

# **THE NATIONAL ASSEMBLY FOR WALES: AUDIT COMMITTEE**

**REPORT 00-07 - Presented to the National Assembly on 1<sup>st</sup> December in accordance  
with section 102(1) of the Government of Wales Act 1998**

## **COLEG GWENT**

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## INTRODUCTION

1. This report is about Coleg Gwent (known until 1 January 2000 as Gwent Tertiary College), which is the largest further education institution in Wales with some 28,000 students.<sup>1</sup> In April 1997, six Members of Parliament from South Wales wrote to the Comptroller and Auditor General raising concerns about the costs of a management restructuring exercise undertaken by the College and resulting redundancies.<sup>2</sup> The restructuring which was implemented during 1996 resulted in an increase in management posts at the College from 56 to 118. At the same time the College also introduced major changes to the pay and conditions of teaching staff. Both factors caused major financial problems at the College which resulted in it making an operating deficit of £6.8 million in the academic year 1996-97.<sup>3</sup>
2. In October 1997 concerns were also raised about the activities of the College's Training Shop, a separate Unit which handled the College's training supported by funding from the European Social Fund. The College's internal auditors at that time carried out a detailed review of the Training Shop and found a number of serious failings in the College's management and oversight of the unit. There were also questions of irregularity and impropