro sydd gennym yn y coleg yn ein galluogi i gymryd rhan yn y partneriaethau hynny yn hyderus. Ni chredaf y bydd yn ein llesteirio. Credaf y bu'n drueni fod yn rhaid inni dynnu'n ôl ers dwy neu dair blynedd. Daethom i'r casgliad, a chynghorais y llywodraethwyr, y byddai gwneud unrhyw waith arall a ariennir drwy'r gronfa gymdeithasol Ewropeaidd yn beryglus iawn nes inni ddatrys y mater hwn a'n bod yn hyderus ein bod yn gallu dweud, a hynny'n gwbl ddiffuant, ein bod wedi ei ddatrys.

Roedd rhai pobl yn beirniadu'r penderfyniad hwnnw o bosibl am eu bod o'r farn ein bod ychydig ar ei hôl hi. Fodd bynnag, gan edrych i'r dyfodol yn gadarnhaol, credaf fod dychwelyd at waith ar ariennir drwy'r gronfa gymdeithasol Ewropeaidd gyda'r math hwnnw o hyder—ein bod yn gallu rheoli a monitro a sicrhau bod yr arian yn cael ei ddefnyddio'n briodol—yn fan cychwyn da

partners the kind of training programmes to which you refer.

[19] **Geraint Davies:** Do you have schemes ready to go?

**Mr Mason:** Not yet. However, there are embryo schemes developing with these partnership groups. There is a scheme beginning to develop in Newport, for instance, where we are looking at the possible establishment of a centre in the middle of the town that would be a 'learn-it' type centre. There are a number of embryo schemes developing but nothing firm on the stocks yet. Bear in mind that we have only really just begun to turn our attention to that. The big problem that the crisis has caused is that we have had to take our eye off some of the key strategic balls while we sorted out the crisis situation. We are now, in a sense, turning our attention back onto those strategic areas.

[20] **Geraint Davies:** So it has had an effect then because you have not been planning as you might have done if you had not had these problems?

**Mr Mason:** Yes.

[21] **Geraint Davies:** When do you expect these plans to get off the stocks? Next year?

**Mr Mason:** Yes, next year. Certainly, in our strategic and institutional planning for next year, we will be looking to build into those plans some fairly clearly identified European projects. As I say, our cautiousness is related to the fact that we want to ensure that these projects are in partnership with other people. We do not have any direct plans for specific projects in which the college is solely involved at this stage.

[22] **Geraint Davies:** This is only for seven years. We must get our act together.

**Mr Mason:** Yes, I understand that.

[23] **Janet Davies:** We will look now at the

iawn. Gallwn ddechrau datblygu'r math o raglenni hyfforddi y cyfeiriasoch atynt gyda'n partneriaid.

[19] **Geraint Davies:** A oes gennych gynlluniau sydd yn barod?

**Mr Mason:** Ddim eto. Fodd bynnag, mae egin-gynlluniau'n datblygu gyda'r grwpiau partneriaeth hyn. Mae cynllun yn dechrau datblygu yng Nghasnewydd, er enghraifft, lle yr ydym yn ystyried sefydlu canolfan yng nghanol y dref o bosibl a fyddai'n ganolfan 'ewch i ddysgu' o ran ei natur. Mae nifer o egin-gynlluniau'n datblygu ond nid oes unrhyw beth pendant gennym eto. Cofiwch mai newydd ddechrau ystyried hynny ydym mewn gwirionedd. Y broblem fawr a achoswyd gan yr argyfwng yw ein bod wedi methu â chanolbwyntio ar rai o'r agweddau strategol allweddol tra'r oeddem yn mynd i'r afael â'r sefyllfa argyfyngus. Yr ydym bellach, fel petai, yn troi'n sylw at y meysydd strategol hynny drachefn.

[20] **Geraint Davies:** Felly mae wedi cael effaith am nad ydych wedi cynllunio fel y byddech wedi ei wneud efallai oni fyddai'r problemau hynny gennych?

**Mr Mason:** Ydyw.

[21] **Geraint Davies:** Pryd ydych yn disgwyl i'r cynlluniau hyn ddwyn ffrwyth? Y flwyddyn nesaf?

**Mr Mason:** Ie, y flwyddyn nesaf. Yn sicr, wrth gynllunio'n strategol a sefydliadol ar gyfer y flwyddyn nesaf, byddwn yn gobeithio cynnwys rhai prosiectau Ewropeaidd a nodwyd yn weddol glir yn y cynlluniau hynny. Fel y dywedais, yr ydym yn cymryd gofal am ein bod am sicrhau bod y prosiectau hyn mewn partneriaeth â phobl eraill. Ar hyn o bryd nid oes gennym unrhyw gynlluniau ar gyfer prosiectau penodol lle y bydd y coleg yn gweithredu ar ei ben ei hun.

[22] **Geraint Davies:** Dim ond am saith mlynedd y bydd yn parhau. Mae'n rhaid inni fynd ati.

**Mr Mason:** Oes, deallaf hynny.

[23] **Janet Davies:** Byddwn yn awr yn

role and performance of the college's senior management. Unlike in the case of Mrs Parker, your performance as principal was formally assessed at the end of the probationary period. How often is your ongoing performance as principal assessed, who performs that assessment and who ratifies it?

**Mr Mason:** I suppose I would argue that my performance, given the history of Coleg Gwent, is being watched fairly closely by the governors most of the time. I certainly get that feeling. In formal terms, at the end of my first six months, the chairman undertook a formal interview—I suppose that you would call it an appraisal interview. There was a discussion in the governing body about how the governors felt my performance was progressing. They looked at the kind of indicators that were beginning to show through about the financial recovery and so on. My appointment was then confirmed. I stress that my contract contained a clause that stated that at the end of my probationary period, if the governors were not satisfied with my performance, they could dispense with my services. Fortunately, they did not. At the end of my first year in post, another review was undertaken, again based on feedback from the chairman to the corporation, where the corporation again discussed how I was doing. The corporation is now moving to a position where it wants to formalise the procedure not only for myself, but for the other four senior post-holders in the college—if you like, the four most senior directors in the college. Certainly, the governors have taken fully on board the concerns that have been expressed about this issue of monitoring the principal's performance. I think that it is now moving towards monitoring the performance of the whole of the senior management team.

[24] **Janet Davies:** Does that go wider than the four senior managers who are sat next to you?

**Mr Mason:** Again, I will lay my cards on the table, as they say.

During that crisis period, one of the things

ystyried rôl a pherfformiad uwch reolwyr y coleg. Yn wahanol i Mrs Parker, cafodd eich perfformiad fel prifathro ei asesu'n ffurfiol ar ddiwedd y cyfnod prawf. Pa mor aml y caiff eich perfformiad parhaus fel prifathro ei asesu, pwy sydd yn cynnal yr asesiad hwnnw a phwy sydd yn ei gadarnhau?

**Mr Mason:** Buaswn yn dadlau, mae'n debyg, fod y llywodraethwyr yn cadw golwg eithaf manwl ar fy mherfformiad gan amlaf, o ystyried hanes Coleg Gwent. Yn sicr dyna'r teimlad sydd gennyf. O safbwynt ffurfiol, ar ddiwedd fy chwe mis cyntaf, cynhaliodd y cadeirydd gyfweiliad ffurfiol—cyfweiliad gwerthuso y byddech yn ei alw, mae'n debyg. Cafwyd trafodaeth gan y corff llywodraethu ar sut yr oedd y llywodraethwyr yn teimlo ynglŷn â'r cynnydd yn fy mherfformiad. Ystyriasant y math o ddangosyddion perfformiad a oedd yn dechrau cael eu hamlygu o safbwynt yr adfer ariannol ac ati. Wedi hynny, cafodd fy mhenodiad ei gadarnhau. Hoffwn bwysleisio bod fy nghontract yn cynnwys cymal a oedd yn nodi bod y llywodraethwyr yn gallu fy niswyddo ar ddiwedd fy nghyfnod prawf os nad oeddent yn fodlon ar fy mherfformiad. Yn ffodus, ni wnaethant hynny. Ar ddiwedd fy mlwyddyn gyntaf yn y swydd, cynhaliwyd arolwg arall, unwaith eto wedi ei seilio ar adborth gan y cadeirydd i'r gorfforaeth, lle y trafododd y gorfforaeth sut yr oeddwn yn dod ymlaen unwaith eto. Mae'r gorfforaeth bellach yn symud i sefyllfa lle y mae am ffurfioli'r weithdrefn nid yn unig i mi, ond i'r pedwar uwch ddeiliad swydd yn y coleg—os mynnwch, y pedwar cyfarwyddwr uchaf eu statws yn y coleg. Yn bendant, mae'r llywodraethwyr wedi ystyried yn llawn y pryderon a fynegwyd ynglŷn â'r mater hwn o fonitro perfformiad y prifathro. Credaf ei bod bellach yn symud tuag at fonitro perfformiad yr uwch dîm rheoli cyfan.

[24] **Janet Davies:** A yw hynny'n mynd ymhellach na'r pedwar uwch reolwr sydd yn eistedd wrth eich ochr?

**Mr Mason:** Unwaith eto, siaradaf yn gwbl ddi-flewyn ar dafod, fel y maent yn ei ddweud.

Yn ystod y cyfnod argyfwng hwnnw, un o'r

that the college lost, which we are very concerned about and which we are taking up again, was the whole issue of staff appraisals. That means not only performance appraisal but appraisal in terms of staff's development needs. One of the actions that we took during the survival year was—and I am sure that people will understand this—cutting the training budget for a year. We had no money for the training of staff at all. We could not afford it. I know that people will say that you cannot afford not to train staff but, for that crisis year, appraisals that used to happen three or four years ago just disappeared. We have been under too much pressure. What is happening, starting with myself and the senior team, is that we will gradually cascade an appraisal system right through the college. I stress, however, that we see appraisal more as a developmental tool rather than as being just about staff's performance.

[25] **Janet Davies:** Performance-related pay is flavour of the month in some sections of Government. Have you any plans to base staff pay on formal assessment? Do you think it would be a good idea?

**Mr Mason:** I suppose it is a truism that, in a sense, all of the staff pay is performance-related because we are funded on how the college performs. We are funded on the student numbers that we attract and on the success that they achieve. That obviously directly reflects the staff's performance. I would argue that people get a bit hung up about performance-related pay and perhaps do not recognise that everyone is on it, in a sense, the whole time. We certainly have no plans whatsoever to introduce what I think that you mean by performance-related pay, where we tick boxes and give people extra money, at this stage in the college's development. You are probably aware that we have come through a very difficult industrial relations period in the college. The staff have been very demoralised and battered. I think that I could make a judgment that the last thing that they would want to hear is that we are about to implement a performance-related pay scheme.

pethau a gollodd y coleg, yr ydym yn poeni'n fawr amdano ac yn ailgydio ynddo unwaith eto, oedd yr holl fater o werthuso staff. Mae hynny'n golygu nid yn unig gwerthuso perfformiad ond gwerthuso anghenion datblygu'r staff. Un o'r camau a gymerasom yn ystod y flwyddyn oroesi—ac yr wyf yn siŵr y bydd pobl yn deall hyn—oedd cwtdgi ar y gyllideb hyfforddiant am flwyddyn. Nid oedd gennym arian ar gyfer hyfforddi staff o gwbl. Ni allem ei fforddio. Gwn y bydd pobl yn dweud na allwch fforddio peidio â hyfforddi staff ond, yn ystod y flwyddyn argyfwng honno, diflannodd y gwerthusiadau a oedd yn arfer digwydd dair neu bedair blynedd yn ôl. Yr ydym wedi bod o dan ormod o bwysau. Yr hyn sydd yn digwydd, gan ddechrau gyda'r uwch dîm a minnau, yw y byddwn yn rhaeadru'r system werthuso drwy'r coleg yn raddol. Pwysleisiaf, fodd bynnag, ein bod yn ystyried gwerthuso fel modd i ddatblygu staff yn hytrach na phroses sydd yn ymwneud â pherfformiad staff yn unig.

[25] **Janet Davies:** Mae tâl ar sail perfformiad yn boblogaidd iawn mewn rhai rhannau o'r Llywodraeth ar hyn o bryd. A oes gennych unrhyw fwriad i seilio tâl staff ar asesiad ffurfiol? A gredwch y byddai'n syniad da?

**Mr Mason:** Mae'n debyg ei bod yn wir dweud, ar un olwg, bod tâl y staff i gyd ar sail perfformiad gan ein bod yn cael ein cyllido ar sail perfformiad y coleg. Cawn ein cyllido yn ôl nifer y myfyrwyr a gaiff eu denu gennym ac ar eu llwyddiant hwy. Mae hynny, yn amlwg, yn adlewyrchiad uniongyrchol o berfformiad y staff. Byddwn yn dadlau bod pobl yn poeni'n ormodol am dâl ar sail perfformiad ac efallai nad ydynt yn sylweddoli bod pawb yn cael eu talu ar y sail honno, ar un olwg, drwy'r amser. Yn sicr nid oes gennym unrhyw gynlluniau o gwbl ar hyn o bryd i gyflwyno'r hyn y credaf yr ydych yn ei olygu â thal ar sail perfformiad, lle yr ydym yn ticio blychau ac yn rhoi arian ychwanegol i bobl, yn y cyfnod hwn o ddatblygiad y coleg. Byddwch yn ymwybodol efallai ein bod wedi dod drwy gyfnod anodd iawn o ran cysylltiadau diwydiannol yn y coleg. Mae'r staff wedi bod yn ddigalon ac yn teimlo eu bod o dan y lach. Credaf y gallwn farnu mai'r peth olaf y



byddent am ei glywed yw ein bod ar fin gweithredu cynllun tâl ar sail perfformiad.

[26] **Janet Davies:** Mr Martin, how many colleges have formal appraisal systems in place for their principals and other senior staff members?

**Mr Martin:** The majority of colleges now have systems in place. In May, the Association of Colleges issued a model contract that sets out the kind of things that should be in principals' contracts. That includes arrangements for appraisal, for probation periods and for their performance to be assessed. It is a continuing issue. We still have to ensure that every college is operating that guidance. It has only just been issued formally by the Association of Colleges. However, this also featured prominently as an issue that should be addressed in the governance and management development programme that we have been running over the past year. We will be looking, in our follow-up to that in the next phase, to ensure that all colleges are operating it.

[27] **Janet Davies:** Do you foresee any difficulty in getting all colleges on board on this?

**Mr Martin:** I do not think so. You must understand that I have not lived through this. This is only my fourth week in post. All that I have heard is about a process that has happened. Some of it happened before the National Audit Office's report. It has been a developing process. I think that, as Jon Shortridge said, what we have moved from is a position where the funding council was monitoring financial health, was auditing and so on. It was doing those formal things but, basically, had a relationship with colleges that were independent and still are. The statutory position is that these are independent colleges. Now what has happened is that we have a partnership. There were always elements of that partnership but it is now a much more thorough-going partnership. Embedding that is something that I will certainly want to do. That is what this programme is already achieving. The direct answer to your question is that I think that almost all the proposed changes have

[26] **Janet Davies:** Mr Martin, faint o golegau sydd â systemau gwerthuso ffurfiol ar waith ar gyfer eu prifathrawon ac aelodau eraill o'r staff uwch?

**Mr Martin:** Mae gan y rhan fwyaf o'r colegau systemau ar waith bellach. Ym mis Mai, cyhoeddodd Cymdeithas y Colegau gontract model sydd yn nodi'r math o bethau y dylid eu cynnwys yng nghontractau prifathrawon. Mae hynny'n cynnwys trefniadau ar gyfer gwerthusiadau, cyfnodau prawf ac ar gyfer asesu eu perfformiad. Mater parhaus ydyw. Mae'n rhaid inni sicrhau o hyd bod pob coleg yn gweithredu'r arweiniad hwnnw. Newydd ei gyhoeddi'n ffurfiol y mae gan Gymdeithas y Colegau. Fodd bynnag, yr oedd hyn hefyd yn fater amlwg y dylid rhoi sylw iddo yn y rhaglen datblygu llywodraethu a rheoli yr ydym wedi bod yn ei chynnal dros y flwyddyn ddiwethaf. Byddwn yn edrych, fel rhan o'n gwaith dilynol yn y cam nesaf, i sicrhau bod pob un o'r colegau yn ei weithredu.

[27] **Janet Davies:** A ydych yn rhagweld y bydd unrhyw anhawster wrth sicrhau bod pob un o'r colegau yn ymrwymo i hyn?

**Mr Martin:** Ni chredaf y bydd. Mae'n rhaid ichi ddeall nad wyf wedi byw drwy hyn. Dim ond yn fy mhedwaredd wythnos yn y swydd yr wyf. Y cwbl yr wyf wedi ei glywed yw am broses sydd wedi digwydd. Digwyddodd rhan ohoni cyn adroddiad y Swyddfa Archwilio Genedlaethol. Bu'n broses a ddatblygodd. Credaf, fel y dywedodd Jon Shortridge, mai'r hyn y symudasom oddi wrthi oedd sefyllfa lle yr oedd y cyngor cyllido yn monitro iechyd ariannol, yn archwilio ac ati. Yr oedd yn gwneud y pethau ffurfiol hynny ond, yn y bôn, yr oedd ganddo berthynas â cholegau a oedd yn annibynnol ac sydd yn parhau i fod. Y sefyllfa statudol yw bod y rhain yn golegau annibynnol. Yr hyn sydd wedi digwydd yn awr yw bod gennym bartneriaeth. Yr oedd elfennau o'r bartneriaeth honno yn bodoli erioed ond mae'n bartneriaeth llawer mwy trylwyr bellach. Yn bendant, bydd sefydlu hynny'n gryf yn rhywbeth y byddaf am ei wneud. Dyna beth y mae'r rhaglen hon yn ei

been welcomed as a way of ensuring that the sector prospers and, to pick up an earlier point, and not least, helps the Assembly and Wales to make a success of matters such as Objective 1 funding.

[28] **Peter Black:** My question is for Mr Mason. The Treasury minute notes that your college's audit committee now monitors closely the implementation of all audit recommendations made to it. Can you tell us more about how the audit committee does this?

**Mr Mason:** All internal audit reports, not just the executive summary, but the full report, go to the audit committee. The audit committee then reviews the report, and the management's actions and responses. The key thing that has been implemented, which again is part of improving the monitoring and control mechanisms in the college, is that the chairman of the audit committee and the clerk run a small computer database which, in very simple terms, keeps a track of all the outstanding actions. For instance, if an action says that management agrees to do something by a certain date, that will go onto the database. The audit committee will track if it has been done. More importantly, bearing in mind earlier comments, it will provide evidence that it has been done. This is the key thing. It is not willing to accept that the finance director says, 'yes, that is okay, we have done that'. The committee wants actual evidence that we have done it. If things recur past their date, the audit committee then wants to know why we have not addressed that issue. Obviously, sometimes there are reasons for that and it would then go back onto the database.

I think that we have a pretty much fail-safe process for the audit committee to track things. In the longer term, I would hope that as confidence builds, some of perhaps the less significant issues in the internal audit

gyflawni eisoes. Yr ateb uniongyrchol i'ch cwestiwn yw y credaf y croesawyd bron pob un o'r newidiadau arfaethedig fel modd i sicrhau bod y sector yn ffynnu ac, i ailgydio mewn pwynt a wnaethpwyd yn gynharach, yn bennaf, yn helpu'r Cynulliad a Chymru lwyddo gyda materion fel Amcan 1.

[28] **Peter Black:** Mae fy nghwestiwn i Mr Mason. Mae cofnod y Trysorlys yn nodi bod pwyllgor archwilio eich coleg bellach yn monitro'n agos y modd y caiff pob un o'r argymhellion archwilio a wneir iddo eu gweithredu. A allwch ddweud rhagor wrthym ynglŷn â'r modd y mae'r pwyllgor archwilio yn gwneud hyn?

**Mr Mason:** Caiff pob un o'r adroddiadau archwilio mewnol, nid y crynodeb gweithredol yn unig, ond yr adroddiad llawn, ei gyflwyno i'r pwyllgor archwilio. Yna mae'r pwyllgor archwilio yn arolygu'r adroddiad, a gweithredoedd ac ymatebion y rheolwyr. Y peth allweddol a weithredwyd, sydd unwaith eto yn rhan o'r broses o wella'r monitro a mecanweithiau rheoli yn y coleg, yw bod cadeirydd y pwyllgor archwilio a'r clerwr yn cadw cronfa data gyfrifiadurol fach sydd, yn syml iawn, yn cadw cofnod o'r holl weithredoedd sydd heb eu gwneud hyd yn hyn. Er enghraifft, os yw gweithred yn datgan fod y rheolwyr wedi cytuno i wneud rhywbeth erbyn dyddiad penodol, caiff hwnnw ei gofnodi yn y gronfa ddata. Bydd y pwyllgor archwilio yn cadw golwg i weld a yw wedi ei wneud. Yn bwysicach na hynny, o ystyried y sylwadau cynharach, bydd yn darparu tystiolaeth ei fod wedi'i wneud. Dyma'r peth allweddol. Nid yw'n fodlon derbyn bod y cyfarwyddwr cyllid yn dweud, 'ie, mae hynny'n iawn, yr ydym wedi gwneud hynny'. Mae'r pwyllgor eisiau tystiolaeth bendant ein bod wedi ei wneud. Os digwydd pethau eto ar ôl eu dyddiad terfynol, wedyn bydd y pwyllgor archwilio am wybod pam nad ydym wedi ymdrin â'r mater hwnnw. Yn amlwg, weithiau mae rhesymau dros hynny ac yna byddai'n cael ei ailgofnodi yn y gronfa ddata.

Credaf fod gennym broses eithaf diogel i'r pwyllgor archwilio gadw golwg ar bethau. Yn y tymor hwy, hyderwn y bydd yn bosibl hepgor rhai o'r mân-faterion efallai sydd o fewn adroddiad yr archwilwyr mewnol o

report may begin to come off the audit committee's agenda. At the moment we have a lot of audit committee meetings that are very long and take up an awful lot of time. I think that I can again give you a fairly confident position on that process.

[29] **Peter Black:** Does the outcome of that monitoring feed back to the full governing body on a regular basis?

**Mr Mason:** Yes. At each corporation meeting, the corporation receives a report from each of its committees, one of which, of course, is the audit committee. Clearly, given the history at Coleg Gwent, there is obviously particular interest in the reports of the audit committee.

[30] **Peter Black:** Thank you. The Treasury minute also states that the College has introduced improved budgetary control arrangements. Could you summarise the key elements of these new budgetary control arrangements and other measures that you have taken to improve the college's financial procedures and financial management?

**Mr Mason:** Yes. I think that this was probably one of the first areas that we tackled shortly after I took over. The problem that we identified very early on was that the processes that were being used did not have those two fundamentals of control and monitoring.

First, I will discuss the budgeting process itself. We involve all budget managers in the development of the budget. We have moved away from 'last year plus 5 per cent' type budgeting. We now try to relate budgets to actual levels of activity. The strategic plan looks at what a particular area is planning to do and tries to identify the budget associated with that.

Having agreed the budget—the budget is obviously approved by the corporation—we have a monthly management report, which is very detailed. It shows the income and expenditure account, cash flow predictions and, particularly important in terms of the

agenda'r pwyllgor archwilio wrth i'r hyder dyfu. Ar hyn o bryd yr ydym yn cynnal nifer fawr o gyfarfodydd o'r pwyllgor archwilio sydd yn para am amser hir iawn ac yn cymryd cryn dipyn o amser. Yr wyf o'r farn fy mod yn gallu unwaith eto nodi sefyllfa eithaf cadarn yn y broses honno.

[29] **Peter Black:** A yw'r corff llywodraethol llawn yn cael adborth o ganlyniadau'r broses fonitro yn rheolaidd?

**Mr Mason:** Ydyw. Ymhob cyfarfod o'r gorfforaeth, mae'r gorfforaeth yn cael adroddiad gan bob un o'i phwyllgorau, ac mae'r pwyllgor archwilio yn un ohonynt, wrth gwrs. Yn amlwg, gan ystyried hanes Coleg Gwent, mae diddordeb penodol wrth reswm yn adroddiadau'r pwyllgor archwilio.

[30] **Peter Black:** Diolch yn fawr. Mae cofnod y Trysorlys hefyd yn nodi bod y Coleg wedi gwella'r trefniadau rheoli cyllideb. A allech grynhai prif elfennau'r trefniadau newydd hyn i reoli'r gyllideb a'r mesurau eraill yr ydych wedi eu cymryd i wella gweithdrefnau ariannol a rheoli ariannol y coleg?

**Mr Mason:** Gallwn. Hwn oedd un o'r meysydd cyntaf inni fynd i'r afael ag ef yn fuan ar ôl fy mhenodi, mi gredaf. Y broblem a nodwyd gennym yn gynnar iawn oedd nad oedd y prosesau a ddefnyddiwyd yn meddu ar y ddau beth hanfodol hynny sef rheoli a monitro.

Yn gyntaf, trafodaf y broses gyllido ei hun. Yr ydym yn cynnwys pob un o'r rheolwyr cyllideb wrth ddatblygu'r gyllideb. Yr ydym wedi symud oddi ar y math o gyllidebu ar lun 'cyllideb y llynedd plws 5 y cant'. Yr ydym bellach yn ceisio cysylltu'r gyllidebau â lefelau gwirioneddol y gweithgaredd. Mae'r cynllun strategol yn ystyried yr hyn y mae maes penodol yn bwriadu ei wneud ac yn ceisio nodi'r gyllideb a fyddai'n gysylltiedig â hynny.

Wedi cytuno ar y gyllideb—caiff ei chymeradwyo gan y gorfforaeth wrth gwrs—yr ydym yn cael adroddiad rheoli bob mis, sydd yn fanwl iawn. Dengys y cyfrif incwm a gwariant, rhagolygon llif arian ac, yn bwysig iawn o ystyried hanes Coleg Gwent, y

history of Gwent College, the current forecast for the end of the year position. Those are produced at the various budget levels. Members of the finance department then meet with each budget holder on a monthly basis. There is a variance analysis shown in the report and the budget holder is asked to account for variances and to give an action plan on what is going to happen to those variances. The finance committee of the corporation currently meets monthly and reviews the monthly management report. It then reports to each meeting of the corporation on how the financial position is looking.

Another aspect that is particularly important is that if people wish to spend capital, for instance, they have to put in a detailed business case which has to be approved through the finance committee and the relevant technical committee, that is, the estates committee or the human resources committee. I think that the key thing that we are trying to do is to get managers to buy into the budgeting process. In the past, the budget has been set by the principal, people have been given certain amounts of money and told to get on with it. We are trying to make the budgeting process an integral part of the management process in the college. I think that we have gone some way to achieving that.

[31] **Peter Black:** I can see that that is quite important. When you introduce any new process like that, you obviously have to train staff and make sure that they fully understand the systems and are properly implementing them. Given what you said previously about suspending training and appraisal procedures in the college, do you not feel that reintroducing them should now be a priority in relation to the budgetary management controls as a first step towards introducing them across the whole of the college?

**Mr Mason:** When I said that we suspended the training and development budget, that was in what we call the survival year, which was last year, 1998-99. In the current year's budget, £200,000 was allocated for training and development. I stress that for a college of our size that is a fairly modest amount. We

rhagolwg cyfredol ar gyfer y sefyllfa ar ddiwedd y flwyddyn. Caiff y rhain eu llunio ar gyfer gwahanol lefelau'r gyllideb. Yna mae aelodau'r adran gyllid yn cyfarfod â phob deiliad cyllideb yn fisol. Mae'r adroddiad yn cynnwys dadansoddiad o'r amrywiannau a gofynnir i ddeiliad y gyllideb gyfrif am yr amrywiannau a chynnig cynllun gweithredu ynglŷn â'r hyn a fydd yn digwydd o safbwynt yr amrywiannau hynny. Mae pwyllgor cyllid y gorfforaeth yn cyfarfod yn fisol ar hyn o bryd gan arolygu'r adroddiad rheoli misol. Yna mae'n cyflwyno adroddiad i bob cyfarfod o'r gorfforaeth ar y sefyllfa ariannol.

Un o'r agweddau eraill sydd yn hynod bwysig yw bod yn rhaid i unrhyw un sydd am wario cyfalaf, er enghraifft, gyflwyno achos busnes manwl i'w gymeradwyo gan y pwyllgor cyllid a'r pwyllgor technegol perthnasol, hynny yw, y pwyllgor ystadau neu'r pwyllgor adnoddau dynol. Un o'r pethau allweddol yr ydym yn ceisio ei gyflawni, mi gredaf, yw sicrhau bod y rheolwyr yn chwarae rhan yn y broses gyllidebu. Yn y gorffennol, y prifathro sydd wedi pennu'r gyllideb, mae pobl wedi cael hyn a hyn o arian a dywedwyd wrthynt am fwrw ymlaen. Yr ydym yn ceisio sicrhau bod y broses gyllidebu yn rhan annatod o'r broses reoli yn y coleg. Yr ydym wedi gwneud tipyn tuag at gyflawni hynny.

[31] **Peter Black:** Gwelaf fod hynny'n eithaf pwysig. Pan fyddwch yn cyflwyno unrhyw broses newydd o'r fath, mae'n rhaid hyfforddi'r staff wrth gwrs a sicrhau eu bod yn deall y systemau yn llawn ac yn eu gweithredu'n gywir. O gofio'r hyn a ddywedasoch yn gynharach am ohirio gweithdrefnau hyfforddi a gwerthuso yn y coleg, onid ydych o'r farn y dylent gael eu hailgyflwyno fel mater o flaenoriaeth o safbwynt y rheolaethau rheoli cyllidebol fel y cam cyntaf tuag at eu cyflwyno ar draws y coleg cyfan?

**Mr Mason:** Pan ddywedais ein bod wedi gohirio'r gyllideb hyfforddi a datblygu, yr oedd hynny yn ystod y flwyddyn oroesi fel yr oeddem yn ei galw, sef y llynedd, 1998-99. Yng nghyllideb y flwyddyn gyfredol, dyrannwyd £200,000 ar gyfer hyfforddiant a datblygiad. Pwysleisiaf mai swm eithaf bach

have focused that £200,000 on those sorts of issues. The other point, perhaps, to mention in terms of budgeting and financial management is that when I arrived—I think that I am right in saying this—the only qualified accountant in the college, bearing in mind that we are talking about a business with a £40 million turnover—was the then finance director who was working his redundancy notice. So in July 1998 we did not have a qualified accountant in the central finance department of the college. The new finance director arrived in August and one of the first things that we did was strengthen the financial department. We now have three qualified accountants. So there have been a number of actions. You are absolutely right, one of the things that we have done with the new training and development budget this year is to focus on priority areas of training for staff.

[32] **Peter Black:** How do you propose to develop that in future years?

**Mr Mason:** In what sense?

[33] **Peter Black:** Obviously, you started to focus on what you say is a very modest budget in those key areas. How do you propose now to expand that budget and to focus it on those areas in the future?

**Mr Mason:** Again, what we are trying to do is to take a bottom-up rather than a top-down approach. The first level of management we have in the college are called section heads—this is on the teaching side—who work with a team of perhaps 8 or 10 lecturers. We try to get teams to identify their training needs. At the corporate level, we try to identify other training needs which we think are corporate. We are trying to build that training and development budget in that collaborative way. There are needs that people feel that they have and there are needs that we feel that they have. We are trying to pull those things together. We are very anxious to spend the money from the training and development budget. It is very precious because it is small. We need to try to spend it wisely.

yw hwnnw o ystyried maint ein coleg. Yr ydym wedi clustnodi'r £200,000 hwnnw i'r mathau hynny o faterion. Y pwynt arall y dylid cyfeirio ato, efallai, o safbwynt y rheoli cyllidebol ac ariannol yw pan gyrhaeddais—credaf fy mod yn gywir wrth ddweud hyn—yr unig gyfrifydd cymwys yn y coleg, o gofio ein bod yn sôn am fusnes a chanddo drosiant o £40 miliwn—oedd y cyfarwyddwr cyllid bryd hynny a oedd yn gweithio ei rybudd diswyddo. Felly ym mis Gorffennaf 1998 nid oedd gennym gyfrifydd cymwys yn adran gyllid ganolog y coleg. Cyrhaeddodd y cyfarwyddwr cyllid newydd ym mis Awst ac un o'r pethau cyntaf a wnaethom oedd atgyfnerthu'r adran gyllid. Bellach mae gennym dri chyfrifydd cymwys. Felly cymerwyd nifer o gamau. Yr ydych yn hollol gywir, un o'r pethau yr ydym wedi ei wneud o ran y gyllideb hyfforddi a datblygu newydd eleni yw canolbwyntio ar y meysydd o hyfforddiant o flaenoriaeth ar gyfer y staff.

[32] **Peter Black:** Sut yr ydych yn bwriadu datblygu hynny yn y dyfodol?

**Mr Mason:** Ym mha ffordd?

[33] **Peter Black:** Yn amlwg, yr ydych wedi dechrau drwy glustnodi cyllideb sydd, yn ôl yr hyn a ddywedasoch, yn un eithaf bach ar gyfer y meysydd allweddol hynny. Sut yr ydych yn bwriadu ehangu'r gyllideb honno a'i chlustnodi i'r meysydd hynny yn y dyfodol?

**Mr Mason:** Unwaith eto, yr hyn yr ydym yn ceisio ei gyflawni yw mabwysiadu ymagwedd o'r gwaelod i fyny yn hytrach na o'r brig i lawr. Y lefel gyntaf o reolwyr sydd gennym yn y coleg yw penaethiaid adrannau fel y'u gelwir—mae hyn ar yr ochr addysgu—sydd yn gweithio gyda thîm o 8 neu 10 o ddarlithwyr o bosibl. Yr ydym yn ceisio sicrhau bod y timau yn nodi eu hanghenion hyfforddi. Ar lefel gorfforaethol, yr ydym yn nodi anghenion hyfforddiant eraill sydd yn rhai corfforaethol yn ein tyb ni. Yr ydym yn ceisio datblygu'r gyllideb hyfforddiant a dablygiad drwy'r ffordd gydweithredol hon. Mae anghenion gan bobl yn eu tyb hwy, ac mae anghenion sydd ganddynt yn ein tyb ni. Yr ydym yn ceisio casglu'r rheini ynghyd. Yr ydym yn awyddus iawn i wario'r arian o'r gyllideb hyfforddiant

a datblygiad. Mae'n werthfawr iawn am ei fod mor fach. Mae angen inni ei gwario'n ddoeth.

[34] **Janet Davies:** We will now consider the governing body. Jane has some questions on that.

[34] **Janet Davies:** Byddwn yn awr yn ystyried y corff llywodraethol. Mae gan Jane rai cwestiynau ar hynny.

[35] **Jane Davidson:** The governing body comes in for an extraordinary amount of criticism in the report. It had no framework for management restructuring, no formal procedures to monitor process and there were disputes between the finance and general purposes committee and the main committee of the governing body, with a proposed vote of no confidence that was never taken anywhere and perhaps might have changed the course of history if it had been taken somewhere at that point. In addition, you have the Public Accounts Committee conclusion that the governing body displayed a complacent attitude to events and stating that it was astonishing that it did not probe the cost of restructuring or set cost and time parameters. Clearly, as well as the college being put back on its financial feet it also had to be put back on its feet in terms of governance. So I think that the Audit Committee needs to be reassured of the steps that you have taken in terms of making sure that you have an effective governing body now. Can you start by giving us some information on how the governing body is made up and who the representative constituents are?

[35] **Jane Davidson:** Mae'r corff llywodraethu yn cael ei feirniadu'n hallt dros ben yn yr adroddiad. Nid oedd ganddo unrhyw fframwaith dros ailstrwythuro'r haen reoli, na gweithdrefnau ffurfiol i fonitro'r broses a chafwyd anghydfod rhwng y pwyllgor cyllid a'r pwyllgor dibenion cyffredin a phrif bwyllgor y corff llywodraethol, ac yr oedd sôn am bleidlais o ddiffyg hyder na weithredwyd arni ac efallai y byddai wedi newid hynt y coleg pe bai wedi ei chynnal ar yr adeg honno. Yn ogystal, daeth y Pwyllgor Cyfrifon Cyhoeddus i'r casgliad bod y corff llywodraethol wedi bod yn hunanfodlon o safbwynt yr hyn a oedd yn digwydd gan nodi ei fod yn rhyfeddu nad oedd y corff llywodraethol wedi ymchwilio i gost ailstrwythuro na phennu terfynau cost ac amser. Yn amlwg, yn ogystal ag adfer y coleg o ran ei gyllid, yr oedd hefyd angen ei adfer yn y ffordd yr oedd yn cael ei lywodraethu. Felly yr wyf o'r farn bod angen ichi sicrhau'r Pwyllgor Archwilio ynglŷn â'r camau yr ydych wedi eu cymryd o ran sicrhau bod gennych gorff llywodraethol effeithiol bellach. A allwch ddechrau drwy roi ychydig o wybodaeth inni ar sut mae'r corff llywodraethol wedi ei ffurfio a phwy yw'r aelodau cynrychioliadol?

**Mr Mason:** I presume, Jane, that you were addressing the question to me?

**Mr Mason:** Yr wyf yn cymryd eich bod yn gofyn y cwestiwn i mi, Jane?

[36] **Jane Davidson:** Yes.

[36] **Jane Davidson:** Oeddwn.

**Mr Mason:** The easiest thing is to give you a summary. Perhaps I can just prefix that, given the comments you have just made. Obviously, I do not want to be discourteous to the people who went before me whom I never actually knew. It is important to stress that none of the governors in post now—with the exception of the staff governor, who was re-elected by his staff—were in post at the time of the crisis, if I can call it that. They have all been appointed since Sue Parker

**Mr Mason:** Y peth hawsaf yw rhoi crynodeb i chi. A gaf gynnig ychydig sylwadau cyn gwneud hynny, o ystyried yr hyn yr ydych newydd ei ddweud. Wrth gwrs, nid wyf am ddifriō'r bobl a oedd yn y swydd o'm blaen nad oeddwn yn eu hadnabod. Mae'n bwysig pwysleisio nad oedd yr un o'r llywodraethwyr presennol—ac eithrio'r llywodraethwr o'r staff, a gafodd ei ailethol gan ei staff—mewn swydd ar adeg yr argyfwng, os y caf gyfeirio ato felly. Cafodd

resigned—that is probably the easiest way to see the cut-off. I think that that it is quite an important point to make. The governing body has also had a significant amount of turnover in terms of members, so even some members who joined just after Sue Parker resigned have left. Would the current composition of the governing body be helpful?

[37] **Janet Davies:** Yes.

**Mr Mason:** We have a determined membership of 19. There are seven business members and it is a requirement of the instrument that we must have a third and it is rounded up or down. We have two co-opted members and three staff members. You may be aware that the rules say that we must have at least one and up to three staff members. Our corporation has determined that we should have the maximum. We have a student member and five local authority members. Again, you probably know that Coleg Gwent was given a special instrument. All other colleges have up to three local authority members but Coleg Gwent, because we function within five unitary authorities, was given a special instrument in the legislation. We were allowed to appoint up to five and we have, of course, chosen five. So we have five local authority members. It is quite important to pick up that linkage back to the old system. I think that there is a bridge building there. I am also a member of the governing body. A principal can choose to be a member and I do not know of a principal who has not chosen to be a member.

The corporation also aims to move to a determination of 21 in time. I should mention that the corporation has moved from a membership of 13 to a membership of 19. I am sorry to confuse you with numbers but the strategy is important. A detailed skills audit of the governing body was carried out by the governing body. We felt that in appointing new governors, we should not just do what is often done, which is to ask if anybody would like to be on the governing body. We were keen to focus on skills needs on the governing body. Also, gender balance is a

pob un ohonynt eu penodi ers i Sue Parker ymddiswyddo—dyma'r ffordd orau o dynnu llinell. Credaf fod hwnnw'n bwynt eithaf pwysig i'w wneud. Cafwyd cryn droiant ymhlith aelodau'r corff llywodraethol hefyd, felly mae hyd yn oed rhai o'r aelodau a ymunodd ar ôl i Sue Parker ymddiswyddo wedi gadael. A fyddai'n ddefnyddiol nodi cyfansoddiad presennol y corff llywodraethol?

[37] **Janet Davies:** Byddai.

**Mr Mason:** 19 yw ein haelodaeth benodedig. Mae saith aelod busnes ac mae'n ofynnol o dan yr offeryn bod gennym draean a chaiff y nifer ei thalgrynnu i fyny neu i lawr. Mae gennym ddau aelod cyfetholedig a thri aelod o'r staff. Efallai y byddwch yn ymwybodol bod y rheolau yn datgan bod yn rhaid inni gael o leiaf un aelod o'r staff a hyd at uchafswm o dri. Mae ein corfforaeth wedi penderfynu y dylem gael yr uchafswm. Mae gennym aelod sydd yn fyfyrwr a phum aelod o awdurdodau lleol. Unwaith eto, fe wyddoch mae'n siŵr, bod gan Goleg Gwent offeryn arbennig. Mae gan bob un o'r colegau eraill hyd at uchafswm o dri aelod o awdurdodau lleol, ond rhoddwyd offeryn arbennig yn y ddeddfwriaeth i Goleg Gwent, gan ein bod yn gweithredu o fewn ffiniau pum awdurdod unedol. Caniatawyd inni benodi hyd at uchafswm o bump ac yr ydym, wrth reswm, wedi dewis pump. Felly mae gennym bum aelod o awdurdodau lleol. Mae'n eithaf pwysig nodi'r ddolen gyswllt honno â'r hen system. Yr wyf o'r farn bod modd pontio o ran hynny. Yr wyf innau hefyd yn aelod o'r corff llywodraethol. Gall y prifathro ddewis bod yn aelod ai peidio ac ni wn am unrhyw brifathro nad yw wedi dewis bod yn aelod.

Mae'r gorfforaeth hefyd yn bwriadu symud at aelodaeth benodedig o 21 ymhen amser. Dylwn nodi bod y gorfforaeth wedi newid o aelodaeth o 13 i aelodaeth o 19. Mae'n ddrwg gennyf eich drysu gyda ffigurau, ond mae'r strategaeth yn un bwysig. Cynhaliodd y corff llywodraethol archwiliad manwl o'r sgiliau ymhlith yr aelodau. Yr oeddem o'r farn na ddylem, wrth benodi llywodraethwyr newydd, ddilyn yr hyn sydd yn cael ei wneud yn aml, sef gofyn a oes diddordeb gan unrhyw un i fod yn aelod o'r corff llywodraethol. Yr oeddem yn awyddus i

real problem for us. We have a very small number of women on the governing body and we feel that that is an important issue.

We carried out the skills audit and targeted specifically. For example, we felt that we needed someone on the governing body with a background of special needs work. We have appointed a woman, which is a two for the price of one deal in terms of our aim of skills and gender balance. The woman was nominated by the Gwent Association of Voluntary Organisations. We also felt that we needed a legal mind. We needed someone on the governing body who could take a legal perspective. So we targeted to try to find someone and have appointed a local solicitor.

In terms of local authorities, we have tried but there is a very sensitive relationship with them, in that they feel that they should nominate whomever they wish. We understand that but on the other hand, we have suggested to local authorities the sort of skills that we are looking for in the hope that they will choose such people. For instance, one of our local authorities has nominated the chief executive of the authority. The other four have nominated elected members, which again is a nice balance. We have made huge progress in terms of the fact that we now have a governing body that is very well-balanced in terms of skill. We are looking for one more co-opted member. You know that we have a large land-based provision and a big farm. We are looking for someone from the farming community, which is a sensitive community from which to identify someone. We are working on that.

So I can reassure you that the governing body has changed quite dramatically. It is quite different to the previous governing body. It is very vigilant. You can imagine that if you joined Coleg Gwent's governing body and read some of these reports, you would stay awake at the meetings.

ganolbwyntio ar anghenion sgiliau'r corff llywodraethol. Hefyd, mae gennym broblem wirioneddol o ran y cydbwysedd rhwng dynion a merched. Ychydig iawn o ferched sydd yn aelodau o'r corff llywodraethol ac yr ydym o'r farn bod hwn yn fater pwysig.

Cynhaliwyd ein harchwiliad o sgiliau gennym gan dargedu'n benodol. Er enghraifft, yr oeddem o'r farn bod angen penodi rhywun i'r corff llywodraethol gyda chefnidir o waith anghenion arbennig. Penodwyd merch gennym, sydd yn cyflawni dau beth mewn un gweithred o safbwynt ein nod o ran sgiliau a'n nod i gyflawni cydbwysedd rhwng dynion a merched. Enwebwyd y ferch gan Gymdeithas Sefydliadau Gwirfoddol Gwent. Yr oeddem hefyd o'r farn bod angen arbenigedd cyfreithiol. Yr oedd angen penodi unigolyn i'r corff llywodraethol a allai ystyried y safbwynt cyfreithiol. Felly targedwyd er mwyn ceisio dod o hyd i unigolyn ac yr ydym wedi penodi cyfreithiwr lleol.

O ran awdurdodau lleol, yr ydym wedi gwneud ymdrech ond mae gennym berthynas sensitif iawn â hwy, yn y ffaith eu bod o'r farn y dylent enwebu pwy bynnag y mynnont. Deallwn hynny ond, ar y llaw arall, yr ydym wedi awgrymu i'r awdurdodau lleol y math o sgiliau yr ydym yn chwilio amdanynt gan obeithio y byddant yn dewis pobl gyffelyb. Er enghraifft, mae un o'n hawdurdodau lleol wedi enwebu prif weithredwr yr awdurdod. Mae'r pedwar arall wedi enwebu aelodau etholedig, sydd hefyd yn gydbwysedd da. Yr ydym wedi gwneud cynnydd sylweddol yn y ffaith bod gennym gorff llywodraethol bellach sydd yn gytbwys o ran sgiliau. Yr ydym yn chwilio am un aeod cyfetholedig arall. Gwyddoch bod gennym ddarpariaeth helaeth o dir a fferm fawr. Yr ydym yn chwilio am unigolyn o'r gymuned ffermio, sydd yn gymuned sensitif o ran ceisio nodi unigolyn. Yr ydym yn parhau i weithio ar hynny.

Felly gallaf eich sicrhau bod y corff llywodraethol wedi newid cryn dipyn. Mae'n gwbl wahanol i'r hen gorff llywodraethol. Mae'n wylidwrus iawn. Pe baech yn dod yn aelod o gorff llywodraethol Coleg Gwent ac yn darllen rhai o'r adroddiadau hyn, dyn a wŷr, byddech yn aros yn effro yn y



cyfarfodydd.

[38] **Jane Davidson:** One of the key points in terms of governing bodies—because, after all, we are talking about volunteers—is to ensure that governors have adequate training so that they are competent to carry out their difficult role in managing a college, particularly for one that is under such public scrutiny at the moment. What formal training do your members receive and how is that provided?

**Mr Mason:** They receive training in two main avenues. First, we have participated extensively in the governance and management development programme to which Steve referred. Governors are busy people and we are trying to get a balance instead of overloading them. Most of our governors are very enthusiastic and if we tell them that we think they ought to go to something, they will try to go to it. The problem with that is that they sometimes feel overloaded. Therefore we use the GMDP pretty extensively. Again, we choose carefully. If the matter concerns financial management, the chair of finance would probably attend as well as perhaps a couple of new members.

We also run quite a bit of in-house training ourselves. For example, next Tuesday we have a governor development evening. The issues being shared with them are the latest developments in post-16 education in Wales, curriculum 2000 and updates on the funding methodology, because we have about eight new governors who do not really understand the funding methodology. We have had training sessions from our external auditors and our solicitors, Morgan Cole. Its employee lawyer that we deal with has talked to the governing body about issues relating to employment law, new European legislation and so on.

We have a well-developed induction

[38] **Jane Davidson:** Un o'r pwyntiau allweddol o ran y cyrff llywodraethol—oherwydd wedi'r cyfan, sôn am wirfoddolwyr yr ydym—yw sicrhau bod y llywodraethwyr yn cael hyfforddiant digonol er mwyn iddynt fod yn gymwys i ymgymryd â'r rôl anodd sydd ganddynt o ran rheoli'r coleg, yn enwedig coleg sydd yn cael cymaint o sylw gan y cyhoedd ar hyn o bryd. Pa hyfforddiant ffurfiol yr ydych yn ei roi i'ch aelodau a sut y caiff ei ddarparu?

**Mr Mason:** Maent yn cael hyfforddiant mewn dau brif ddull. Yn gyntaf, yr ydym wedi defnyddio'r rhaglen datblygu llywodraethu a rheoli y cyfeiriodd Steve ati yn eang. Mae'r llywodraethwyr yn bobl brysur ac yr ydym yn ceisio cael cydbwysedd yn hytrach na'u gorlwytho. Mae'r rhan fwyaf o'n llywodraethwyr yn frwdfrydig iawn ac os byddwn yn dweud wrthynt y credwn y dylent fynychu rhywbeth neu'i gilydd, byddant yn ceisio ei fynychu. Y broblem yw eu bod weithiau yn teimlo bod gormod o bwysau gwaith. Felly yr ydym yn defnyddio'r rhaglen datblygu llywodraethu a rheoli yn eithaf eang. Unwaith eto, yr ydym yn dewis a dethol yn ofalus. Os bydd y mater yn ymwneud â rheoli ariannol, cadeirydd y pwyllgor cyllid ynghyd ag un neu ddau o'r aelodau newydd fydd, fwy na thebyg, yn fynychu.

Yr ydym hefyd yn cynnal ychydig o hyfforddiant mewnol ein hunain. Er enghraifft, ddydd Mawrth nesaf bydd gennym noswaith ddatblygu i'r llywodraethwyr. Y materion o dan sylw fydd y datblygiadau diweddaraf mewn addysg ôl 16 yng Nghymru, cwricwlwm 2000 a'r wybodaeth ddiweddaraf am y fethodoleg gyllido, gan fod gennym tua wyth llywodraethwr newydd nad ydynt yn llwyr ddeall y fethodoleg gyllido. Mae ein harchwilwyr allanol a'n cyfreithwyr, sef Morgan Cole, wedi cynnal sesiynau hyfforddiant inni. Mae ei gyfreithiwr cyflogaion yr ydym yn ymdrin ag ef wedi annerch y corff llywodraethol am faterion yn ymwneud â chyfraith cyflogaeth, deddfwriaeth newydd Ewropeaidd ac ati.

Mae gennym raglen sefydlu ddatblygedig ar

programme for governors. All new governors go through an induction programme. If governors join a committee, for example, the estates committee, then the estates director will spend time with them, visiting all the college campuses and highlighting the key issues of each campus, such as the maintenance problems that your Chair mentioned, leaking roofs and so on. If you spoke to our new governors, I think that they would say that they were quite surprised at how much has been done to make them move quickly into the role and to enable them to get up to speed quickly.

[39] **Jane Davidson:** We are all aware that the funding methodology is very difficult. If you do have a high turnover of governors—as you have indicated in your responses to these questions—what self-assessment of the performance of the governing body is undertaken to ensure that, despite changes in membership, you are still confident that the robust and professional governing body required by the Public Accounts Committee is in place in the institution?

**Mr Mason:** Can I make one comment? Perhaps I have given the impression that there has been a high turnover. I was trying politely to say that a number of people decided to resign from the governing body because they felt that the college should move on into a new era. I am not suggesting that we regularly get a high turnover. The governors are appointed for four years. Our corporation has determined a four-year period. To pick up on that point, I would not expect a regular and massive turnover. What has happened in this transition period with the new instruments of government, bringing in the local authority members and so on, is that we have had an influx, if you like.

[40] **Jane Davidson:** Yes, you said that you had eight new governors.

**Mr Mason:** All I am saying is that I would not expect to have another turnover of eight next year. In that sense, we are trying to implement quite a high level of training for

gyfer y llywodraethwyr. Mae pob llywodraethwr newydd yn cymryd rhan yn y rhaglen sefydlu. Os bydd llywodraethwr yn ymuno â phwyllgor, er enghraifft, y pwyllgor ystadau, yna bydd y cyfarwyddwr ystadau yn treulio amser gyda ef, yn ymweld â phob campws o fewn y coleg yn nodi'r materion allweddol ar bob campws, megis y problemau cynnal a chadw y cyfeiriodd eich Cadeirydd atynt, toeau yn gollwng ac ati. Pe baech yn siarad â'n llywodraethwyr newydd, credaf y byddent yn dweud eu bod yn synnu braidd bod cymaint wedi cael ei wneud i sicrhau eu bod yn ailgydio yn eu rôl yn gyflym ac i'w galluogi i gael y wybodaeth ddiweddaraf yn gyflym.

[39] **Jane Davidson:** Yr ydym oll yn ymwybodol bod y fethodoleg gyllido yn ddyrys iawn. Os oes gennych drosiant uchel o lywodraethwyr—fel yr ydych wedi nodi yn eich atebion i'r cwestiynau hyn—pa hunan-asesiad o berfformiad y corff llywodraethol a wneir i sicrhau eich bod, er gwaethaf y newidiadau yn yr aelodaeth, yn hyderus o hyd bod y corff llywodraethol a phroffesiynol y mae'r Pwyllgor Cyfrifon Cyhoeddus wedi gofyn amdano yn ei le yn y sefydliad?

**Mr Mason:** A gaf gynnig un sylw? Efallai fy mod wedi rhoi'r argraff bod gennym drosiant uchel. Yr oeddwn yn ceisio dweud mewn ffordd garedig bod nifer o bobl wedi penderfynu ymddiswyddo o'r corff llywodraethol oherwydd eu bod o'r farn y dylai'r coleg symud ymlaen at gyfnod newydd yn ei hanes. Nid wyf am awgrymu bod gennym drosiant uchel fel rheol. Penodir y llywodraethwyr am gyfnod o bedair blynedd. Penderfynodd ein corfforaeth ar gyfnod o bedair blynedd. I ddychwelyd at y pwynt hwnnw, ni fyddwn yn rhagweld trosiant enfawr fel rheol. Yr hyn sydd wedi digwydd yn y cyfnod trosiannol yn sgîl yr offerynnau llywodraethu newydd, dod ag aelodau o'r awdurdod lleol i mewn ac ati, yw ein bod wedi cael mewnlif, fel petai.

[40] **Jane Davidson:** Ie, dywedasoich bod gennych wyth llywodraethwr newydd.

**Mr Mason:** Y cwbl yr wyf yn ei ddweud yw na ragwelwn y bydd gennym wyth aelod newydd y flwyddyn nesaf. O safbwynt hynny, yr ydym yn ceisio cynnig lefel eithaf

those new governors. I would imagine that when the governors are settled and a steady-state governing body has been reached, one would see that training levelling out a bit. We tended to make an extra input because we happened to have a lot of governors. On the funding methodology, we are not trying to teach them the details of that but are trying to give them an appreciation of how critical it is that student numbers hold up and that we have good achievements and retention because it relates so directly to our funding.

[41] **Jane Davidson:** I will finish with two questions to Mr Martin on the fund details.

[42] **Janet Davies:** I will just bring two other people in and we will come back to you in a minute, Jane. I think that Brian wanted to pursue the issue of the governing body.

[43] **Brian Gibbons:** Yes. Both documents before us are very critical of the governors. I ask—not so much in the context of Coleg Gwent but on a routine basis—how realistic is it to expect volunteers, who give up their time, to undertake these extremely onerous duties and responsibilities, which the Public Accounts Committee says is a big and challenging job. Would any of you agree that this is an impossible remit for volunteers?

**Mr Martin:** It is a very challenging job. Nobody should undertake it unless they are prepared to put in quite a few hours. I think that you have had earlier evidence in your more general inquiry about the sort of burden that it involves. You refer to that in your recent report. We are trying to make it as easy for people as possible but that does not in any way detract from the extent, nature and gravity of the responsibilities.

This summer we will at last issue the guide to governors and also what will be extremely useful and user-friendly training materials. I found them very user-friendly, anyway.

uchel o hyfforddiant i'r llywodraethwyr newydd hyn. Bydd lefel yr hyfforddiant yn gostwng ryw ychydig, dybiwn i, unwaith y bydd y llywodraethwyr wedi ymsefydlu a bod gennym gorff llywodraethol sefydlog. Yr oeddem yn tueddu i roi'r allbwn ychwanegol oherwydd ein bod yn digwydd penodi llawer o lywodraethwyr. Ynglŷn â'r fethodoleg gyllido, nid ydym yn anelu at ddysgu manylion y fethodoleg iddynt ond yn hytrach ceisio rhoi darlun iddynt o ba mor holl bwysig ydyw bod nifer y myfyrwyr yn parhau a'n bod yn cyflawni'n dda a chadw ein myfyrwyr am fod ein cyllid wedi ei gysylltu'n uniongyrchol â hynny.

[41] **Jane Davidson:** Hoffwn orffen gyda dau gwestiwn i Mr Martin ar fanylion y cyllido.

[42] **Janet Davies:** Hoffwn ddod â dau o bobl eraill i mewn a byddwn yn dod yn ôl atoch mewn eiliad, Jane. Credaf fod Brian am holi rhagor ynglŷn â'r corff llywodraethol.

[43] **Brian Gibbons:** Ydwyf. Mae'r ddwy ddogfen ger ein bron yn feirniadol iawn o'r llywodraethwyr. Holaf—nid yn gymaint o safbwynt Coleg Gwent ond yn gyffredinol—pa mor realistig ydyw i ddisgwyl i wirfoddolwyr, sydd yn rhoi o'u hamser, i ymgymryd â'r dyletswyddau a'r cyfrifoldebau hyn sydd yn rhai beichus dros ben, ac yn waith trwm ac ymestynnol yn ôl y Pwyllgor Cyfrifon Cyhoeddus. A fyddai unrhyw un ohonoch yn cytuno bod hyn yn dasg amhosibl i wirfoddolwyr?

**Mr Martin:** Mae'n swydd ymestynnol iawn. Ni ddylai neb ymgymryd â hi oni bai ei fod yn barod i weithio cryn nifer o oriau. Yr ydych wedi cael tystiolaeth yn gynharach, mi gredaf, yn eich ymholiad mwy cyffredinol ynglŷn â'r math o faich sydd ynghlwm â hi. Yr ydych yn cyfeirio at hynny yn eich adroddiad diweddar. Yr ydym yn ceisio ei gwneud mor hawdd â phosibl i bobl ond nid yw hynny yn lleihau hyd a lled y cyfrifoldebau a'u natur a'u pwysigrwydd mewn unrhyw ffordd.

Yn yr haf eleni byddwn o'r diwedd yn cyhoeddi'r arweiniad i'r llywodraethwyr a hefyd ddeunyddiau a fydd yn ddefnyddiol iawn ac yn hawdd iawn i'w defnyddio. Cefais

These have been developed jointly in Wales and England, which is one of the reasons why it has taken a while. People from Wales have been represented in developing them. When we have them in place, it will make this process easier. We do see the funding council itself as having a continuing responsibility—returning to the point I made about a partnership with colleges—to run a continuing series of events, seminars or whatever. This has always happened to an extent, but it was more ad hoc previously. We see that as something that we need to do and develop under the next phase of the governance and management development programme. Much public service depends on people giving of their time willingly and for nothing. I recall that estimates of the cost of doing it in other ways were that it could be an absolute fortune. It does root the activities of these bodies firmly, particularly perhaps with the revisions to the arrangements for appointments to governing bodies, in local communities. There may be other models but I think that we could make this one work. It will require eternal vigilance and a lot of effort from everyone involved.

[44] **Brian Gibbons:** Do you think that there is a case for slightly readjusting the balance between full-timers such as yourself, and volunteers?

**Mr Martin:** The role of a governing body is not to run an institution. It is to take a view about strategic direction and systems and to ensure that systems are functioning and are being audited, that there is a proper audit needs assessment and that there is a committee structure that enables it to do that. It is a job of interrogation and of leadership at the highest level. It is not about running an institution. If you confuse those two roles—the role of oversight, checking and monitoring and the role of management—there is a severe danger that you will end up with more problems like this, not less, in the sense that there will not be clear blue water between what the governing body is responsible for and what management is responsible for in terms of running the

hwy'n hawdd iawn i'w defnyddio, beth bynnag. Cafodd y rhain eu datblygu ar y cyd yng Nghymru a Lloegr, sef un o'r rhesymau pam y cymerodd dipyn o amser. Cafodd pobl o Gymru eu cynrychioli yn y gwaith o'u datblygu. Pan fyddwn wedi eu rhoi ar waith, bydd yn sicrhau bod y broses hon yn haws. Nid ydym yn rhagweld y bydd gan y cyngor cyllido ei hun gyfrifoldeb parhaus—gan ddychwelyd at y pwynt a wnes ynglŷn â'i bartneriaeth a'r colegau—dros gynnal cyfres o ddigwyddiadau, seminarau neu beth bynnag o hyd. Mae hyn wedi digwydd erioed i raddau, ond yr oedd ar sail fwy achlysurol o'r blaen. Ystyriwn hynny yn rhywbeth y bydd angen inni ei wneud a'i ddatblygu yn ystod cam nesaf y rhaglen datblygu llywodraethu a rheoli. Mae'r rhan fwyaf o'r gwasanaeth cyhoeddus yn dibynnu ar bobl sydd yn barod i roi o'u hamser a hynny yn rhad ac am ddim. Yr wyf yn cofio, yn ôl yr amcangyfrifon o'r gost o'i wneud mewn ffyrdd eraill y gallai gostio ffortiwn. Mae'n ffordd o sicrhau bod gweithgareddau'r cyrff hyn, yn enwedig efallai gyda'r diwygiadau i'r trefniadau penodi i gyrff llywodraethol, wedi eu gwreiddio yn y cymunedau lleol. Efallai bod modelau eraill ond credaf y gallem wneud i hwn weithio. Bydd yn gofyn am wyliadwriaeth ddi-baid a chryn ymdrech ar ran pawb sydd yn ymwneud ag ef.

[44] **Brian Gibbons:** A gredwch fod lle i ddadlau dros addasu'r cydbwysedd rhwng gweithwyr llawn amser fel chi, a gwirfoddolwyr ryw ychydig?

**Mr Martin:** Nid rôl y corff llywodraethol yw rhedeg sefydliad. Ei rôl yw llunio barn ynglŷn â'r cyfeiriad strategol a'r systemau ac i sicrhau bod y systemau yn gweithredu ac yn cael eu harchwilio, bod asesiad priodol o'r anghenion archwilio a bod strwythur pwyllgor sydd yn ei alluogi i wneud hynny. Ei swyddogaeth yw croesholi a rhoi arweinyddiad ar y lefel uchaf. Nid yw'n golygu rhedeg sefydliad. Os ydych yn cymysgu'r ddwy rôl hyn—sef y rôl o oruchwyllo, gwirio a monitro a'r rôl reoli—mae perygl mawr y byddwch yn creu mwy o broblemau o'r fath, nid llai, yn yr ystyr na fyddai eglurder ynglŷn â'r hyn y mae'r corff llywodraethol yn gyfrifol amdano a'r hyn y mae'r rheolwyr yn gyfrifol amdano o safbwynt rhedeg y coleg.

college.

[45] **Brian Gibbons:** That is precisely what the governing body has been criticised for, as far as I understand it—not being on top of the detail.

**Mr Martin:** Yes.

[46] **Brian Gibbons:** But are you saying that it is not reasonable to expect them to be on top of the detail to that extent?

**Mr Martin:** I do not think that the issues that arose in this case, and in similar ones in England, were about a lack of grasp of detail. They were about a failure to ensure that the systems were in place to ensure that the governing body routinely received financial and other information and that audits were carried through. For example, ensuring that when the internal audit identifies that some 20 things need to be done, that they are done and there is evidence that they have been done. Therefore, it does not require them to master huge amounts of detail, although I would be the first to say that a good eye for the significant detail can be a very telling thing. That is why it is important that accountancy, financial and legal skills and so on are adequately represented on governing bodies, so that you have people with a background, in business for example, which enables them to bring that to the body.

**Dafydd Wigley:** Hoffwn ddilyn y pwynt hwnnw. Yn y cwestiynau cychwynnol, fe'i gwnaethpwyd yn glir fod cyfrifoldeb am redeg y sefydliadau hyn yn disgyn ar y cyngor llywodraethol yn hytrach nag ar y cyngor cyllido neu'r Cynulliad. Felly, gyda'r cyfrifoldeb hwnnw, mae'r swyddi yn aruthrol bwysig. Maent yn gofyn i bobl â chymwysterau roi amser sylweddol yn ddi-dâl. Pan ydym yn sôn am redeg busnes £35 miliwn y flwyddyn, a ydym am gael pobl sydd yn gallu rhoi'r amser ac sydd â'r cymwysterau a'r cefndir? A yw'r model hwn yn ymarferol?

Yr wyf yn edrych ar yr adroddiad a gawsom yn gynharach. Mae'n dweud bod y Swyddfa Gymreig wedi rhoi rhwymedigaethau o'r newydd ar y cyngor cyllido i sicrhau'r

[45] **Brian Gibbons:** Dyna'r union beth y mae'r corff llywodraethol wedi cael ei feirniadu yn ei gylch, hyd y deallaf fi—sef peidio â meistrolï'r manylion.

**Mr Martin:** Ie.

[46] **Brian Gibbons:** Onid ydych yn dweud nad yw'n rhesymol disgwyl iddynt fod yn feistri ar y manylion i'r fath raddau?

**Mr Martin:** Ni chredaf mai diffyg gafael ar fanylion oedd wrth wraidd y materion a gododd yn yr achos hwn, ac mewn achosion tebyg yn Lloegr. Yr oeddent yn ymwneud â methiant i sicrhau bod y systemau yn eu lle i sicrhau bod y corff llywodraethol yn cael gwybodaeth ariannol a gwybodaeth arall yn rheolaidd a'i fod yn gweithredu ar archwiliadau. Er enghraifft, yn sicrhau, pan fydd yr archwilywyr mewnol yn nodi tua 20 o bethau y mae angen eu gwneud, eu bod yn cael eu gwneud a bod tystiolaeth eu bod wedi eu gwneud. Felly nid yw'n ofynnol iddynt feistroli darnau mawr o fanylion, er mai fi fyddai'r cyntaf i ddweud y gall llygad barcud am y manylyn arwyddocaol fod yn effeithiol iawn. Dyna pam y mae'n bwysig bod gennym ddigon o sgiliau cyfrifydddeg, sgiliau ariannol a chyfreithiol ac ati ar gyrff llywodraethol, fel bod gennym bobl â chefnidir, mewn busnes er enghraifft, sydd yn eu galluogi i roi hynny i'r corff.

**Dafydd Wigley:** I want to follow on from that point. In the initial questions, it was made clear that responsibility for running these organisations falls to the governing bodies rather than the funding council or the Assembly. Therefore, given that responsibility, the jobs are extremely important. They require people with qualifications to give a substantial amount of time without remuneration. When we are talking about running a £35 million a year business, are we going to get people who can give the time and have the qualifications and background? Is this model practicable?

I am looking at the report that we received earlier. It says that the Welsh Office has placed new obligations on the funding council to ensure the highest standards of

safonau uchaf mewn llywodraethu yn y sector ac wedi gofyn i'r cyngor cyllido fonitro perfformiad sefydliadau o ran llywodraethu. Pa wersi yr ydym yn eu dysgu am fonitro perfformiad sefydliadau o ran llywodraethu ac a ydym yn dod i benderfyniad fod angen newid y model hwn?

**Mr Martin:** Ni chredaf ein bod wedi cyrraedd y pwynt o newid y model. Mae hynny wedi'i osod yn y Ddeddf ac yn yr erthyglau ac offerynnau ac yn y blaen. Y wers i mi yw'r angen i sicrhau bod digon o hyfforddiant yn ogystal â sicrwydd ynghylch anghenion y cyrff llywodraethu cyn penodi pobl. Rhaid inni sicrhau bod ymrwymiad i wneud y gwaith. O'r hyn yr wyf yn ei ddeall ynglŷn â safon y llywodraethwyr yng Ngholeg Gwent ar ôl yr holl drafferthion, maent yn bobl o safon sydd yn cymryd y cyfrifoldebau o ddifrif. Nid wyf yn sicr, ar ôl pedair wythnos, a yw hynny'n gyffredinol wir neu beidio. Yr wyf am sicrhau bod y cyngor cyllido yn gwneud ei orau i weithio gyda'r colegau drwy ail ran y rhaglen yr wyf newydd ei disgrifio, i wneud hynny yn y dyfodol. Yr ydym wedi dechrau ar hynny. Ni chredaf fod digon o dystiolaeth bod y model yn ddiffygiol. Ceir lluo o enghreifftiau o gyrff sydd â model proffesiynol yn cael problemau. Ni ddywedaf hynny i gyfiawnhau'r model hwn, ond nid wyf yn credu mai'r model yw'r broblem sylfaenol. Yr wyf yn sicr y bydd yn rhaid inni edrych ar ei weithrediad yn wyladwrus wrth inni fonitro, oherwydd bod nifer o ddiffygion ym mherfformiad cyrff o hyd ac yr ydym yn gweithio i wella'r sefyllfa.

[48] **Janet Davies:** There is a feeling in the Committee that there are some problems here to which we may ask other parts of the Assembly to pay attention. However, we want to move on from the governing body issue now.

[49] **Jane Davidson:** I will ask one more question on the governing body related to the funding council. I note what you said about issuing a guide to governors. However, in terms of the public accountability of governors, which is recognised in the National Audit Office report and that of the Public Accounts Committee, it seems that the funding council should be doing a great deal

governance in the sector and has asked the funding council to monitor the performance of organisations in terms of governance. What lessons are we learning about monitoring the performance of organisations in terms of governance and are we coming to a decision that we need to change this model?

**Mr Martin:** I do not think that we have reached the point of changing the model. That is set out in the Act and in the articles and instruments and so on. The lesson for me is the need to ensure that there is enough training as well as certainty about the needs of governing bodies before appointing people. We must ensure that there is a commitment to do the work. From what I understand of the standard of governors in Gwent College after all the problems, they are people of a high standard who take the responsibilities seriously. I am not sure, after four weeks, if that is generally true or not. I want to ensure that the funding council does its best to work with colleges through the second part of the programme that I have just described, to do that in the future. We have started on that. I do not think that there is sufficient evidence that the model is deficient. There are many examples of bodies with a professional model that have problems. I do not say that to justify this model, but I do not think that the model is the fundamental problem. I am sure that we will have to look at its operation carefully as we monitor, because there are still several deficiencies in the performance of organisations and we are working to improve the situation.

[48] **Janet Davies:** Mae'r Pwyllgor o'r farn bod rhai problemau efallai y byddwn yn gofyn i rannau eraill o'r Cynulliad roi sylw iddynt. Fodd bynnag, yr ydym am symud ymlaen o fater y corff llywodraethol yn awr.

[49] **Jane Davidson:** Gofynnaf un cwestiwn arall am y corff llywodraethol sydd yn ymwneud â'r cyngor cyllido. Nodaf yr hyn yr ydych wedi ei ddweud ynglŷn â chyhoeddi canllaw i'r llywodraethwyr. Fodd bynnag, o safbwynt atebolrwydd cyhoeddus y llywodraethwyr, sydd yn cael ei gydnabod yn adroddiad y Swyddfa Archwilio Genedlaethol, ac adroddiad y Pwyllgor

more to ensure that all colleges in Wales have governors who are fully skilled through training programmes and issuing strong guidance to colleges on their governing bodies' arrangements, in the same way that colleges get strong guidance on the appointment of their senior staff.

**Mr Martin:** There are limitations on how far we can insist on things. The statutory framework has the governing body appointing its own membership within the framework with which you are familiar. We are trying to ensure that best practice is available and that, through the governance and management development programme, that is built into the way in which governing bodies operate, in which appointments are made and in which the control systems and so on work. To move beyond partnership to running colleges would require a different framework. However, it is true that, within the framework that exists, we are using every possible means to ensure that we are stimulating governing bodies to address those issues firmly. My latest assessment is that, in terms of the governance and management development programme, we have remaining concerns about how that is going in at least six institutions and we will focus our effort, in particular in the second phase, on areas where we are not yet satisfied. It is a continuing process and cannot ever be a one-off event. We will have to continue to revisit this and ensure that the systems are embedded, and we will do that through auditing and as we roll out the next phases of this programme. Therefore, we do not think that by simply issuing some training materials—if I have conveyed that impression, I did not mean to do so—or by doing a couple of roadshows, the job is done. It is a combination of a whole set of processes, some of them very formal, about our monitoring and control, and some about working in partnership through this programme.

[50] **Jane Davidson:** In terms of the role of the funding council in relation to the financial

Cyfrifon Cyhoeddus, ymddengys y dylai'r cyngor cyllido wneud llawer mwy i sicrhau bod gan bob coleg yng Nghymru lywodraethwyr sydd yn gwbl fedrus o ganlyniad i raglenni hyfforddiant ac i gyhoeddi arweiniad cadarn i'r colegau ar drefniadau eu cyrff llywodraethol, yn yr un modd ag y mae'r colegau yn cael arweiniad cadarn ynglŷn â phenodi eu huwch staff.

**Mr Martin:** Mae cyfyngiadau ar ba mor bell y gallwn fynnu bod pethau'n cael eu gwneud. Yn ôl y fframwaith statudol, mae'r corff llywodraethol yn penodi ei aelodaeth ei hun o fewn y fframwaith y gwyddoch amdano. Yr ydym yn ceisio sicrhau bod yr arfer gorau ar gael a bod hynny, drwy'r rhaglen datblygu llywodraethu a rheoli, yn cael ei gynnwys yn y ffordd y mae'r cyrff llywodraethol yn gweithredu, yn y ffordd y mae penodiadau yn cael eu gwneud a'r ffordd y mae'r systemau rheoli ac ati yn gweithredu. Byddai angen fframwaith gwahanol pe baech am symud y tu hwnt i bartneriaeth tuag at redeg colegau. Fodd bynnag, mae'n wir dweud ein bod, o fewn y fframwaith sydd yn bodoli, yn defnyddio pob modd posibl i sicrhau ein bod yn annog y cyrff llywodraethol i fynd i'r afael â'r materion hynny mewn ffordd gadarn. Fy asesiad diweddaraf yw, o ran y rhaglen datblygu llywodraethu a rheoli, bod gennym bryderon o hyd ynghylch sut y mae'n gweithredu mewn chwe sefydliad o leiaf a byddwn yn canolbwyntio, yn enwedig yn yr ail gam, ar y meysydd hynny nad ydym yn fodlon arnynt hyd yn hyn. Proses barhaus ydyw ac ni all fod yn ddigwyddiad untro. Bydd yn rhaid inni barhau i ddychwelyd at hyn a sicrhau bod y systemau yn ymsefydlu, a byddwn yn gwneud hynny drwy waith archwilio ac wrth inni gyflwyno'r camau nesaf o'r rhaglen hon. Felly, ni chredwn y caiff y gwaith hwn ei gyflawni drwy gyhoeddi rhai deunyddiau hyfforddi yn unig—os wyf wedi rhoi'r argraff honno, nid hwnnw oedd fy mwriad—neu drwy drefnu ambell i sioe ar daith. Mae'n gyfuniad o gyfres gyfan o brosesau, y mae rhai ohonynt yn ffurfiol iawn, yn ymwneud â'n gwaith monitro a rheoli, a rhai ohonynt yn ymwneud â gweithio mewn partneriaeth drwy'r rhaglen hon.

[50] **Jane Davidson:** O ran rôl y cyngor cyllido mewn perthynas â rheoli ariannol, yr

management, you have recently changed the categorisation of Coleg Gwent's financial position from unsatisfactory to marginal. How do you justify that decision at this time and what monitoring of the college will you undertake beyond your routine procedures?

**Mr Martin:** Before we get into the detail, being reclassified from unsatisfactory to marginal does not mean that the heat is off. It means that there will continue to be monthly reports and that a close eye will be kept on the college, and any issues will be followed up quickly with it. That remains. I will explain the basis of the decision. I am not simply referring to history, because on my arrival—perhaps my mind was concentrated by today's meeting—I insisted on reviewing how the decision was made. I am satisfied that it was the right decision. We would be applying different criteria to those we apply to other colleges if we had not taken that decision.

I think that I need to give you some detail to take you through what justified it. The decision was originally taken not that recently—it was back in January—and was based on the audited annual accounts for 1998-99. At that time, the accounts showed a historic cost surplus of £595,000, which compared with an original forecast for the year of a small deficit. So that is the first factor. There were general reserves of £3.8 million against an original forecast of £2.5 million, which suggested that the strict control measures that David Mason has described were having a significant effect.

The latest management accounts show no variance from the forecast we had in June 1999, so there was a degree of confidence about that. There was a small but significant fall in the college's reliance on council funding, which is another of the key measures to use. It was not a massive fall; it was from 77 per cent of total funds to 75. I can go on. There were a range of things which suggested that the college was not just

ydych wedi newid categoreiddiad sefyllfa ariannol Coleg Gwent yn ddiweddar o anfoddhaol i ymylol. Sut yr ydych yn cyfiawnhau'r penderfyniad hwnnw ar yr adeg hon ac ym mha ffordd y byddwch yn monitro'r coleg heblaw am eich gweithdrefnau arferol?

**Mr Martin:** Cyn inni drafod y manylion, nid yw'r ailgategoreddio o anfoddhaol i ymylol yn codi'r pwysau oddi arnom. Mae'n golygu y byddwn yn parhau i gynhyrchu adroddiadau misol a bydd y coleg yn parhau i fod o dan chwyddwydr, a byddwn yn gweithredu ar unrhyw faterion yn gyflym. Mae hynny'n aros yn ddigyfnewid. Egluraf sail y penderfyniad. Nid wyf yn cyfeirio at hen hanes yn unig, oherwydd ar ôl i mi gyrraedd—efallai bod gennyf y cyfarfod heddiw mewn golwg—mynnais arolygu'r modd y cafodd y penderfyniad ei wneud. Yr wyf yn fodlon mai'r penderfyniad iawn ydoedd. Byddem yn defnyddio meini prawf gwahanol i'r rheini a ddefnyddiwyd mewn colegau eraill pe na baem wedi gwneud y penderfyniad hwnnw.

Credaf fod angen imi roi ychydig o fanylion ichi er mwyn esbonio'r hyn a oedd yn ei gyfiawnhau. Nid yn ddiweddar y gwnaethpwyd y penderfyniad yn wreiddiol—fe'i gwnaed yn ôl ym mis Ionawr—ac yr oedd yn seiliedig ar y cyfrifon blynyddol archwiliedig ar gyfer 1998-99. Bryd hynny, yr oedd y cyfrifon yn dangos gwarged cost hanesyddol o £595,000, o'i gymharu â'r diffyg bychan a ragwelwyd yn wreiddiol ar gyfer y flwyddyn. Felly hwn yw'r ffactor cyntaf. Cafwyd cronfeydd cyffredinol wrth gefn o £3.8 miliwn o'u cymharu â'r rhagolwg gwreiddiol o £2.5 miliwn, a oedd yn awgrymu bod y mesurau rheoli llym a ddisgrifiwyd gan David Mason yn cael cryn effaith.

Dengys y cyfrifon rheoli diweddaraf nad oes unrhyw amrywiant o'r rhagolwg a gawsom ym mis Mehefin 1999, felly teimlasom rywfaint o hyder yn sgîl hynny. Yr oedd gostyngiad bach ond arwyddocaol o ran dibyniaeth y coleg ar arian y cyngor, sydd yn fesur allweddol arall i'w ddefnyddio. Nid oedd yn ostyngiad enfawr; gostyngodd o 77 y cant o gyfanswm yr arian i 75 y cant. Gallaf fynd ymlaen. Yr oedd nifer o bethau a oedd



saying it was improving, but was actually improving and that its financial position was stronger.

Problems remained. You have referred to the issue of backlog maintenance, the capital programme, the contingent liability for the European social fund money and the fact that there had not been a pay award for a couple of years. All those things were taken into account. I am giving you this full picture to show that this was not a casual decision. This was based on a very thorough analysis, which was the same as would be applied to any institution. That improved situation has been confirmed in the mid-year return for this March. That shows a historic cost surplus forecast of £1.4 million for the year just gone, rising to £2.6 million for 2000-01, as well as an improvement in general reserves. That is even after taking into account the contingent liability, which is a maximum of £3 million, for the European social funding.

Our judgment against that background, and against the improvements in the control systems that have been made in the college, is that it would have been perverse to categorise the college as being unsatisfactory rather than marginal. However, I add to that, just to underline that we are being very vigilant about this, that we are working closely with the college. I have visited the college myself since I started in this job. We have—I think that it is probably fair to say—almost daily contact on something or other. That will continue and, in particular, the monthly financial returns will continue. Marginal classification means that we have our eye on the college.

[51] **Jane Davidson:** When would you expect to recategorise the college, if the financial arrangements in place work as both the staff and the governing body intend?

**Mr Martin:** There is a measure of work to do in a number of areas. I think that the

yn awgrymu nad mater o ddweud yn unig ydoedd bod y coleg yn gwella ond bod y coleg yn gwella mewn gwirionedd a bod ei sefyllfa ariannol yn gadarnach.

Erys problemau. Yr ydych wedi crybwyll yr ôl-groniad yn y gwaith cynnal a chadw, y rhaglen gyfalaf, a'r rhwymedigaeth achlysurol ar gyfer arian y gronfa gymdeithasol Ewropeaidd a'r ffaith na chafwyd dyfarniad cyflog am ychydig flynyddoedd. Cafodd pob un o'r pethau hynny eu hystyried. Yr wyf yn rhoi'r darlun llawn hwn ichi er mwyn dangos nad penderfyniad rhywsut rhywsut ydoedd. Cafodd ei seilio ar ddadansoddiad trylwyr iawn, sef yr hyn a fyddai wedi digwydd mewn unrhyw sefydliad. Cadarnhawyd y sefyllfa well honno drwy'r canlyniad canol blwyddyn ar gyfer mis Mawrth eleni. Dengys hwnnw fod gwarged cost hanesyddol arfaethedig o £1.4 miliwn ar gyfer y flwyddyn a ddaeth i ben, yn cynyddu i £2.6 miliwn ar gyfer 2000-01, yn ogystal â gwelliant mewn cronfeydd cyffredinol. Mae hynny ar ôl ystyried y rhwymedigaeth achlysurol, sef uchafswm o £3 miliwn, ar gyfer cronfa gymdeithasol Ewrop.

Ein barn ni, o ystyried y cefndir hwnnw, ac o ystyried y gwelliannau yn y systemau rheoli a wnaethpwyd yn y coleg, yw y byddai wedi mynd yn groes i'r graen i gategoreiddio'r coleg yn anfodhaol yn hytrach nag ymylol. Fodd bynnag, a gaf nodi hefyd, dim ond i danlinellu ein bod yn wyliadwrus iawn yn hyn o beth, ein bod yn gweithio'n agos iawn gyda'r coleg. Yr wyf wedi ymweld â'r coleg ers i mi ddechrau yn y swydd hon. Yr ydym—credaf ei bod yn deg dweud, mae'n debyg—wedi bod mewn cysylltiad â'n gilydd bron bob dydd ynglŷn â rhywbeth neu'i gilydd. Bydd hynny'n parhau ac, yn benodol, bydd y canlyniadau ariannol misol yn parhau. Mae'r categoraiddiad ymylol yn golygu ein bod yn cadw llygad barcud ar y coleg.

[51] **Jane Davidson:** Pryd y byddech yn disgwyl ailgategoreiddio'r coleg, os bydd y trefniadau ariannol sydd yn eu lle yn llwyddo yn ôl bwriad y staff a'r corff llywodraethol?

**Mr Martin:** Mae ychydig o waith i'w wneud mewn nifer o feysydd. Yr wyf o'r farn y

college would fully accept that some of its systems need formalising, particularly in relation to strategic planning, where an integration of the various things that make up a good strategic plan need to happen. Very important in relation to risk analysis would be well-embedded, good systems and reliable data on student numbers, which is so important for the funding of colleges. That has been a really big problem in this college. It has not been cracked everywhere but it has been a particular problem for Coleg Gwent, and it may well have suffered as a result.

Heavy investment is going into new systems. We are delighted that that is happening. However, I have to say—and this is something that David and I have discussed—that I regard the introduction of such new systems as a substantial control risk in itself and we will be keeping a close eye on it. However, I want to stress the extent to which we are working with the college to make sure that those things are functioning. It is in our interest, too. We want to get it right.

[52] **Jane Davidson:** So we are not talking about an early recategorisation, we are talking about a much longer-term decision of the funding council?

**Mr Martin:** I presume that you are pushing me towards saying when we will get to a satisfactory classification rather than a marginal one?

[53] **Jane Davidson:** In the interests of students in Wales, yes.

**Mr Martin:** I hope that it will be very soon. I do not think that the classification as such has any bearing on what happens to students in terms of the psychology of the college—I mean not directly—although things sort of feed through. I will not be drawn, if I may, on when this will happen. It will happen—as I think that I have heard said in another place—at the appropriate time. ‘When the criteria are met’ is the phrase, I think.

[54] **Janet Davies:** Dafydd would like to expand on one issue.

byddai'r coleg yn derbyn yn llawn bod angen ffurfioli rhai o'i systemau, yn enwedig o ran cynllunio strategol, lle mae angen integreiddio'r gwahanol bethau sydd yn ffurfio cynllun strategol da. Yr hyn a fyddai'n bwysig iawn o ran dadansoddi risg yw systemau da, wedi hen ymsefydlu, a data y gellir dibynnu arno o ran nifer y myfyrwyr, sydd mor bwysig ar gyfer cyllid y colegau. Mae honno wedi bod yn broblem sylweddol yn y coleg hwn. Nid yw wedi ei datrys ymhob man, ond bu'n gryn broblem i Goleg Gwent, ac efallai ei fod wedi dioddef o'r herwydd.

Yr ydym yn buddsoddi'n drwm mewn systemau newydd. Yr ydym yn falch iawn o'r hyn sydd yn digwydd. Fodd bynnag, mae'n rhaid imi ddweud—ac mae David a minnau wedi trafod hyn—bod cyflwyno systemau mor newydd yn risg rheoli sylweddol ynddo'i hun yn fy marn i, a byddwn yn cadw llygad barcud arno. Fodd bynnag, hoffwn bwysleisio'r graddau yr ydym yn gweithio gyda'r coleg i sicrhau bod y pethau hynny yn gweithredu. Mae o fudd i ninnau hefyd. Yr ydym am iddo lwyddo.

[52] **Jane Davidson:** Felly nid ydym yn sôn am ailgategoreiddio'n fuan, yr ydym yn sôn am benderfyniad llawer mwy tymor hwy ar ran y cyngor cyllido?

**Mr Martin:** Yr wyf yn tybio eich bod yn pwysu arnaf i ddweud pryd y byddwn yn cael ein categoreiddio yn foddhaol yn hytrach nag yn mylol?

[53] **Jane Davidson:** Er budd myfyrwyr yng Nghymru, ydwyf.

**Mr Martin:** Hyderwn y bydd yn digwydd yn fuan iawn. Nid wyf o'r farn bod y dosbarthiad fel y cyfryw yn effeithio ar yr hyn sydd yn digwydd i'r myfyrwyr o ran meddylfryd y coleg—hynny yw, nid yn uniongyrchol—er bod pethau'n llifo i lawr, fel petai. Gwrthodaf, os caf, ddweud pryd y bydd hyn yn digwydd. Bydd yn digwydd—a chredaf fy mod wedi clywed hyn mewn lle arall—ar yr adeg briodol. ‘Pan fodlonir y meini prawf’ yw'r ymadrodd, fe gredaf.

[54] **Janet Davies:** Hoffai Dafydd ymhelaethu ar un o'r materion.

[55] **Dafydd Wigley:** Yr wyf eisiau mynd yn ôl, os caf fi, oherwydd teimlaf ein bod yn edrych yn ôl ar yr hyn sydd wedi digwydd. Mae llywodraethwyr newydd, pennaeth newydd a phobl newydd yn y cyngor cyllido, ac felly mae popeth yn iawn. Fodd bynnag, y sefyllfa yw bod miliynau o bunnoedd wedi eu colli a bod yn rhaid talu yn ôl £2.9 miliwn. A ydym wedi dilyn trwodd—ydych chi wedi dilyn trwodd—a oes unigolion neu gorfforaethau sydd â chyfrifoldeb ariannol ac o bosibl wedi dangos esgeulustod personol neu gorfforaethol a bod lle i weithredu yn eu herbyn?

Nodaf fod y nodyn Trysorlys yn cyfeirio at y ffaith fod y cyngor cyllido wedi cael cyfarfodydd gyda Deloitte a Touche, er enghraifft, a bod cwestiwn yn codi a ydych yn cael arweiniad cyfreithiol ynglyn â chael iawndal gan Deloitte a Touche. Beth yw'r sefyllfa o ran cael y cyrff, neu hyd yn oed unigolion, a oedd wedi dangos esgeulustod i dalu? Mae'n rhaid i'r neges fynd allan o'r Cynulliad i'r sector cyhoeddus yng Nghymru, pan fo esgeulustod gan unigolion neu gan gyrff, ein bod yn disgwyl iddynt orfod talu am hynny. Nid yw'n deg fod y pwrs cyhoeddus bob amser yn talu pan fo esgeulustod gan bobl yn y sector preifat neu gan unigolion.

**Mr Martin:** Yr wyf yn cymryd y pwynt hwnnw o ddifrif. Mae'n holl bwysig. Fodd bynnag, nid oeddwn o gwmpas pan benderfynodd y coleg gael gwared o'r hen bennaeth. Yr oedd rhesymau, yn eu barn hwy, i symud ymlaen cyn gynted ag oedd yn bosibl. Mae hynny wedi cael ei adrodd yn adroddiad y Pwyllgor Cyfrifon Cyhoeddus.

I droi at Deloitte a Touche, bydd yn rhaid imi droi at David Mason i ateb hynny, os caf i, achos mae David wedi bod yn ei ystyried. Gan y coleg y mae cyfrifoldeb am hynny. Yr ydym wedi gweithredu gyda Deloittes i geisio sicrhau na fydd problemau o'r math yn y dyfodol. Credaf fod y Cynulliad, drwy swyddogion, wedi gwneud pethau eraill yn y cyd-destun hwn i sicrhau bod gwersi yn cael eu lledaenu a'u rhannu gyda chyrff cyhoeddus yng Nghymru yn gyffredinol.

**Mr Mason:** I will just make one comment,

[55] **Dafydd Wigley:** I want to go back, if I may, because I feel that we are looking back at what has happened. There are new governors, a new principal and new people in the funding council, and therefore everything is okay. However, the situation is that millions of pounds have been lost and £2.9 million has to be repaid. Have we followed through—have you followed through—on whether there are individuals or bodies that have financial responsibility and which have perhaps shown personal or corporate negligence and whether there is a place to take action against them?

I note that the Treasury minute refers to the fact that the funding council has had meetings with Deloitte and Touche, for example, and that a question arises about whether you are getting legal guidance on getting compensation from Deloitte and Touche. What is the situation in terms of getting bodies, or even individuals, that have shown negligence to pay? The message must go out from the Assembly to the public sector in Wales that when negligence by individuals or bodies occurs, we expect them to have to pay for that. It is not fair that the public purse always pays when there is negligence by people in the public sector or by individuals.

**Mr Martin:** I take that point seriously. It is very important. However, I was not around when the college decided to get rid of the former principal. There were reasons, in their opinion, to move on as soon as possible. That has been reported in the PAC's report.

To turn to Deloitte and Touche, I will have to turn to David Mason to answer that, if I may, because David has been considering it. The college has responsibility for that. We have worked with Deloittes to try to ensure that such problems will not occur in the future. I think that the Assembly, through officials, has done other things in this context to ensure that lessons are disseminated and shared with public bodies in Wales in general.

**Mr Mason:** Hoffwn wneud un sylw, Mr

Mr Wigley, if I may. You talked about the public purse paying the money back. I think that we have to hold our hands up in terms of the college but people should not lose sight of the fact that the money came in and was spent within the college. It is because we should not have had that money that we have to pay it back. In a sense, you could argue the college has in some way benefited from that money. I just make that point.

In terms of Deloitte and Touche, that is a very difficult issue for the college. We are being very cautious, as I am sure that you will appreciate, until we have actually finalised with the DfEE the size of the amount to be paid back. As I said, in broad terms it will be towards the top end of the figure that we talked about. However, we need to have a precise figure. When we have identified that precise figure and, if you like, Price Waterhouse Coopers has given us chapter and verse on why we have to pay that money back and why these claims were not valid, we will then take further legal advice as to whether or not we should take action either against organisations or more importantly, perhaps, whether there are issues to do with individuals.

I think that the difficulty is that our early legal advice is that—and I stress that I am not a lawyer—if we are going to take action against, let us say, Deloitte and Touche, we would have to be able to demonstrate that there has been a material loss to the college in terms of that money. I am not trying to be silly about it, but we have had that money for about four or five years and we do not have to pay interest on it, as I understand, when we pay it back, so you could argue that far from a material loss, there has been a material gain. I know that that is a funny way of looking at it. So our difficulty is that we need very careful legal advice.

The other thing is, in terms of protecting the public purse, clearly if one took legal action against a large corporate company like that, it would be a very expensive path to go down. I think that we will have to make a value judgment—myself and the governors;

Wigley, os caf. Yr oeddech yn sôn am y pwrs cyhoeddus yn ad-dalu'r arian. Credaf fod rhaid inni syrthio ar ein bai fel coleg ond ni ddylai neb anghofio'r ffaith i'r arian ddod i mewn i'r coleg a chael ei wario o fewn y coleg. Oherwydd na ddylem fod wedi cael yr arian hwnnw yn y lle cyntaf y mae'n rhaid inni ei ad-dalu. Ar un olwg, gallech ddadlau bod y coleg wedi elwa rywfaint ar yr arian. Dim ond nodi'r pwynt hwnnw yr wyf.

O ran Deloitte a Touche, mae hwnnw'n fater dyrys iawn i'r coleg. Yr ydym yn symud gan bwyll, fel y byddwch yn gwerthfawrogi, mae'n siŵr, nes ein bod wedi cadarnhau'n derfynol gyda'r Adran Addysg a Cyflogaeth faint yw'r swm y bydd yn rhaid ei ad-dalu. Fel y dywedais, yn fras iawn bydd tua phen uchaf y ffigur yr oeddem yn ei grybwyll. Fodd bynnag, mae angen inni gael ffigur manwl gywir. Pan fyddwn wedi nodi'r ffigur manwl gywir a phan fydd Price Waterhouse Coopers, os mynnwch, wedi dweud y cyfan wrthym pam bod yn rhaid inni ad-dalu'r swm hwnnw a pham nad yw'r ceisiadau hyn yn ddilys, yna byddwn yn cael cyngor cyfreithiol pellach ynghylch a ddylem gymryd camau naill ai yn erbyn sefydliadau neu'n bwysicach fyth, efallai, a oes unrhyw faterion sydd yn ymwneud ag unigolion.

Credaf mai'r anhawster yw bod ein cyngor cyfreithiol cynnar yn cynghori—a phwysleisiaf nad cyfreithiwr ydwyf—y byddai'n rhaid inni allu profi bod y coleg wedi dioddef colled berthnasol mewn perthynas â'r arian hwnnw pe baem yn bwriadu cymryd camau, yn erbyn Deloitte a Touche, dyweder. Nid wyf am fod yn wirion ynglŷn â hyn, ond bu'r arian hwnnw gennym er pedair neu bum mlynedd ac nid oes rhaid inni dalu llog arno, yn ôl yr hyn a ddeallaf, pan fyddwn yn ei ad-dalu, felly gellir dadlau ein bod ar ein hennill yn ariannol, yn hytrach na bod ar ein colled. Gwn fod hon yn ffordd ryfedd o ystyried y mater. Felly yr anhawster sydd gennym yw bod angen cyngor cyfreithiol gofalus iawn arnom.

Y peth arall, o safbwynt diogelu'r pwrs cyhoeddus, yw y byddech, wrth reswm, yn mynd ar hyd llwybr costus iawn pe baech yn cymryd camau cyfreithiol yn erbyn cwmni corfforaethol mawr o'r fath. Yr wyf o'r farn y bydd yn rhaid i ni ddod i farn ar sail

obviously we would take some advice from others—as to whether going down that path of possibly a huge amount of expenditure from the college budget, is what we want to do. However, I stress that once we have the final figure and the reasons why we have to pay that money back, we will explore those allegations.

[56] **Dafydd Wigley:** Could I just follow through on that and press, obviously within the constraints of the legal advice that you get—you have to follow that; I accept that entirely—that if there is legal advice that shows that there was culpability, that it be acted upon. We know from another part of the report which we may come to later, with regard to people who were dismissed without going through the dismissal routine, or at least who were given notice and paid off without going through that routine—as we have seen in another inquiry here—that soft options have sometimes been taken. I think that it is important that full rigour is applied so that in the future any individuals or bodies that are in the position of advising or taking responsibility know that there is a comeback and that that comeback will come back and that people will not withdraw from it. I would be grateful if you could give a commitment—within the legal advice that you have—that you will look to maximise any steps that you can take.

**Mr Mason:** Perhaps I can just respond to that. I think that saying ‘yes, I can give that commitment’, goes without saying in a sense. I think that the evidence that the college and the governing body do take these matters seriously is in the fact that in the short time that I have been at the college—and for the first time in my career—we have taken disciplinary action against a number of members of staff who, as a result of our control mechanisms, have been found to be wanting in their actions. So I think that we can demonstrate steadfastness towards this. I understand the issue that you raise.

**Mr Martin:** I think that it is important for the Committee to understand the extent of the funding council’s powers in this area. They are interesting. What we can do, apart from

gwerth—y llywodraethwyr a minnau; wrth gwrs y byddem yn ymgynghori ag eraill—ynghylch a ydym am fynd ar hyd y llwybr hwnnw a allai arwain at wariant enfawr o gyllideb y coleg. Fodd bynnag, hoffwn bwysleisio y byddwn yn ymchwilio i’r honiadau hynny, unwaith inni gael y ffigur terfynol a’r rhesymau pam bod rhaid inni adalu’r arian hwnnw.

[56] **Dafydd Wigley:** A gaf ddilyn hynny a phwyso arnoch, gan ddibynnu ar y cyngor cyfreithiol yr ydych yn ei gael wrth gwrs—mae’n rhaid ichi ddilyn hynny; derbynïaf hynny yn llwyr—i gymryd camau os ceuch gyngor cyfreithiol sydd yn dangos bod beusrwydd. Gwyddom o ran arall o’r adroddiad y byddwn yn ei thrafod yn nes ymlaen efallai, ynglŷn â phobl a ddiswyddwyd heb fynd drwy’r drefn ddiswyddo, neu o leiaf a gafodd rybudd a thâl terfynol heb fynd drwy’r drefn honno—fel yr ydym wedi gweld mewn ymchwiliad arall yma—mai’r dewisiadau hawsaf a wnaethpwyd weithiau. Credaf ei bod yn bwysig bod trylwyredd yn cael ei weithredu fel y bydd unrhyw unigolyn neu gorff sydd yn rhoi cyngor neu sydd â chyfrifoldeb yn y dyfodol yn gwybod y bydd goblygiadau i’w weithredoedd a bydd y goblygiadau hynny’n dod i’r amlwg ac na fydd pobl yn tynnu’n ôl. Buaswn yn ddiolchgar pe baech yn ymrwymo—gan ddibynnu ar y cyngor cyfreithiol a gawsoch—i ystyried amlhau unrhyw gamau y gallwch eu cymryd.

**Mr Mason:** A gaf ymateb i hynny. Credaf nad oes angen dweud ‘gallaf ymrwymo i hynny’ o reidrwydd, ar un olwg. Mae’r ffaith ein bod wedi cymryd camau disgyblu yn erbyn nifer o aelodau’r staff y canfuwyd o ganlyniad i’n mecanweithiau rheoli nad oeddent yn gweithredu’n briodol yn ystod y cyfnod byr ers imi fod yn y coleg—a hynny am y tro cyntaf yn fy ngyrfa—yn profi, yn fy marn i, bod y coleg a’r corff llywodraethol yn cymryd y materion hyn o ddifrif. Felly credaf y gallwn brofi ein didwylledd o ran hynny. Deallaf y mater yr ydych yn ei godi.

**Mr Martin:** Credaf ei bod yn bwysig bod y Pwyllgor yn deall graddau pwerau’r cyngor cyllido yn y maes hwn. Maent yn ddiddorol. Yr hyn y gallwn ei wneud, ar wahân i annog

exhort and so on, is to withhold grant or reclaim grant from a college where it has not been used in an appropriate way. However, who does that punish? That is a very difficult judgment for us. The colleges are responsible for the relationship with their external auditors, for instance, and for the relationship with the staff that they appoint. We cannot intervene directly in that. We can discuss matters and so on, but ultimately our only direct sanction is to withhold grant. I suggest that that would not have been a particularly clever thing for the council to contemplate in circumstances like these.

[57] **Brian Gibbons:** I have a few questions on Deloitte and Touche. First of all, I gather that the college appointed the company, but did it appoint it from an approved list of companies? Is the company still contracted as external auditors to other colleges in Wales? Is anyone monitoring this company's performance in relation to these other colleges? If monitoring is taking place, who is undertaking that? From the documentation that we have received, it seems that this is the second time that Deloitte and Touche has found itself in this situation. So that is a cause of worry for me.

**Mr Martin:** I would like to bring in Richard Hirst, the director of finance who has been working directly on this, but I can say in general terms that I understand that the company does still do some of this work in Wales. We have done what we can by working with the new senior partner in the Bristol office. The Cardiff office has changed or disappeared; I am not sure which. However, we are now working with another part of that organisation. We are making clear what our expectations are, and we have also made it clear to colleges—and I believe that the Assembly has also taken action in this area with all public bodies—that they should make absolutely plain what requirements should be placed on auditors and not leave it to vague promises about high professional standards and so on. So there is a continuing programme of work going on there. However, perhaps I could invite, with your permission, Richard Hirst to say something about exactly how we monitor this.

ac ati, yw peidio â rhoi grant neu adhawlio grant gan goleg pan na chaiff ei ddefnyddio mewn modd priodol. Fodd bynnag, pwy sydd yn cael ei gosbi drwy hynny? Mae hwnnw'n ddyfarniad anodd iawn inni. Y colegau sydd yn gyfrifol am y berthynas â'u harchwilwyr allanol, er enghraifft, ac am y berthynas â'r aelodau o'r staff y maent yn eu penodi. Ni allwn ymyrryd yn uniongyrchol yn hynny o beth. Gallwn drafod materion ac ati, ond yn y pen draw ein hunig gosb uniongyrchol yw peidio â rhoi grant. Awgrymaf na fyddai hynny yn beth doeth i'r cyngor ystyried ei wneud, o dan amgylchiadau fel hyn.

[57] **Brian Gibbons:** Mae gennyf ychydig gwestiynau ynglŷn â Deloitte a Touche. Yn gyntaf oll, yr wyf yn tybio mai'r coleg a benododd y cwmni, ond a benododd ef o restr gymeradwy o gwmnïau? A yw'r cwmni'n parhau i fod o dan contract fel archwilwyr allanol i golegau eraill yng Nghymru? A oes unrhyw un yn monitro perfformiad y cwmni hwn mewn perthynas â'r colegau hyn? Os caiff ei fonitro, pwy sydd yn gwneud hynny? Yn ôl y ddogfennaeth yr ydym wedi ei chael, ymddengys mai hwn yw'r ail dro i Deloitte a Touche fod yn y sefyllfa hon. Felly mae hynny'n achos pryder imi.

**Mr Martin:** Hoffwn ofyn i Richard Hirst, y cyfarwyddwr cyllid sydd wedi bod yn gweithio'n uniongyrchol ar hyn, ymateb, ond yn gyffredinol gallaf ddweud fy mod ar ddeall bod y cwmni hwn yn parhau i wneud rhywfaint o'r gwaith hwn yng Nghymru. Yr ydym wedi gwneud yr hyn a allwn drwy weithio gyda'r uwch bartner newydd yn y swyddfa ym Mryste. Mae'r swyddfa yng Nghaerdydd naill ai wedi newid neu wedi diflannu; ni wn pa un. Fodd bynnag, yr ydym bellach yn gweithio gyda rhan arall o'r sefydliad hwnnw. Yr ydym yn ei gwneud yn glir beth yw ein disgwyliadau, ac yr ydym hefyd wedi ei gwneud yn glir i'r colegau—a chredaf fod y Cynulliad hefyd wedi cymryd camau yn y maes hwn gyda'r holl gyrff cyhoeddus—y dylent ei gwneud yn gwbl eglur beth sydd yn ofynnol i'r archwilwyr ei gyflawni a pheidio â dibynnu ar addewidion annelwig ynglŷn â safonau proffesiynol uchel ac ati. Felly mae rhaglen waith barhaus yn mynd yn ei blaen yn y maes hwnnw. Fodd bynnag, os caf wahodd Richard Hirst, gyda'ch caniatâd, i ddweud ychydig am sut

yn union yr ydym yn monitro hyn.

**Mr Hirst:** In answer to the first part of the question, the funding council does not approve a list of external auditors from which colleges can choose. Those companies that are qualified to carry out audits under the normal Companies Act 1985 regulations are qualified to act for further education institutions. It is the responsibility of the governing body to choose its external auditors on that basis. As Steve Martin said, we have worked very closely with Deloitte and Touche since the events at Gwent. It is fair to say that it has had a concern that its actions and professional standing should be maintained or improved in this sector following those events.

So we have completed those actions outlined by Steve Martin. It is fair to say that Deloitte and Touche has been proactive in seeking to work with the funding council. For example, as well as the standard external audit of the financial accounts of institutions, we require external auditors to audit the student number data that colleges submit to us because that data is so crucial in determining the funding allocations that we make to institutions. Deloitte and Touche has been proactive in working with us to seek a clear understanding of the work that we expect audit firms to carry out in that area. I think that there is concern on its side as well as on ours that what happened in Gwent should not happen again.

[58] **Brian Gibbons:** Do we know how many colleges it is working with now?

**Mr Hirst:** I will turn to a colleague for that answer.

**Mr Thomas:** I do not know the current position on that.

**Mr Hirst:** It is a handful but it is certainly still active in the sector.

[59] **Brian Gibbons:** I am amazed that we cannot get a hard answer to that question.

**Mr Hirst:** I ateb y rhan gyntaf o'r cwestiwn hwn, nid yw'r cyngor cyllido yn paratoi rhestr gymeradwy o archwilwyr allanol y mae'r colegau yn gallu dewis ohoni. Mae'r cwmnïau hynny sydd yn gymwys i gynnal archwiliadau o dan reoliadau arferol Deddf Cwmnïau 1985 yn gymwys i weithredu dros y sefydliadau addysg bellach. Cyfrifoldeb y corff llywodraethol yw dewis ei archwilwyr allanol ar y sail honno. Fel y dywedodd Steve Martin, yr ydym wedi gweithio'n agos iawn gyda Deloitte a Touche ers y digwyddiadau yng Ngholeg Gwent. Mae'n deg dweud ei fod wedi bod yn pryderu y dylai wella neu gynnal ei weithredoedd a'i safle proffesiynol yn y sector hwn yn sgîl y digwyddiadau hynny.

Felly yr ydym wedi cwblhau'r camau hynny a nodwyd gan Steve Martin. Mae'n deg dweud bod Deloitte a Touche wedi bod yn rhagweithredol o ran ceisio gweithio gyda'r cyngor cyllido. Er enghraifft, yn ogystal â chynnal archwiliadau allanol safonol o gyfrifon ariannol sefydliadau, yr ydym yn ei gwneud yn ofynnol i'r archwilwyr allanol archwilio'r data sydd yn ymwneud â nifer y myfyrwyr y mae'r colegau yn ei gyflwyno inni am fod y data hwnnw yn holl bwysig wrth benderfynu ar y dyraniadau arian yr ydym yn eu rhoi i'r sefydliadau. Bu Deloitte a Touche yn rhagweithredol wrth weithio gyda ni i geisio deall yn glir yr hyn y disgwyliwn i'r cwmnïau archwilwyr ei gyflawni yn y maes hwnnw. Yr wyf o'r farn bod y naill ochr a'r llall yn pryderu na ddylai'r hyn a ddigwyddodd yng Ngholeg Gwent ddigwydd eto.

[58] **Brian Gibbons:** A wyddoch faint o golegau y mae'n gweithio gyda hwy ar hyn o bryd?

**Mr Hirst:** Gofynnaf i un o'm cydweithwyr ateb hynny.

**Mr Thomas:** Ni wn beth yw'r sefyllfa gyfredol.

**Mr Hirst:** Llond dwrn ydyw ond yn sicr mae'n weithgar o hyd yn y sector hwn.

[59] **Brian Gibbons:** Yr wyf yn synnu clywed na allwn gael ateb manwl gywir i'r

How can we monitor if we cannot even answer how many colleges—

**Mr Hirst:** Would it be helpful if we were to submit a memorandum setting out for how many institutions it acts as internal and external auditors?

[60] **Janet Davies:** Yes, I think that that would be very helpful.

**Mr Shortridge:** This is something that I personally took very seriously and on which I wanted to have follow-up action. Deloitte and Touche is a major firm and one has to be very careful about what one does and says publicly in relation to a major firm that has a reputation. However, we have written to the Institute of Chartered Accountants in England and Wales so that it can consider whether there are any actions that it needs to take in relation to the quality of work completed by Deloitte and Touche. The institute has referred that to its professional standards office. We have also written to all the chief executives of Assembly sponsored public bodies in Wales to draw their attention to the PAC's comments and recommendations relating to the adequacy of Deloitte and Touche's work. In that letter, we drew their attention to particular issues on which they should focus when engaging firms of accountants.

[61] **Brian Gibbons:** That is more reassuring. Thank you.

**Mr Mason:** Just to answer the other part of the gentleman's question, the procedure that we underwent in terms of appointing our new external auditors is the one that we use for all services. We went out to tender and many firms were invited to tender, in fact, Deloitte and Touche were one of them. We decided that we would offer the contract to Price Waterhouse Coopers.

[62] **Janet Davies:** We will now have a brief break.

*[Cafwyd egwyl goffi rhwng 11.00 a.m. ac 11.11 a.m.]*

*[A coffee break was held between 11.00 a.m. and 11.11 a.m.]*

cwestiwn hwnnw. Sut gallwn fonitro os na allwn gael ateb ynglŷn â faint o'r colegau—

**Mr Hirst:** A fyddai'n ddefnyddiol inni gyflwyno memorandwm sydd yn nodi dros faint o'r sefydliadau y mae'n gweithredu fel archwilwyr mewnol neu archwilwyr allanol?

[60] **Janet Davies:** Byddai, credaf y byddai hynny'n ddefnyddiol iawn.

**Mr Shortridge:** Yr oedd hyn yn fater difrifol iawn yn fy nhyb i ac yr oeddwn am weld camau dilynol yn cael eu cymryd yn ei gylech. Mae Deloitte a Touche yn un o'r prif gwmnïau ac mae'n rhaid bod yn ofalus iawn ynglŷn â'r hyn y mae rhywun yn ei wneud neu'n ei ddweud yn gyhoeddus parthed cwmni mawr a chanddo enw da. Fodd bynnag, yr ydym wedi ysgrifennu i Sefydliad y Cyfrifwyr Siartredig yng Nghymru a Lloegr fel y gall ystyried a oes angen iddo gymryd unrhyw gamau ai peidio parthed ansawdd y gwaith a gwblhawyd gan Deloitte a Touche. Mae'r sefydliad wedi cyfeirio'r achos hwnnw i'w swyddfa safonau proffesiynol. Yr ydym hefyd wedi ysgrifennu at bob prif weithredwr corff cyhoeddus yng Nghymru sydd o dan nawdd y Cynulliad i dynnu sylw at sylwadau'r PCC a'r argymhellion sydd yn ymwneud â digonolrwydd gwaith Deloitte a Touche. Yn y llythyr hwnnw, tynnwyd eu sylw gennym at y materion penodol y dylid canolbwyntio arnynt wrth benodi cwmni o gyfrifwyr.

[61] **Brian Gibbons:** Mae hynny'n rhoi mwy o sicrwydd. Diolch yn fawr.

**Mr Mason:** I ateb i ran arall cwestiwn y gŵr bonheddig, y weithdrefn a ddefnyddiwyd gennym i benodi ein harchwilwyr allanol newydd yw'r un a ddefnyddiwn ar gyfer pob un o'r gwasanaethau. Cynigiwyd y gwaith ar dendr gennym a gwahoddiwyd nifer o gwmnïau i dendro, yn wir, yr oedd Deloitte a Touch yn eu plith. Penderfynasom y byddem yn cynnig y contract i Price Waterhouse Coopers.

[62] **Janet Davies:** Cawn egwyl fach yn awr.



[63] **Janet Davies:** Welcome back. We need to start as quickly as possible. I want now to look at what is being done to put matters right. That is more important than going over old ground. Mr Mason, can you give us some information on the current financial position of the college? I know that you touched on that, but what are your latest forecasts for the position at the end of this year and next?

**Mr Mason:** I am happy to give that information. I will refer to two sets of figures. You might want to me to mention something about the plan for next year, but you are asking for the end of year forecast for this year?

[64] **Janet Davies:** Yes.

**Mr Mason:** This will be the latest forecast. It will have come from the management accounts at their most recent stage.

We are forecasting that at the end of this year, 31 July, we will have a small operating surplus of £188,000. Again, bear in mind, to put it in context, the budget target that we set ourselves for this year. When we set the budget at the beginning of the year, the corporation approved a budget that was break even at the operating level. Last year we had a small deficit and the year before that the deficit was just over £1 million. Therefore, we set ourselves a target that this year we wanted to be able to say that we had broken even, because once you break even, you are out of the woods a bit. While you have a deficit hanging around, it is more difficult.

We look as though we will do slightly better than break even, although I would stress that £188,000 in a budget of about £38 million, means that, in essence, we will have achieved our break even. However, I would rather achieve the break even on the positive rather than the negative side.

We have a strategic aim over the coming years to deliver an operating surplus of around £1 million a year. So what I am really

[63] **Janet Davies:** Croeso'n ôl. Mae angen inni ddechrau cyn gynted â phosibl. Hoffwn yn awr ystyried yr hyn sydd yn cael ei wneud i unioni'r sefyllfa. Mae hynny'n bwysicach na chodi hen grachen. Mr Mason, a wnewch roi gwybod inni am sefyllfa ariannol gyfredol y coleg? Gwn eich bod wedi crybwyll hynny eisoes, ond beth yw eich rhagolygon diweddaraf o'r sefyllfa ar gyfer diwedd y flwyddyn a'r flwyddyn nesaf?

**Mr Mason:** Bydd yn dda gennyf roi'r wybodaeth honno. Cyfeiriaf at ddwy set o ffigurau. Efallai y byddech am imi sôn ychydig am y cynllun ar gyfer y flwyddyn nesaf, ond yr ydych yn gofyn am y rhagolwg diwedd y flwyddyn ar gyfer eleni onid ydych?

[64] **Janet Davies:** Ydwyf.

**Mr Mason:** Hwn yw'r rhagolwg diweddaraf. Daw o'r cyfrifon rheoli ar eu cam diweddaraf.

Yr ydym yn rhagweld y bydd gennym warged gweithredol bach o £188,000 erbyn diwedd y flwyddyn hon, sef 31 Gorffennaf. Unwaith eto, cofiwch, i'w roi yn ei gyddestun, y targed cyllideb a bennwyd i ni ein hunain ar gyfer eleni. Pan bennwyd y gyllideb gennym ar ddechrau'r flwyddyn, cymeradwyodd y gorfforaeth gyllideb a oedd yn adennill costau ar lefel weithredol. Y llynedd, diffyg bach a oedd gennym a'r flwyddyn cyn hynny diffyg o ychydig dros £1 miliwn oedd gennym. Felly, pennwyd targed gennym fel y gallwn ddweud eleni ein bod wedi adennill costau, oherwydd unwaith eich bod wedi adennill costau, yr ydych bron allan o berygl. Mae'n anos tra bod gennych ddiffyg o hyd.

Byddwn yn gwneud ychydig yn well nag adennill costau yn ôl pob golwg, er yr hoffwn bwysleisio bod £188,000 o ran cyllideb o tua £38 miliwn yn golygu y byddwn, yn y bôn wedi adennill costau. Fodd bynnag, byddai'n well gennyf adennill costau ar yr ochr positif na'r ochr negyddol.

Mae gennym nod strategol yn ystod y blynyddoedd i ddod i gyflwyno gwarged gweithredol o tua £1 miliwn y flwyddyn.

saying is that we are on an upward path. For this year, we are confident that we will deliver just above a break-even position.

I am happy to give you any other information but I do not want to blind you with figures.

[65] **Janet Davies:** That is sufficient. Thank you.

[66] **Alison Halford:** I have a tranche of questions, but I would be grateful if I could ask Mr Martin to go back to the question that he answered from Dafydd Wigley. I am concerned about the culture of complacency. Nobody is blamed. Only the taxpayer picks up the tab. We must be careful about what criticism we make of the accountants, yet we have a situation where a chair and a vice chair—and this has all been rehearsed in public—allow a woman who has let her college down badly to walk away with a well-enhanced package. She received £10,000 over the odds, other perks and a confidentiality clause. It caused enormous distress and nobody is going to pick up the tab, yet you say that the model is fine? I would be grateful if you could work through that system.

**Mr Martin:** I hope that I did not suggest in either language that the model is fine. What I was trying to suggest is that we are trying to make the model work as well as we can. Any model will not work properly unless it is properly controlled and governed and audited. Goodness knows there are enough sagas in the public sector, some of them very recent, of control systems breaking down tragically. Therefore, I am not complacent about that. My job as accounting officer is to work with the model and the framework that we have, and within the law, and to make that work. I was saying that I am confident about our ability to do this—but I cannot give absolute guarantees. I cannot think of any context, including that of the health service or of local government, where you can have absolute guarantees. It is a matter of eternal vigilance. You must ensure that the systems are in place and you must operate them. We will do what we can with this framework. I

Felly yr hyn yr wyf yn ei ddweud mewn gwirionedd yw ein bod ar lwybr ar i fyny. Ar gyfer eleni, yr ydym yn ffyddiog y byddwn yn adennill costau o ychydig.

Byddai'n dda gennyf roi unrhyw wybodaeth arall ond nid wyf am eich drysu gyda ffigurau.

[65] **Janet Davies:** Mae hynny'n ddigon. Diolch yn fawr.

[66] **Alison Halford:** Mae gennyf lwyth o gwestiynau, ond buaswn yn ddiolchgar pe gallwn ofyn i Mr Martin ddychwelyd at y cwestiwn a atebodd i Dafydd Wigley. Yr wyf yn pryderu ynghylch y diwylliant o hunanfodlonwydd. Nid oes neb ar fai. Y trethdalwr yn unig sydd yn talu'r pris. Mae'n rhaid inni ofalu ynglŷn â'r modd yr ydym yn beirniadu'r cyfrifwyr, ond eto mae gennym sefyllfa lle mae cadeirydd ac is-gadeirydd—ac mae hyn oll wedi digwydd yn gyhoeddus—wedi caniatáu i fenyw sydd wedi siomi ei choleg yn arw gerdded i ffwrdd â phecyn llawer gwell. Cafodd £10,000 yn ychwanegol, buddiannau eraill a chymal cyfrinachedd. Achosodd gryn anniddigrwydd ac ni fydd neb yn talu'r pris, eto i gyd yr ydych yn honni nad oes dim o'i le ar y model? Buaswn yn ddiolchgar pe baech yn egluro'r system honno fesul cam.

**Mr Martin:** Gobeithiaf nad wyf wedi awgrymu yn y naill iaith na'r llall bod y model yn berffaith. Yr hyn yr oeddwn yn ceisio ei awgrymu yw ein bod yn ceisio sicrhau ein bod yn gweithredu'r model cystal ag y gallwn. Ni fydd unrhyw fodel yn gweithredu'n briodol oni chaiff ei reoli a'i lywodraethu a'i archwilio. Dyn a wŷr bu digon o sagâu yn y sector cyhoeddus, rhai ohonynt yn ddiweddar iawn, lle mae systemau rheoli wedi torri i lawr a hynny'n drychinebus. Felly, nid wyf yn hunanfodlon ynglŷn â hynny. Fy swydd i fel swyddog cyfrifo yw gweithio gyda'r model a'r fframwaith sydd gennym, ac yn unol â'r gyfraith, a sicrhau bod hynny'n gweithio. Yr oeddwn yn dweud fy mod yn ffyddiog ynglŷn â'n gallu i wneud hyn—ond ni allaf roi sicrwydd llwyr. Ni allaf feddwl am unrhyw gyd-destun, gan gynnwys y gwasanaeth iechyd neu lywodraeth leol, lle gallwch gael sicrwydd llwyr. Mater o

must leave it to others to judge whether or not that is enough, but we will do our best. Sorry, was there another leg to your question?

[67] **Alison Halford:** I take that to mean that nobody gets punished.

**Mr Martin:** No. Sorry, that was the point that I should have picked up on. My predecessor made it very clear to the chairman of governors that he did not believe that the settlement of Sue Parker's claim should have been for more than her contractual entitlement. However, she had a contractual entitlement. Also, before the changes that were made by the Assembly in October 1999, which we very much welcome, it was not possible simply to sack Sue Parker. A process had to be gone through. The college would have faced a period of not having a permanent principal and of not having the ability to move on in the way that it has under new management. That was a tough judgment for the governors, but the displeasure of John Andrews, my predecessor, was made plain. The only power that the council had to act directly in those circumstances would have been to withhold grant. We could only do that in those circumstances if we felt that the behaviour of the college governors had been unreasonable by a Wednesbury test of reasonableness, which is a very severe one, namely that no reasonable person, given those facts and circumstances, would have behaved differently.

I cannot put my hand on my heart—I will not try to be holier than thou, having only lately come into the situation—and say that, faced with those circumstances, it is beyond doubt that the college was unreasonable in taking that decision. I agree with the Committee and the sentiments that you are expressing, that it is very regrettable if that is interpreted as somebody getting away with it. However, I hope that the publicity that this has received from the Public Accounts Committee and will receive from this Committee means that people do not get off the hook. They might

oruchwyliaeth ddi-baid ydyw. Mae'n rhaid ichi sicrhau bod y systemau yn eu lle ac mae'n rhaid ichi eu gweithredu. Byddwn yn gwneud yr hyn a allwn gyda'r fframwaith hwn. Mae'n rhaid imi ildio i farn pobl eraill a yw hynny'n ddigonol ai peidio, ond byddwn yn gwneud ein gorau glas. Mae'n ddrwg gennyf, a oedd rhan arall i'ch cwestiwn?

[67] **Alison Halford:** Tybiaf fod hynny'n golygu na chaiff neb gosb.

**Mr Martin:** Nag ydyw. Mae'n ddrwg gennyf, hwn oedd y pwynt y dylwn fod wedi ei drafod. Yr oedd fy rhagflaenydd wedi ei gwneud yn hollol eglur i gadeirydd y llywodraethwyr ei fod o'r farn na ddylai cais Sue Parker fod wedi cael ei setlo ar lefel uwch na'i hawl gytundebol. Fodd bynnag, yr oedd ganddi hawl gytundebol. Hefyd, cyn i'r Cynulliad wneud newidiadau ym mis Hydref 1999, yr ydym yn eu croesawu'n fawr iawn, yn syml iawn, nid oedd modd diswyddo Sue Parker. Yr oedd yn rhaid dilyn y drefn. Byddai'r coleg wedi wynebu cyfnod pan nad oedd ganddo brifathro a phan na allai fod wedi symud ymlaen yn y ffordd y bu o dan y rheolwyr newydd. Yr oedd yn benderfyniad anodd i'r llywodraethwyr, ond mynegodd John Andrews, fy rhagflaenydd, ei anfodlonrwydd yn ddi-flewyn ar dafod. Yr unig bŵer a oedd gan y coleg i weithredu'n uniongyrchol fyddai peidio â rhoi grant. Ni allwn wneud hynny ond o dan yr amgylchiadau hynny pe baem o'r farn bod ymddygiad llywodraethwyr y coleg wedi bod yn afresymol, yn ôl prawf rhesymoldeb Wednesbury, sydd yn un llym iawn, sef na fyddai unrhyw berson rhesymol, o ystyried y ffeithiau a'r amgylchiadau hynny, wedi ymddwyn yn wahanol.

Ni thyngaf lw—ni cheisiaf fod yn hunangyfiawn, a minnau dim ond wedi dod i'r sefyllfa yn ddiweddar—a dweud nad oedd unrhyw amheuaeth bod y coleg, dan wynebu'r amgylchiadau hynny, yn afresymol wrth wneud y penderfyniad hwnnw. Yr wyf yn cyd-fynd â'r Pwyllgor a'r teimladau yr ydych yn eu mynegi, ei bod yn destun gofid os felly y'i dehonglir sef bod rhywun yn dianc rhag cosb. Fodd bynnag, gobeithiaf y bydd y cyhoeddusrwydd y mae hyn wedi'i dderbyn gan y Pwyllgor Cyfrifon Cyhoeddus ac y bydd yn ei dderbyn gan y Pwyllgor hwn

not be paying in terms of their pockets, but in terms of their reputations and so on, I think that this is extremely damaging. Whether we should go further depends on the framework within which one is operating. If this arose again, it would be possible to suspend, with or without pay, or to summarily dismiss someone in these circumstances. Those were not powers available at the time.

[68] **Alison Halford:** Before I move on to ask Mr Mason to discuss staff demoralisation, my final comment is that it cannot be good for the unions to see Mrs Parker walk away with a very good reference and undertaking another job—presumably in a public situation—when the rules of engagement do not allow that sort of individual to be called to account.

**Mr Martin:** As I have said, the arrangements have now changed. It would now be possible for a governing body to summarily dismiss or to suspend and move on. However, it did not have those powers available to it. In the spirit of looking forward to operating these matters better, I hope that, if anything even remotely like this arose again, the governing body would not hesitate to use those powers. I know that behind the scenes—and I would act in the same way—my predecessor was not slow to engage with governing bodies and to give them his best advice, not just in this instance, but in others in the past, where there were problems of this sort. What he could not do is make them do things that the law says are their responsibility and not his. It would be the same with me, but I will do everything within my powers to ensure that these matters are acted on properly.

[69] **Alison Halford:** Thank you. Mr Mason, it has been suggested that you have taken some time in achieving a settlement with the unions for the pay increase and also the termination of the industrial action. Can you explain why, please?

**Mr Mason:** If you could bear with me,

yn golygu na fydd pobl yn dianc rhag cosb. Efallai nad ydynt yn talu'r pris yn ariannol, ond o ran eu henw da ac ati, credaf fod hyn yn niweidiol. Mae pa un ai a ddylem fynd ymhellach yn dibynnu ar y fframwaith y gweithredir o'i fewn. Pe bai hyn yn digwydd eto, byddai'n bosibl gwahardd unigolyn, gyda chyflog neu heb gyflog, neu'n ei ddiswyddo'n ddiannod o dan yr amgylchiadau hyn. Nid oedd y pwerau hynny ar gael bryd hynny.

[68] **Alison Halford:** Cyn imi symud ymlaen i ofyn i Mr Mason drafod yr ysbryd isel ymhlith y staff, fy sylw olaf yw na allai fod yn beth da i'r undebau weld Mrs Parker yn cerdded i ffwrdd â geirda da iawn ac yn ymgymryd â swydd arall—yn y sector cyhoeddus, debyg iawn—am nad yw'r rheolau yn caniatáu bod yn rhaid i unigolyn o'r fath roi cyfrif ohoni'i hun.

**Mr Martin:** Fel y dywedais, mae'r trefniadau wedi newid bellach. Byddai'n bosibl yn awr i gorff llywodraethol ddiswyddo unigolyn yn ddiannod neu ei wahardd a symud ymlaen. Fodd bynnag, nid oedd ganddo'r pwerau hynny bryd hynny. Gan edrych ymlaen at ddelio â'r materion hyn yn well yn y dyfodol, gobeithiaf na fyddai'r corff llywodraethol yn oedi cyn defnyddio'r pwerau hynny pe bai rhywbeth cyffelyb o'r braidd yn digwydd eto. Gwn na fyddai fy rhagflaenydd y tu ôl i'r drysau cudd—a byddwn yn gweithredu'n union yr un fath—yn oedi cyn cysylltu â'r cyrff llywodraethol a rhoi ei gyngor gorau iddynt, nid yn unig yn yr achos hwn, ond mewn achosion eraill yn y gorffennol, pan gafwyd problemau o'r fath. Yr hyn na allai ei wneud oedd eu gorfodi i wneud pethau a oedd, yn ôl y gyfraith, yn rhan o'u cyfrifoldebau hwy ac nid ei gyfrifoldebau ef. Byddai'n union yr un peth imi, ond gwnaf bopeth o fewn fy ngallu i sicrhau y gweithredir ar y materion hyn mewn modd priodol.

[69] **Alison Halford:** Diolch yn fawr. Mr Mason, awgrymwyd eich bod wedi cymryd peth amser i ddod i gytundeb â'r undebau ynglŷn â'r codiad cyflog a hefyd wrth ddatrys y gweithredu diwydiannol. A wnewch esbonio pam, os gwelwch yn dda?

**Mr Mason:** Maddeuwch imi, Gadeirydd,

Chair, because I know that you are trying to move on, but I do think that it is quite important just to quickly sketch in the background. In late 1997, shortly after Sue Parker had resigned, the governing body, on the advice of external people, took a number of actions. I want to put on record that I would support the actions, in the sense that it had to stem the haemorrhage. It saw the deficit that was building up and so a number of actions were taken. Those actions involved—and there is no other way of putting it—withdrawing contractually agreed arrangements that had been negotiated with the trade union. There was an arrangement called the workload agreement that Sue Parker had negotiated with the trade unions and I am sure that the unions felt in good faith that they had a deal. The other action that the governing body took was to reduce the rate paid to part-time teachers in the college. This was all what I would call a crisis response to a haemorrhage. We were going broke. There is no doubt about that.

The trade unions quite understandably felt that they had a deal and management had reneged on that deal. This probably was not helped by the context that you have just given, but they felt very strongly that management got them into this mess and that now they have to pay the price. That was the environment that we were in. A ballot was taken at the end of 1997 for industrial action. They voted in favour of industrial action short of a strike or strike action, if it was called for by the union.

I arrived in April 1998, and this industrial action was ticking away. As the end of that financial year approached, we could see that we were going to have another deficit, although significantly reduced from that of the previous year. We received notification from the funding council that our funding was being reduced, purely because of our student numbers. I think that Mr Martin mentioned this earlier. We had had what appeared to have been a drop in student numbers the previous year, which affected our funding for the following year. So we were suddenly faced with something like a £2 million reduction in our funding.

gwn eich bod am symud ymlaen, ond credaf ei bod yn eithaf pwysig fy mod yn rhoi braslun o'r cefndir. Ar ddiwedd 1997, yn fuan ar ôl i Sue Parker ymddiswyddo, cymerodd y corff llywodraethol nifer o gamau, ar gyngor pobl allanol. Hoffwn nodi i'r cofnod y byddwn wedi cefnogi'r camau, yn yr ystyr bod yn rhaid atal y llif. Gwelodd fod y diffyg yn cynyddu ac felly cymerwyd nifer o gamau. Yr oedd y camau hynny yn cynnwys—ac nid oes ffordd arall o ddweud hyn—dileu trefniadau y cytunwyd arnynt drwy gcontract ac y'u cyd-drafodwyd â'r undeb llafur. Ymhlith y trefniadau yr oedd cytundeb baich gwaith yr oedd Sue Parker wedi ei gyd-drafod â'r undebau llafur ac yr wyf yn siŵr bod yr undebau o'r farn mai cytundeb didwyll ydoedd. Y cam arall a gymerodd y corff llywodraethol oedd gostwng y gyfradd a dalwyd i'r athrawon rhan amser yn y coleg. Ymateb mewn argyfwng er mwyn atal y llif oedd hyn oll, yn fy nhyb i. Yr oeddem yn mynd i'r wal. Nid oes dwywaith am hynny.

Yr oedd yr undebau llafur o'r farn, a hynny'n hollol gyfiawn, eu bod wedi taro bargaen a bod y rheolwyr wedi torri eu gair. Nid oedd y cyd-destun a ddisgrifiwyd gennych fawr o help wrth reswm, ond yr oeddent yn gryf o'r farn mai'r rheolwyr a oedd wedi gwneud cawl o bethau a bellach bod yn rhaid iddynt dalu'r pris. Dyna oedd y sefyllfa yr oeddem ynddi. Cynhaliwyd pleidlais ar ddiwedd 1997 ynglŷn â gweithredu diwydiannol. Pleidleisiant o blaid gweithredu diwydiannol ac eithrio streic neu weithredu streicio, pe bai'r undeb yn galw am hynny.

Cyrhaeddais ym mis Ebrill 1998, ac yr oedd y gweithredu diwydiannol fel petai yn llusgo ymlaen o hyd. Wrth i ddiwedd y flwyddyn ariannol honno ddynesu, gallwn weld y byddai diffyg arall gennym, er y byddai dipyn yn llai na diffyg y flwyddyn flaenorol. Fe'n hysbyswyd gan y cyngor cyllido ei fod yn gostwng ein harian, oherwydd, yn syml, nifer y myfyrwyr oedd gennym. Credaf i Mr Martin sôn am hyn yn gynharach. Ymddangosodd fod nifer y myfyrwyr yn y coleg wedi gostwng yn ystod y flwyddyn flaenorol, a effeithiodd ar ein harian, i'r flwyddyn ganlynol. Felly yn sydyn iawn yr oeddem yn wynebu sefyllfa lle yr oedd ein harian yn gostwng tua £2 miliwn.

That was in May of that year and we were setting the budget for the next year. The corporation supported my recommendation that the staff, for a second year—and I stress that it was for a second year—should not have a pay rise. I can absolutely understand how the staff must have felt. You see what has happened, and then, for a second year, you do not get a pay rise. Staff, understandably, were incensed.

Then, in July, we had no money, and we started cash-managing the business. Very tight controls were placed on the whole of the college. I mentioned earlier that my finance director signed every purchase requisition. People's perception in the college was that they suddenly could not spend any money on anything. Their perceptions, from a rather profligate situation, of what was important and our perceptions of what was important in terms of spend, were very different. I will just give you one trivial example. There was an order for 150 gold-leafed desk diaries, which had been ordered every year. Obviously we did not buy them that year. So the staff's perceptions began to build up.

In the summer of 1999, we commissioned MORI to conduct an attitude survey. Many of the staff will tell you that you did not need MORI to tell you what the attitude of the staff was, but we wanted to draw a line in the sand. We wanted to find out where we were with the staff so that we could begin to measure the morale improvement. We hope that we will see that improvement.

That is the summary. We could not afford to give staff a pay rise for those two years, and understandably there was huge resentment. The final point that I make is that we then offered a pay rise for the current year and there was a long and difficult negotiation about that pay rise. At the same time we were trying to backtrack, in a sense, on the withdrawal of the workload agreement by trying to bring in contractual arrangements that both sides felt were reasonable. As with all such things, what I might feel to be reasonable, may not be what the other side

Digwyddodd hynny ym mis Mai yn y flwyddyn honno pan oeddem wrthi'n pennu'r gyllideb ar gyfer y flwyddyn nesaf. Cefnogodd y gorfforaeth fy argymhelliad na ddylai'r staff am yr ail flwyddyn o'r bron—a phwysleisiaf mai'r ail flwyddyn ydoedd—gael codiad cyflog. Deallaf yn llwyr sut y byddai'r staff yn teimlo. Yr ydych yn gweld yr hyn a ddigwyddodd, ac yna, am yr ail flwyddyn o'r bron, nid ydych yn cael codiad cyflog. Yr oedd y staff, wrth reswm wedi gwylltio.

Yna, ym mis Gorffennaf, nid oedd unrhyw arian gennym, ac yr oedd yn rhaid inni reoli'r busnes ar sail arian parod. Rhoddwyd rheolaethau tynn iawn ar waith ar draws y coleg cyfan. Soniais yn gynharach fod fy nghyfarwyddwr cyllid yn llofnodi pob archeb brynu. Yr oedd pobl yn y coleg yn teimlo nad oeddent, yn sydyn iawn, yn cael gwario arian ar unrhyw beth bellach. Yr oedd yr hyn a oedd yn bwysig, o ran gwariant, yn ein tyb ni, yn wahanol iawn i'r hyn a oedd yn bwysig iddynt hwy o'u safbwynt afradlon braidd. Rhoddaf enghraifft fach ichi. Bob blwyddyn yr oedd 150 o ddyddiaduron desg ag ymylon aur yn cael eu harchebu. Wrth gwrs nis prynwyd gennym yn y flwyddyn honno. Felly y dechreuodd teimladau'r staff Gronni.

Yn ystod haf 1999, comisiynwyd MORI gennym i gynnal arolwg barn. Bydd llawer o'r staff yn dweud nad oedd angen i MORI ddweud beth oedd barn y staff, ond yr oeddem am gau pen y mwdwl. Yr oeddem am ganfod beth oedd sefyllfa'r staff fel y gallwn ddechrau mesur unrhyw welliant yn eu hysbryd. Gobeithiwn y byddwn yn gweld y gwelliant hwnnw.

Dyna'r sefyllfa yn fras. Ni allwn fforddio rhoi codiad cyflog i'r staff yn ystod y ddwy flynedd hynny, ac wrth reswm, yr oeddent yn teimlo'n chwithig iawn. Y pwynt olaf imi ei wneud yw inni gynnig, yn sgîl hynny godiad cyflog ar gyfer y flwyddyn gyfredol a chafwyd cyd-drafodaethau hir a dyrys am y codiad cyflog hwnnw. Ar yr un pryd, yr oeddem yn ceisio newid ein safiad, ar un olwg, o safbwynt dileu'r cytundeb baich gwaith drwy geisio cyflwyno trefniadau cytundebol a oedd yn rhesymol i'r naill ochr a'r llall. Fel y mae'n digwydd mewn

feels is reasonable. It has been a protracted negotiation. The positive outcome is that we now have a settlement. Staff, in their pay packets this month, will receive their back pay to 1 August of a 4 per cent pay increase. We are very confident that the contractual negotiations that form part of that deal will be concluded successfully. I would stress that we on the management side totally understand the frustration that the staff have felt.

materion o'r fath, ni fydd yr hyn sydd yn rhesymol yn fy nhyb i yn rhesymol o bosibl i'r ochr arall. Bu'n broses gyd-drafod hirwyntog iawn. Y peth da yw ein bod bellach wedi dod i gytundeb. Bydd y staff, yn eu cyflog y mis hwn, yn cael codiad cyflog o 4 y cant, wedi ei ôl-dalu i 1 Awst. Yr ydym yn ffyddiog iawn y bydd y cyd-drafodaethau cytundebol sydd yn rhan o'r fargen honno yn dod i ben yn llwyddiannus. Hoffwn bwysleisio ein bod ninnau, y rheolwyr, yn llwyr ddeall pam bod y staff wedi teimlo'r fath rwystredigaeth.

[70] **Alison Halford:** This is my last question, which you have probably almost answered. The Public Accounts Committee was very critical of the way Cyril Lewis and Coopers & Lybrand were taken on board. This, presumably, was done without going out to tender. Is that to do with the fact that you were haemorrhaging and just had to get the first person available? What are your comments on the engagement of Mr Lewis and Coopers & Lybrand, please?

[70] **Alison Halford:** Hwn fydd fy nghwestiwn olaf, yr ydych wedi ei ateb bron fwy na thebyg. Yr oedd y Pwyllgor Cyfrifon Cyhoeddus yn feirniadol iawn o'r modd y cafodd Cyril Lewis a Coopers & Lybrand eu penodi. Cafodd hyn ei wneud, debygaf, heb ei gynnig ar dendr. A yw hyn yn gysylltiedig â'r ffaith eich bod yn colli arian ac yn syml bod yn rhaid ichi gael y person cyntaf a oedd ar gael? Beth yw'ch sylwadau ynglŷn â chyflogi Mr Lewis a Coopers & Lybrand, os gwelwch yn dda?

**Mr Mason:** I am cautious about commenting on actions that were taken by a governing body at a time when I was not there. I would just make—

**Mr Mason:** Pwyllaf rhag cynnig sylwadau ar yr hyn a wnaeth corff llywodraethol ar adeg pan nad oeddwn yno. Hoffwn nodi—

[71] **Alison Halford:** Has the procedure changed?

[71] **Alison Halford:** A yw'r weithdrefn wedi newid?

**Mr Mason:** Yes. I just make the point, though, that the governing body was in a position where they were, in a day-to-day sense, managing the college. It did not have a principal. It could not happen in terms of our procedure now, there would have to be a tendering process.

**Mr Mason:** Ydyw. Hoffwn nodi, fodd bynnag, bod y corff llywodraethol mewn sefyllfa pan mai hwy i bob golwg a oedd yn rheoli'r coleg o ddydd i ddydd. Nid oedd ganddo brifathro. Ni allai ddigwydd yn awr oherwydd y weithdrefn sydd gennym, byddai'n rhaid cynnal proses dendro.

[72] **Alison Halford:** I think that that is probably the point. Thank you very much indeed.

[72] **Alison Halford:** Credaf mai dyna'r pwynt, yn fwy na thebyg. Diolch yn fawr iawn ichi.

[73] **Janet Davies:** Thank you, Alison. Peter has some questions on procurement.

[73] **Janet Davies:** Diolch yn fawr, Alison. Hoffai Peter ofyn ychydig o gwestiynau ar gaffael.

[74] **Peter Black:** Just a very quick question on procurement, because we are short of time. This Committee has been very disappointed by the slow progress the sector

[74] **Peter Black:** Dim ond cwestiwn byr iawn ar gaffael, gan ein bod yn brin o amser. Mae'r Pwyllgor hwn wedi ei siomi'n fawr gyda'r cynnydd araf a wneir gan y sector

as a whole has made in improving procurements of goods and services, and driving out efficiency savings. Can you tell us what steps your college has taken to improve its procurement procedures?

**Mr Mason:** In a sense, one of the things that we identified very quickly during that crisis period was that the six campuses had been allowed to do their own thing. Campuses were buying personal computers and all sorts of things without any central control. The first thing we did—this was about 18 months ago—was to appoint a purchasing officer to try to co-ordinate the central purchasing policy. We very quickly recognised that this was not a qualified procurement post, it was an administrative post. So we strengthened that, and in April of this year we appointed a procurement manager. In passing, I note that Philip Holmes, our procurement manager, has been invited to be a member of the review group set up by Edwina Hart to look at procurement across Wales. That is a measure of his background and experience.

Here are just a few figures; in the last 12 months that we have been centrally purchasing and procuring in the college, rather than letting the campuses buy on their own, we have saved £100,000 on information technology. Our capital investment in IT this year was £1 million, and we have saved £100,000, about 10 per cent. Another way of looking at it is that students have had 200 extra PCs as a result of us buying centrally, rather than letting campuses buy from local suppliers. We have saved about 20 per cent on our photocopying costs. We purchase our energy through the Gwent consortium, and we have probably saved about 10 per cent. I could go on, but I realise that time is short. The other point is that central procurement has been set a target in next year's budget of saving £125,000. You might say that that seems to be a drop since we have saved about £250,000 this year, but I think that you will understand that when you first hit things you tend to get large savings and then it tends to tail off a bit. I would argue that we are probably ahead of other colleges in the sector in terms of procuring centrally.

cyfan ar wella'r broses o gaffael nwyddau a gwasanaethau, a sicrhau arbedion effeithlonrwydd. A allwch ddweud wrthym pa gamau y mae eich coleg wedi eu cymryd i wella ei weithdrefnau caffael.

**Mr Mason:** Ar un olwg, un o'r pethau a nodwyd gennym yn fuan iawn yn ystod cyfnod yr argyfwng oedd bod y chwe champws wedi cael pob rhyddid i wneud fel y mynnont. Yr oedd y campysau yn prynu cyfrifiaduron personol a phob math o bethau heb unrhyw reolaeth ganolog. Y peth cyntaf inni ei wneud—digwyddodd hyn tua 18 mis yn ôl—oedd penodi swyddog prynu i geisio cydlynu'r polisi prynu canolog. Cydnabuom yn gyflym iawn mai swydd weinyddol ydoedd yn hytrach na swydd gaffael lle yr oedd angen cymwysterau proffesiynol. Felly fe'i hatgyfnerthwyd gennym, ac ym mis Ebrill eleni, penodwyd rheolwr caffael. Gyda llaw, nodaf fod Philip Holmes, sef ein rheolwr caffael, wedi ei wahodd i fod yn aelod o'r grŵp arolygu a sefydlwyd gan Edwina Hart i ystyried pwnc caffael ar draws Cymru. Mae hynny'n arwydd o'i gefndir a'i brofiad.

Nodaf ychydig ffigurau; yn y 12 mis diwethaf pan rydym wedi bod yn prynu a chaffael yn ganolog yn y coleg yn hytrach na chaniatáu i'r campysau brynu ar eu pen eu hunain, yr ydym wedi arbed £100,000 ar dechnoleg gwybodaeth. £1 miliwn oedd ein buddsoddiad cyfalaf mewn TG eleni ac yr ydym wedi arbed £100,000, sef tua 10 y cant. Ffordd arall o edrych arno, yw bod y myfyrwyr wedi cael 200 o gyfrifiaduron personol ychwanegol oherwydd ein bod wedi prynu'n ganolog, yn hytrach na chaniatáu i'r campysau brynu oddi wrth gyflenwyr lleol. Yr ydym wedi arbed 20 y cant ar ein costau llungopio. Yr ydym yn prynu ein hynni drwy gonsortium Gwent, ac yr ydym fwy na thebyg wedi arbed tua 10 y cant. Gallwn fynd ymlaen, ond sylweddolaf fod amser yn brin. Y pwynt arall i'w nodi yw ein bod wedi pennu targed yng nghyllideb y flwyddyn nesaf i'r adran gaffael ganolog arbed £125,000. Efallai yr ymddengys ichi bod hynny'n llai na'r disgwyl am ein bod wedi arbed tua £250,000 eleni, ond credaf y byddwch yn deall bod tuedd ichi wneud arbedion mawr ar y cychwyn cyntaf ond yna maent yn tueddu i leihau ar ôl cyfnod.



Byddwn yn dadlau ein bod yn achub y blaen o'n cymharu â'r colegau eraill yn y sector o ran caffael yn ganolog.

[75] **Janet Davies:** Alun, do you want to ask some questions about changes to improve the financial position?

[75] **Janet Davies:** Alun, a ydych am holi ynglŷn â'r newidiadau i wella'r sefyllfa ariannol?

[76] **Alun Cairns:** Mr Mason, you have made changes to the college's senior management structure. Can you tell us a little more about that? How were they managed? What were the net costs or savings as a result?

[76] **Alun Cairns:** Mr Mason, yr ydych wedi gwneud newidiadau yn strwythur uwch reoli'r coleg? A allwch ddweud ychydig rhagor am hynny wrthym? Sut y cawsant eu rheoli? Beth oedd y costau neu'r arbedion net o ganlyniad?

**Mr Mason:** I will answer briefly, because I am conscious that the Chair is looking at the clock. When I arrived, the senior management structure of the college was that there was a campus director for each campus. Those six people, together with the corporate directors, formed the senior management team. It was fairly clear to me when I arrived that we had a corporate team that was supposed to be taking a corporate view, but that six of the people on the corporate team had patches to manage and therefore there was an inevitable conflict of interests. You might be taking a strategic decision for the benefit of the college, but if that affected campus x, campus director x would not be very persuaded by the corporate view. So we have separated the strategic role from the operational role. We now have a general manager on each campus, in the normal sense of a general manager. That person is responsible for the day-to-day operation at each campus. The general managers report to executive directors on the corporate management team, who are responsible for the corporate strategy. So the senior management team now consists of the two executive directors who look after the campuses and to whom the general managers report; then we have the finance director, the estates director, the human resources director and the marketing and corporate planning director. That is now the current team. Therefore the senior management team—we call it the corporate management team—are now corporate people, if I can use that term.

**Mr Mason:** Atebaf yn gryno, am fy mod yn ymwybodol bod y Cadeirydd yn edrych ar yr amser. Pan gyrhaeddais, strwythur uwch reoli'r coleg oedd bod gan bob campws gyfarwyddwr campws. Y chwe pherson hyn, ynghyd â'r cyfarwyddwyr corfforaethol, a oedd yn ffurfio'r uwch dîm rheoli. Yr oedd yn eithaf amlwg imi pan gyrhaeddais bod gennym dîm corfforaethol a oedd i fod i lunio'r farn gorfforaethol, ond bod gan chwech o'r bobl ar y tîm corfforaethol eu tiriogaethau bach eu hunain i'w rheoli ac felly wrth reswm cafwyd gwrthdaro buddiannau. Efallai y byddwn yn gwneud penderfyniad strategol er lles y coleg, ond os oedd hynny'n effeithio ar gampws x, ni fyddai cyfarwyddwr campws x yn cael ei argyhoeddi gan y farn gorfforaethol. Felly yr ydym wedi rhannu'r rôl strategol oddi ar y rôl weithredol. Bellach mae gennym reolwr cyffredinol ar bob campws, sef rheolwr cyffredinol yn yr ystyr arferol. Mae'r unigolyn hwnnw yn gyfrifol am weithrediadau'r campws o ddydd i ddydd. Mae'r rheolwyr cyffredinol yn atebol i'r cyfarwyddwyr gweithredol ar y tîm rheoli corfforaethol, sydd yn gyfrifol am y strategaeth gorfforaethol. Felly mae'r uwch dîm rheoli bellach yn cynnwys dau gyfarwyddwr gweithredol sydd yn gofalu am y campysau ac y mae'r rheolwyr cyffredinol yn cyflwyno eu hadroddiadau iddynt; yna ceir y cyfarwyddwr cyllid, y cyfarwyddwr ystadau, y cyfarwyddwr adnoddau dynol a'r cyfarwyddwr marchnata a chynllunio corfforaethol. Hwn yw'r tîm cyffredol yn awr. Felly pobl gorfforaethol, os caf ddefnyddio'r ymadrodd hwnnw yw'r uwch dîm reoli bellach—fe'i gelwir yn dîm rheoli corfforaethol gennym.

[77] **Alun Cairns:** How do the costs of the new structure compare to those of the former structure of campus directors?

**Mr Mason:** It is marginally cheaper, but it was not a restructuring to save money, it was a restructuring to make the senior management of the college more effective.

[78] **Alun Cairns:** Thank you. Extending further in terms of management, you mentioned earlier the introduction of a level below the faculty managers. Fifty in all, if my memory serves me rightly—

**Mr Mason:** Sorry, did you say 50?

[79] **Alun Cairns:** Fifty, yes.

**Mr Mason:** That is right.

[80] **Alun Cairns:** Could you tell us more about why you introduced the changes, and what budget was set? I noted that the second management reorganisation reduced the management from 118 to 35; by adding these 50 managers on, are we going back up to 85?

**Mr Mason:** You can imagine the sensitivities when we were going into this. First, I would stress that this was not a restructuring, in that sense. When I arrived we had faculty managers and, to give a simple example, a typical faculty manager would have upwards of 60 lecturers to manage. One of the few things that we and NATFHE agreed on in the early days was that you cannot have a situation where someone is trying to manage 60 lecturers. So we realised that we needed some intermediate layer.

The second point is that the section heads are not managers in the way that the NAO report talks about managers, that is, people who just manage. Section heads spend around two-thirds of their time teaching and a third supervising a small team of lecturers. It is

[77] **Alun Cairns:** Sut y mae costau'r strwythur newydd yn cymharu â chostau'r hen strwythur, sef y cyfarwyddwyr campws?

**Mr Mason:** Mae ychydig yn rhatach, ond nid er mwyn arbed arian y cafodd ei ailstrwythuro, fe'i ailstrwythurwyd i sicrhau bod uwch reolwyr y coleg yn fwy effeithiol.

[78] **Alun Cairns:** Diolch yn fawr. Gan ymhelaethu ar fater y rheolwyr, crybwyllasoch yn gynharach bod rheolwyr o dan lefel rheolwyr yr adrannau wedi cael eu cyflwyno. Cyfanswm o 50, os cofiaf yn iawn—

**Mr Mason:** Mae'n ddrwg gennyf, ai 50 a ddywedasoch?

[79] **Alun Cairns:** Ie, 50.

**Mr Mason:** Mae hynny'n gywir.

[80] **Alun Cairns:** A allech ddweud rhagor wrthym ynghylch pam y cyflwynwyd y newidiadau hyn gennych, a faint oedd y gyllideb a bennwyd? Nodais fod nifer y rheolwyr wedi gostwng o 118 i 35 yn sgîl ailstrwythuro'r haen reoli yr ail dro; drwy ychwanegu'r 50 rheolwr hyn, a ydym yn cyrraedd 85 eto?

**Mr Mason:** Gallwch ddychmygu pa mor sensitif oedd y sefyllfa hon ar y cychwyn cyntaf. Yn gyntaf, hoffwn bwysleisio nad proses ailstrwythuro ydoedd, yn yr ystyr hwnnw. Pan gyrhaeddais, yr oedd gennym reolwyr adrannau ac, i roi enghraifft syml, byddai gan reolwr adran cyffredin hyd at uchafswm o 60 o ddarlithwyr i'w rheoli. Un o'r ychydig bethau lle yr oedd Cymdeithas Genedlaethol yr Athrawon mewn Addysg Bellach ac Uwch a ninnau yn gytûn yn gynnar iawn oedd na ellir disgwyl i unrhyw un reoli 60 o ddarlithwyr. Felly sylweddolasom ein bod angen rhyw fath o haen ganol.

Yr ail bwynt yw nad rheolwyr yw penaethiaid yr adrannau yn yr ystyr a geir yn adroddiad y Swyddfa Archwilio Genedlaethol, sef pobl sydd ond yn rheoli. Mae penaethiaid yr adrannau'n treulio tua dwy ran o dair o'u hamser yn addysgu a'r

important to note that when you create positions for these people, the only cost that you incur is that of the teaching time that they lose. That is an example of the new way in which the corporation does business. We identified the need for section heads and we put together a business plan, which went through the finance and the human resources committees. We agreed a budget of £256,000 with the corporation, which was added to the pay bill. It was a revenue cost; there were no redundancy costs because they were internal people. Essentially, the cost was that of the extra staff needed to take over the hours that those people previously taught.

The finance committee monitored those appointments and I was required to report to the finance and human resources committees the exact details of the total cost backed up by a list of exactly who was appointed, their salaries and so on. We were able to give them chapter and verse. We came in under budget and it is true to say that, across the college, the use of section heads has been a pretty successful way forward. In terms of the gist of your question, it was an example of not doing it the way that it was done before, but doing it properly and effectively. I think that the corporation holds it up as an example of a well-managed project that it monitored.

[81] **Alun Cairns:** What other steps have you taken to improve the college's financial position? Will you highlight how you are quantifying any savings that you have made?

**Mr Mason:** The answer to that tends to sound a bit trite in the sense that it is actually just about good housekeeping. I inherited an organisation and I will give you a figure just to help to put this into context. At the end of July 1995, Gwent Tertiary College, as it was then, had around £7 million in the bank. At the end of July 1998, just after I had arrived, we were broke and we had spent £3 million of European social fund money. Therefore, we had got through around £10 million. When we considered the situation and particularly when Andrew, my finance

drydedd rhan yn goruchwyllo tîm bychan o ddarlithwyr. Mae'n bwysig nodi mai'r unig gost sydd gennych pan fyddwch yn creu swyddi i'r bobl hyn yw cost yr amser addysgu a gollwyd ganddynt. Dyna enghraifft o'r ffordd newydd y mae'r gorfforaeth yn gweithredu. Nodwyd gennym yr angen am benaethiaid adrannau a lluniwyd cynllun busnes gennym, a gafodd ei basio gan y pwyllgor cyllid a'r pwyllgor adnoddau dynol. Cytunasom ar gyllideb o £256,000 â'r gorfforaeth, ac fe'i hychwanegwyd at y bil cyflogau. Cost refeniw ydoedd; nid oedd unrhyw gostau diswyddo am mai pobl fewnol oeddent. Y gost yn y bôn oedd y staff ychwanegol yr oedd eu hangen i ymgymryd â'r gwaith addysgu yr oedd y bobl hynny wedi ei wneud cyn hynny.

Monitrowyd y penodiadau hynny gan y pwyllgor cyllid ac yr oedd yn ofynnol imi gyflwyno adroddiad i'r pwyllgor cyllid a'r pwyllgor adnoddau dynol ar y manylion llawn o gyfanswm y gost wedi eu hategu gan restr o'r bobl a gafodd eu penodi, eu cyflogau ac ati. Yr oeddem yn gallu rhoi hyn oll iddynt. Ni ddefnyddiwyd y gyllideb gyfan gennym ac mae'n wir dweud bod y defnydd o benaethiaid adrannau, ar draws y coleg, wedi bod yn eithaf llwyddiannus fel ffordd ymlaen. O ran hanfod eich cwestiwn, yr oedd yn enghraifft o'i wneud mewn modd cywir ac effeithiol yn hytrach na'i wneud fel yr oedd yn cael ei wneud yn y gorffennol. Credaf fod y gorfforaeth yn ei rhoi fel enghraifft o brosiect wedi ei reoli'n dda a gaiff ei fonitro.

[81] **Alun Cairns:** Pa gamau eraill a gymerwyd gennych i wella sefyllfa ariannol y coleg? A wnewch nodi sut yr ydych yn meintioli unrhyw arbedion a wnaethpwyd?

**Mr Mason:** Mae'r ateb i hynny yn aml i'w glywed braidd yn ystrydebol yn yr ystyr mai'r unig ateb mewn gwirionedd yw cadw tŷ yn dda. Etifeddais sefydliad a rhoddaf ffigur ichi i gynorthwyo i roi hyn yn ei gyddestun. Ar ddiwedd Gorffennaf 1995, yr oedd gan Goleg Trydyddol Gwent, fel y'i gelwid bryd hynny, tua £7 miliwn yn y banc. Ar ddiwedd Gorffennaf 1998, ychydig ar ôl imi gyrraedd, yr oeddem wedi mynd i'r wal ac yr oeddem wedi gwario £3 miliwn o arian y gronfa gymdeithasol Ewropeaidd. Felly gwariwyd tua £10 miliwn. Wrth inni ystyried

director, arrived, we could see clearly that it was about good housekeeping and getting tight controls on expenditure and trying to make people aware of the fact that sometimes the organisation could not afford the things that they wanted. I could give you hundreds of examples.

We took £2 million out of the non-pay costs, in a budget of around £12 million. That is a huge proportion of that budget. Although there was a little squealing, there was not a lot of reaction to it. The organisation seemed to be able to stand that and it reflected the fact that we were taking out fat rather than inflicting pain on the organisation. So, I do not want to sound trite about it, but the management of the college has been placed on a firm and businesslike basis. We are not a business in that sense, but we are businesslike. We have it under control. It is not rocket science, if you know what I mean.

[82] **Alun Cairns:** I congratulate you on your effective housekeeping, which I assume would have been introduced by monitoring and accounting procedures to keep a close eye on such issues. I understand that the college continues to have difficulties with producing credible management information on the number of students that are enrolled. That seems to be a basic principle that needs to be addressed. On the back of what you have already said about good management structure, what correlation can be made between the two and why has the student enrolment monitoring not been co-ordinated effectively?

**Mr Mason:** You said that we were unable to produce 'credible management information'. I take issue with the word 'credible'. History is important to inform the debate. As Steve Martin mentioned earlier, one of the things that we had in common with most colleges in this sector is that we did not pay much attention to our numbers of students in terms of finances, because finances were not directly related to student activity. The funding model now used by the funding council relates money directly to people, therefore very accurate data about student

y sefyllfa ac yn enwedig pan gyrhaeddodd Andrew, fy nghyfarwyddwr cyllid, gallem weld yn eglur mai cadw tŷ yn dda a rheoli'r gwariant yn dynn a cheisio sicrhau bod pobl yn ymwybodol o'r ffaith na allai'r sefydliad bob amser fforddio'r hyn yr oeddent eu heisiau oedd wrth wraidd y mater. Gallwn roi cannoedd o enghreifftiau ichi.

Cymerasom £2 miliwn o'r costau nad oeddent yn ymwneud â thâl, mewn cyllideb o tua £12 miliwn. Mae hynny'n gyfran enfawr o'r gyllideb honno. Er bod peth achwyn, ni chafwyd llawer o ymateb i hynny. Ymddangosai fel petai'r sefydliad yn gallu ymdopi â hynny ac yr oedd yn adlewyrchu'r ffaith ein bod yn cael gwared ar ychydig o floneg o'r sefydliad yn hytrach na pheri loes iddo. Felly, nid wyf am siarad mewn ystrydebau am hynny, ond rhoddwyd rheolaeth y coleg ar sail gadarn megis busnes. Nid busnes ydym yn yr ystyr hwnnw, ond mae gennym ymagwedd fusnes. Yr ydym yn ei reoli. Mae'n beth eithaf syml yn y bôn.

[83] **Alun Cairns:** Yr wyf yn eich llongyfarch ar gadw tŷ yn effeithiol, a fyddai wedi ei gyflwyno, fe dybiaf, drwy weithdrefnau monitro a chyfrifo i gadw llygad barcud ar faterion o'r fath. Deallaf fod y coleg yn cael anawsterau o hyd wrth gynhyrchu gwybodaeth reoli y gellir ymddiried ynddi ynglŷn â nifer y myfyrwyr sydd wedi cofrestru. Ymddengys bod honno'n egwyddor sylfaenol y mae angen mynd i'r afael â hi. Ar sail yr hyn yr ydych wedi ei ddweud eisoes ynglŷn â strwythur rheoli da, pa gymhariaeth y gellir ei wneud rhwng y ddau a pham nad yw'r gwaith o fonitro nifer y myfyrwyr sydd yn cofrestru wedi cael ei gydlynu'n effeithiol?

**Mr Mason:** Dywedasoch nad oeddem yn gallu cynhyrchu 'gwybodaeth reoli y gellir ymddiried ynddi'. Ni chytunaf ar y disgrifiad 'y gellir ymddiried ynddi'. Mae'n bwysig ystyried yr hanes. Fel y soniodd Steve Martin yn gynharach, un o'r pethau a oedd gennym yn gyffredin â'r mwyafrif o golegau yn y sector hwn oedd nad oeddem yn rhoi llawer o sylw i nifer y myfyrwyr o ran cyllid, am nad oedd y cyllid yn ymwneud yn uniongyrchol â gweithgaredd myfyrwyr. Mae'r model cyllido a ddefnyddir gan y cyngor cyllido bellach yn cyfateb arian yn uniongyrchol â

enrolments is needed.

We have been struggling, because we now have a computer system called FEMIS, which is used by only two colleges in Wales. Although I do not want to criticise FEMIS, you will understand that an organisation with only two installations in Wales is not going to provide the sort of software development that is needed. Steve mentioned that we are going to invest £250,000 in a new computer system to try to improve our record keeping. When you mentioned a lack of credible data, the funding council would support me in stating that our end of year student enrolment data for last year were audited thoroughly by Price Waterhouse Coopers. We were 8 per cent ahead of target. Unfortunately, they do not pay us any money for that but it was a very extensive audit. The evidence shows that we are actually under-recording slightly rather than over-recording. So, there is no suggestion that we are claiming money that we should not be claiming. By using the new system and reviewing our processes that lead into that system, we are fairly confident that things will also tighten up in that area.

[83] **Alun Cairns:** There is also concern about claiming all the money to which you are entitled.

**Mr Mason:** Yes.

[84] **Alun Cairns:** Mr Martin, will you extend on that?

**Mr Martin:** Yes, clearly so much of the funding is driven by that data. We allocate funds on that basis, so it is crucial that it is right. Improvements are needed across the sector—some places do it well, some not so well. It is an area that needs constant vigilance. We have a programme of work to ensure that that is part of the general improvements that we are trying to secure across the sector. I am happy with the action described by David Mason. That is exactly what is needed, although I repeat my earlier point that new systems in themselves are not the answer. They are the beginning of an

phobl, felly mae angen data cwbl gywir am nifer y myfyrwyr sydd yn cofrestru.

Yr ydym wedi cael anawsterau, gan fod gennym bellach system gyfrifiadurol o'r enw FEMIS, a ddefnyddir gan ddau goleg yng Nghymru yn unig. Er nad wyf am feirniadu FEMIS, deallwch nad yw sefydliad a chanddo ddau gwsmer yng Nghymru yn mynd i ddarparu'r math o ddatblygu meddalwedd sydd ei angen. Soniodd Steve ein bod yn bwriadu buddsoddi £250,000 mewn system gyfrifiadurol newydd i geisio gwella ein cofnodion. Pan gyfeiriasoch at ddiffyg data y gellir ymddiried ynddo, byddai'r cyngor cyllido yn cyd-fynd pan ddywedaf fod Price Waterhouse Coopers wedi archwilio ein data diwedd y flwyddyn am nifer y myfyrwyr yn cofrestru ar gyfer y llynedd yn drwyadl. Yr oeddem 8 y cant yn uwch na'r targed. Yn anffodus, nid ydynt yn talu unrhyw arian inni am hynny ond yr oedd yn archwiliad trylwyr iawn. Yn ôl y dystiolaeth, yr ydym yn tangofnodi o ychydig yn hytrach na gorgofnodi. Felly, nid oes unrhyw awgrym ein bod yn gwneud cais am arian na ddylem wneud cais amdano. Drwy ddefnyddio'r system newydd ac arolygu ein prosesau sydd yn cysylltu â'r system honno, yr ydym yn eithaf ffyddiog y bydd pethau'n gwella yn y maes hwn.

[83] **Alun Cairns:** Mae pryder hefyd eich bod yn gwneud cais am yr holl arian y mae gennych hawl i wneud cais amdano.

**Mr Mason:** Oes.

[84] **Alun Cairns:** Mr Martin, a wnewch ymhelaethu ar hynny?

**Mr Martin:** Gwnaf, ar y data hwnnw y seilir cymaint o'r cyllid wrth reswm. Yr ydym yn dyrannu'r arian ar y sail honno, felly mae'n holl bwysig ei fod yn gywir. Mae angen gwelliannau ar draws y sector—mae rhai sefydliadau yn ei baratoi'n dda, nid yw eraill crystal. Mae'n faes lle mae angen gwyliadwraeth barhaus. Mae gennym raglen waith i sicrhau bod hyn yn rhan o'r gwelliannau cyffredinol yr ydym yn ceisio eu sicrhau ar draws y sector. Yr wyf yn fodlon ar y camau a ddisgrifiwyd gan David Mason. Dyna'r union beth sydd ei angen, er yr hoffwn ailadrodd y pwynt a wneuthum yn

answer. Operating them successfully and ensuring that they are kept up to speed will be a constant challenge. For anyone who knows this business well, counting people accurately is not straightforward. It sounds simple, but anyone who has been to a part-time class at a further education college will know that these issues are not easy and that good procedures are required. I have seen, at first hand, that convincing front-line staff that their roles in this process are important is not always straightforward.

I will reinforce this final point. We are content, on the basis of the external auditors' work, that almost certainly there has not been an overclaim. We have not been in the business, any more than the European social fund has, of paying people for having done things that they cannot prove they did. Hopefully this situation will not recur in the future.

[85] **Janet Davies:** We will look very briefly at any wider implications for the sector in Wales. I address my questions to Mr Martin.

What guidance has the funding council produced to ensure that colleges have sufficient control and oversight over units with an entrepreneurial remit such as the training shop, and what monitoring of such units does the funding council now undertake?

**Mr Martin:** We undertake that as part of our general monitoring of control systems. Our guidance in the audit code of practice and in our financial memorandum and so on would apply just as much to these areas. It is interesting, if you go back to what happened in this case, that the audit carried out by the funding council at the end of 1995—before these restructuring issues arose and the financial crisis occurred in the college—picked up on many control system problems, including those of the training shop. Therefore it is built into the audit programme. It is not a bolt-on and our advice is quite clear: that these matters should be part and parcel of the college's systems. As the PAC

gynharach, nid y systemau newydd ynddynt eu hunain sydd yn datrys y broblem. Dechrau datrys y broblem y maent. Bydd yn her o hyd i'w gweithredu yn llwyddiannus a sicrhau eu bod yn gyfredol. Gŵyr pawb sydd yn ymwneud â'r busnes hwn nad tasg syml yw cyfrif pobl yn gywir. Mae'n swnio'n syml, ond gŵyr unrhyw un sydd yn mynychu dosbarth rhan amser mewn coleg addysg bellach nad yw'r materion hyn yn rhai hawdd a bod angen gweithdrefnau da. Yr wyf wedi gweld, o brofiad, nad peth hawdd yw argyhoeddi staff y rheng flaen bod eu rôl yn y broses hon yn un bwysig.

Ategap y pwynt olaf hwn. Yr ydym yn fodlon, ar sail gwaith yr archwilwyr allanol, nad oedd braidd dim posibilrwydd ein bod wedi gorhawlio. Nid ydym wedi arfer â thalu pobl am wneud pethau nad ydynt yn gallu profi eu bod wedi eu gwneud, yn yr un modd ag nad yw y gronfa gymdeithasol Ewropeaidd wedi arfer gwneud hynny. Gobeithio na welir y sefyllfa hon yn codi eto yn y dyfodol.

[85] **Janet Davies:** Edrychwn yn fras iawn ar unrhyw oblygiadau ehangach ar gyfer y sector yng Nghymru. Gofynnaf fy nghwestiynau i Mr Martin.

Pa arweiniad y mae'r cyngor cyllido wedi ei gynhyrchu i sicrhau bod y colegau yn rheoli a gorchwyllo unedau a chanddynt gylch gorchwyl entrepreneuriaid megis y siop hyfforddi a hynny'n ddigonol, a pha waith monitro o unedau o'r fath a wneir yn awr gan y cyngor cyllido?

**Mr Martin:** Yr ydym yn ymgymryd â hynny fel rhan o'n gwaith monitro cyffredinol ym maes systemau rheoli. Byddai ein harweiniad yn y cod ymarfer archwilio ac yn ein memorandwm ariannol ac ati yr un mor berthnasol i'r meysydd hyn. Mae'n ddi-ddorol, os ystyriwch yr hyn a ddigwyddodd yn yr achos hwn, bod yr archwiliad a gynhaliwyd gan y cyngor cyllido ar ddiwedd 1995—cyn i'r materion ailstrwythuro godi a chyn i'r coleg gael argyfwng ariannol—wedi nodi nifer o broblemau parthed y systemau rheoli, gan gynnwys rhai'r siop hyfforddi. Felly mae'n rhan o'r rhaglen archwilio. Nid rhan atodol mohoni ac mae ein cyngor yn gwbl eglur:

said in its report, or the NAO—I cannot remember which—it had become semi-detached. That is clearly unacceptable and it was something that we identified. It has now been put right in spades by David Mason and his team. I repeat—and I am sorry if I sound like Johnny one-note—that I do not think that these one-off events and one-off responses take you very far. It is about embedding systems. I refer back to the way in which we work with governing bodies to ensure that they secure the information that they need to monitor and control. Through our own audit and other processes, and through the governance and management development programme, we seek to ensure that everybody concerned knows their duties and fulfils them. We will issue a governors' guide this summer, which will reinforce some of these messages. However, even that is only an event and it needs to be followed through in the ways that I have described.

[86] **Janet Davies:** There is a need to be aware of how many colleges are getting European funding and have established these separate units, and whether they have separate trading companies, but I will not pursue that issue now, for reasons of time rather than any other. I think that Lorraine Barrett wants to raise a few more issues.

[87] **Lorraine Barrett:** I have a short question for Mr Martin. Do all the institutions in this sector now have a formal whistleblowing policy in place?

**Mr Martin:** They all have a system in place. In a number of cases it is awaiting final approval by the governing body. I understand that they all conform to best practice under Nolan and so on. So the answer is 'yes'.

[88] **Lorraine Barrett:** Now a question to Mr Mason. I am asking you this as someone who has had experience of whistleblowing, which is not a very pleasant thing to go through. Can you assure us that the college

dylai'r materion hyn fod yn rhan naturiol o systemau'r coleg. Fel y nododd y Pwyllgor Cyfrifon Cyhoeddus yn ei adroddiad, neu'r Swyddfa Archwilio Genedlaethol—ni chofiaf pa un—yr oedd wedi dod yn rhannol ddatgysylltiedig. Mae hynny'n gwbl annerbyniol wrth gwrs ac yr oedd yn fater a nodwyd gennym. Bellach mae David Mason a'i dîm wedi cyflawni gwaith mawr i unioni'r sefyllfa. Ailadroddaf—ac ymddiheuraf os mai'r un diwn a glywch gennyf o hyd—na chredaf fod y digwyddiadau a'r ymatebion untro hyn o lawer o fudd. Sicrhau bod systemau yn ymsefydlu sydd wrth wraidd y mater hwn. Cyfeiriaf yn ôl at y ffordd yr ydym yn gweithio gyda'r cyrff llywodraethol i sicrhau eu bod yn cael y wybodaeth y mae ei hangen arnynt i fonitro a rheoli. Drwy ein harchwiliad ein hunain a'r prosesau eraill, a thrwy'r rhaglen datblygu llywodraethu a rheoli, ceisiwn sicrhau bod pawb sydd yn gysylltiedig yn gwybod beth yw eu dyletswyddau ac yn eu cyflawni. Byddwn yn cyhoeddi arweiniad i'r llywodraethwyr yn ystod yr haf eleni, a fydd yn atgyfnerthu rhai o'r negeseuon hyn. Fodd bynnag, er mai un digwyddiad ydoedd, mae angen gweithredu arno yn y ffyrdd a ddisgrifiwyd gennyf.

[86] **Janet Davies:** Mae angen gwybod faint o'r colegau sydd yn cael arian gan Ewrop a faint ohonynt sydd wedi sefydlu'r unedau ar wahân hyn, ac a oes ganddynt gwmnïau masnachu ar wahân, ond ni fyddaf yn dilyn y mater hwnnw yn awr, oherwydd prinder amser yn fwy na dim. Credaf fod Lorraine Barrett am godi ychydig rhagor o faterion.

[87] **Lorraine Barrett:** Cwestiwn byr sydd gennyf i Mr Martin. A oes gan bob un o'r sefydliadau yn y sector hwn bolisi datgelu cyfrinachau ffurfiol yn ei le bellach?

**Mr Martin:** Mae pob un ohonynt wedi sefydlu system. Mewn nifer o achosion, mae heb ei chymeradwyo'n derfynol gan y corff llywodraethol. Deallaf fod pob un yn cydymffurfio â'r arfer gorau o dan Nolan ac ati. Felly yr ateb yw 'ie'.

[88] **Lorraine Barrett:** Cwestiwn yn awr i Mr Mason. Gofynnaf hyn ichi fel rhywun sydd wedi cael profiad o achos o ddatgelu cyfrinachau, a phrofiad annymunol iawn ydyw. A allwch ein sicrhau bod gan y coleg

now has a formalised whistleblowing policy? Are you satisfied that anyone finding himself or herself in that position will be afforded the right protection against any discrimination?

**Mr Mason:** The formal answer to the question is that ahead of 1 January 1999, when the Public Disclosure Act came into force, my corporation approved a whistleblowing procedure to be used by all staff—well, not to be used by all staff, to be available to all staff. We do not want them all using it! That came into force on 1 January. To comment on that, we are talking to the trade unions about it. It is very difficult, because the whistleblowing procedure is a fairly legalistic document. It is quite daunting for members of staff, if they want to raise something and then get this document. It is legalistic. Our lawyers have had to look at it, and so on. We are trying to produce a staff-friendly guide to the whistleblowers' procedure to help them. So I can give you confidence that we have a procedure. It has been widely made known to staff; they get it through the clerk to the corporation. They do not have to ask me for it. In terms of discrimination, the only point that I would make is that I think the whistleblowing procedure is yet another check and balance for me as the chief executive of the corporation. We would actually encourage staff, if they have something, to use it. In fact we have a recent situation, which I will not go into because it involves a disciplinary action, where it was as a result of something that was raised with us—not actually using the whistleblowing procedure—but it was raised with us and that led to some quite useful developments. We want to send a message that we encourage staff, if they have concerns, to raise them, that there is an informal procedure within the procedure and that they can talk to whoever. At the end of the day, if staff think that something is going wrong, I would like to know.

[89] **Lorraine Barrett:** Thank you, I am reassured by that. My last question is to Mr Shortridge. Looking at the governance and management development programme that has been introduced by the funding council

bellach bolisi datgelu cyfrinachau ffurfiol? A ydych yn fodlon na chamwahaniaethir yn erbyn unrhyw un sydd yn y sefyllfa honno?

**Mr Mason:** Yr ateb ffurfiol yw'r cwestiwn yw bod fy nghorfforaeth, cyn 1 Ionawr 1999, pan ddaeth y Ddeddf Datgelu Cyhoeddus i rym, wedi cymeradwyo gweithdrefn datgelu cyfrinachau i'w defnyddio gan bob aelod o'r staff—wel, nid i'w defnyddio gan yr holl staff, i fod ar gael i'r holl staff. Nid ydym am i bob un ohonynt ei defnyddio! Daeth hynny i rym ar 1 Ionawr. I roi sylw ar hynny, yr ydym yn cynnal trafodaethau amdani â'r undebau llafur. Mae'n anodd iawn, oherwydd bod y weithdrefn datgelu cyfrinachau yn ddogfen eithaf cyfreithiol ei natur. Mae'n eithaf anodd i aelodau o'r staff, os ydynt am godi mater, a'u bod yna'n derbyn y ddogfen hon. Mae'n gyfreithiol ei natur. Yr oedd yn rhaid i'n cyfreithwyr ei hystyried ac ati. Yr ydym yn ceisio cynhyrchu canllaw ar y weithdrefn datgelwyr cyfrinachau a fydd yn hawdd i'r staff ei defnyddio i'w helpu. Felly gallaf eich sicrhau bod gennym weithdrefn. Rhoddwyd cyhoedduswydd ymhlith y staff i'r ffaith ei bod ar gael gan glerc y gorfforaeth. Nid oes rhaid iddynt ofyn imi am gopi. Ynglŷn â chamwahaniaethu, yr unig bwynt y byddwn yn ei wneud yw y credaf fod y weithdrefn datgelu cyfrinachau yn fodd gwirio arall imi fel prif weithredwr y gorfforaeth. Byddem yn annog aelodau o'r staff i'w defnyddio, os cyfyd pryder. Yn wir mae gennym sefyllfa ddiweddar, ni roddaf fanylion gan ei fod yn ymwneud â champau disgyblu, lle codwyd mater o ganlyniad—nid drwy'r weithdrefn datgelu cyfrinachau ei hun—ond tynnwyd y mater hwn i'n sylw ac mae hynny wedi arwain at ambell i ddatblygiad eithaf defnyddiol. Hoffem roi'r neges ein bod yn annog y staff, os oes ganddynt bryderon, i'w codi, bod gweithdrefn anffurfiol o fewn y weithdrefn a'u bod yn gallu siarad â phwy bynnag y mynnont. Wedi'r cyfan, hoffwn wybod os yw'r staff o'r farn bod rhywbeth yn mynd o'i le.

[89] **Lorraine Barrett:** Diolch yn fawr, yr ydych wedi fy sicrhau. Mae fy nghwestiwn olaf i Mr Shortridge. O ystyried y rhaglen datblygu llywodraethu a rheoli a gyflwynwyd gan y cyngor cyllido ar gyfer pob sefydliad



for all institutions in Wales, how are you going to assess the effectiveness of that programme? Also, given the serious failings in governance and management seen at Gwent Tertiary College in particular, what steps are the National Assembly taking to improve the way that universities and colleges are governed and managed?

**Mr Shortridge:** I think that the way that we will assess the GMDP is mainly through the annual assurance statement that we have asked the funding council to provide to us. I understand that the first such statement will be with us later this month. We should see this as a process, and we need to have the opportunity to have a partnership with the funding council and to talk through with it what has emerged from what is, I think, really a very impressive new process that has been put in place, to see, in the light of that, what further improvements are needed. I see this as about having an engaged relationship with everyone concerned, rather than having a tick-box approach of 'we have done that and we can forget about it'. Sorry, I have forgotten the second half of your question.

[90] **Lorraine Barrett:** What steps is the Assembly taking to improve the way that universities and colleges are governed and managed?

**Mr Shortridge:** I cannot comment definitively on universities, but I think that, in terms of colleges, we do look to rely very much on the funding council, now that we have formally delegated the monitoring of governance arrangements to them, to take that forward. As I say, it is through a dialogue, and seeking to satisfy ourselves that the framework is right and that the way in which the framework is being applied and understood is right. If it were necessary to make further changes to instruments and articles of governance, I would be keen to see those made.

There is a wider issue that has come up during the discussion today, which is whether the model that we are applying through the 1992 Act is the right one. Our job as officials

yng Nghymru, sut yr ydych yn bwriadu asesu effeithiolrwydd y rhaglen honno? Hefyd, o gofio'r diffygion difrifol o ran llywodraethu a rheoli a gafwyd yng Ngholeg Trydyddol Gwent, yn enwedig, pa gamau y mae'r Cynulliad Cenedlaethol yn eu cymryd i wella'r modd y caiff prifysgolion a cholegau eu llywodraethu a'u rheoli?

**Mr Shortridge:** Credaf mai'r brif ffordd y byddwn yn asesu'r rhaglen datblygu llywodraethu a rheoli yw drwy gyfrwng y datganiad sicrwydd blynyddol yr ydym wedi gofyn i'r cyngor cyllido ei roi inni. Deallaf y bydd datganiad cyntaf o'r fath yn dod i law yn ddiweddarach yn y mis hwn. Dylem ystyried hon fel proses, ac mae angen inni gael y cyfle i lunio partneriaeth gyda'r cyngor cyllido a thrafod ag ef yr hyn sydd wedi dod i'r golwg o ran yr hyn a gredaf sydd yn broses newydd effeithiol dros ben a roddwyd ar waith, i ganfod, o ganlyniad i hynny, pa welliannau pellach sydd eu hangen. Meithrin perthynas lle yr ydym yn cysylltu â phawb sydd ynghlwm yw'r nod, yn fy nhyb i, yn hytrach na mabwysiadu ymagwedd y blwch tic sef 'yr ydym wedi gwneud hynny a gallwn anghofio amdani.' Mae'n ddrwg gennyf, yr wyf wedi anghofio ail ran eich cwestiwn.

[90] **Lorraine Barrett:** Pa gamau y mae'r Cynulliad yn eu cymryd i wella'r ffordd y caiff prifysgolion a cholegau eu llywodraethu a'u rheoli?

**Mr Shortridge:** Ni allaf gynnig sylwadau awdurdodol ynghlŷn â phrifysgolion, ond credaf, o safbwynt y colegau, ein bod yn dibynnu'n fawr iawn ar y cyngor cyllido, gan ein bod bellach wedi dirpryo'r gwaith o fonitro'r trefniadau llywodraethu yn ffurfiol iddynt, i ymgymryd â hynny. Fel y dywedais, drwy ddeialog a cheisio bodloni ein hunain bod y fframwaith yn un cywir a bod pobl yn defnyddio ac yn deall y fframwaith yn gywir. Pe bai angen gwneud newidiadau pellach yn yr offerynnau a'r erthyglau llywodraethu, byddwn yn awyddus bod y rheini'n cael eu gwneud.

Codwyd mater ehangach yn ystod y drafodaeth heddiw, sef ai'r model yr ydym yn ei ddefnyddio o dan Ddeddf 1992 yw'r un cywir. Ein gwaith fel swyddogion yw sicrhau

is to make the model that we have work to the best of our ability. If there are wider concerns about the approach, that is a matter for the Post-16 Education and Training Committee to consider in the first instance.

[91] **Janet Davies:** Jane wants to pursue that and enlarge on that point.

[92] **Jane Davidson:** I wondered if I might pursue this with Sir John and have a comment from the National Audit Office on that view, because it seems to me that we have a systematic problem in Wales—or rather in the UK—as a result of that Act. Neither this Committee nor the Assembly would want to see a disproportionate amount of time and eternal vigilance being devoted to one sector when we have so many sectors in Wales that we want to ensure are given adequate support. Could we have a comment from Sir John on that in this public session?

**Sir John Bourn:** I am glad to respond to that, Chair. I agree very much with the point that Mr Shortridge made during the course of the discussion. The model that was introduced for the management of further education—not just in Wales but throughout the country as a whole—was designed to give much greater power and authority to the governing bodies of these institutions. I think that among the motives for that was the idea that freedom would lead to energy and enterprise. However, I think that experience has shown that it was a freedom not backed by proper experience, proper systems and proper procedures. So the result has been disappointing in many ways, as so much of our work has shown, right throughout the country.

So to the extent for which it is for me to say, I do not think that it is a good model for running further education institutions. You asked me for a view. That is my view, based on the examination of a large number of them and the fact that we have had so many instances of these difficulties. It is quite interesting. When did we get on to Gwent? It actually came from Members of Parliament who came to me with these difficulties. They had been activated by their personal knowledge and by, as it were, embryonic whistleblowers who had not been certain

ein bod yn gweithredu'r model sydd gennym hyd eithaf ein gallu. Os oes pryderon ehangach ynglŷn â'r ymagwedd, y Pwyllgor Addysg a Hyfforddiant Ôl-16 ddylai ei ystyried yn y lle cyntaf.

[91] **Janet Davies:** Mae Jane am ddilyn y pwynt hwnw ac ymhelaethu arno.

[92] **Jane Davidson:** Tybed a gaf holi Syr John ynglŷn â hyn a chael sylwadau gan y Swyddfa Archwilio Genedlaethol ar y farn honno, oherwydd ymddengys i mi bod gennym broblem systematig yng Nghymru—neu yn y DU yn hytrach—yn sgîl y Ddeddf honno. Nid yw'r Pwyllgor hwn na'r Cynulliad am roi cyfran anghymesur o amser i un sector yn unig a'i oruchwylio'n ddi-baid tra bod gennym gymaint o sectorau yng Nghymru yr ydym am sicrhau eu bod yn cael cymorth digonol. A wnaiff Syr John gynnig sylw ar hynny yn y sesiwn gyhoeddus hon?

**Syr John Bourn:** Mae'n dda gennyf ymateb i hynny, Gadeirydd. Cytunaf yn fawr iawn â'r pwynt a wnaeth Mr Shortridge yn ystod y drafodaeth hon. Diben y model a gyflwynwyd ar gyfer rheoli addysg bellach—nid yn unig yng Nghymru ond ledled y wlad i gyd—oedd rhoi mwy o bwerau ac awdurdod i gyrff llywodraethol y sefydliadau hyn. Credaf mai un o'r rhesymau dros hyn oedd y syniad y byddai rhyddid yn esgor ar egni a mentergarwch. Fodd bynnag, credaf fod profiad wedi dangos ei fod yn rhyddid nad oedd wedi ei seilio ar brofiad priodol, systemau priodol a gweithdrefnau priodol. Felly mae'r canlyniad wedi bod yn un siomedig iawn mewn sawl ffordd, fel y mae cymaint o'n gwaith wedi dangos, ledled y wlad.

Felly, i'r graddau y mae'n briodol imi ddweud, ni chredaf fod hwn yn fodel da dros redeg sefydliadau addysg bellach. Gofynasoch am fy marn. Dyna yw fy marn, yn seiliedig ar yr archwiliadau o nifer fawr ohonynt a'r ffaith bod gennym gymaint o achosion o'r anawsterau hyn. Mae'n eithaf diddorol. Sut y cawsom wybod am Goleg Gwent? Aelodau o Dŷ'r Cyffredin a dynnodd y materion hyn i'm sylw mewn gwirionedd. Cawsant eu symbylu gan eu gwybodaeth bersonol a thrwy ddarpar-ddatgelwyr cyfrinachau, fel petai, nad oeddent yn

where to go. They went to their elected Members, quite rightly, and they then came to us. I was glad that they did, because we were able to respond.

[93] **Janet Davies:** Thank you, Sir John. I think that when we eventually formally lay our report before the Assembly, I would like to see a note that the attention of the Post-16 Education and Training Committee is drawn to our findings. I think that it is important that it looks at some of the issues that have come up this morning.

I thank all the witnesses. You have given very full and helpful answers and I hope that the report that will come out of this will be helpful to you. You will receive a draft transcript of this session so that you can check its factual accuracy before it is published. When the Committee publishes its report that transcript will be included in an annex.

gwybod ble i fynd. Aethant at eu Haelodau etholedig, a hynny'n hollol gyfiawn, ac wedyn daethant atom ni. Yr oeddwn yn falch iddynt wneud, oherwydd yr oeddem yn gallu ymateb.

[93] **Janet Davies:** Diolch yn fawr, Syr John. Hoffwn gynnwys nodyn, fe gredaf, pan fyddwn yn cyflwyno ein hadroddiad terfynol ger bron y Cynulliad yn ffurfiol, y dylid tynnu sylw'r Pwyllgor Addysg a Hyfforddiant Ôl 16 i'n canfyddiadau. Credaf ei bod yn bwysig ei fod yn ystyried rhai o'r materion a godwyd y bore yma.

Diolchaf i'r holl dystion. Yr ydych wedi rhoi atebion llawn a defnyddiol iawn a gobeithiaf y bydd yr adroddiad a gyflwynir yn sgîl hyn yn ddefnyddiol ichi. Byddwch yn derbyn trawsgrifiad o'r sesiwn hwn fel y gallwch wirio ei gywirdeb ffeithiol cyn iddo gael ei gyhoeddi. Pan fydd y Pwyllgor yn cyhoeddi ei adroddiad caiff y trawsgrifiad ei gynnwys fel atodiad.

*Daeth y sesiwn cymryd tystiolaeth i ben am 11.51 a.m.  
The evidence-taking session ended at 11.51 a.m.*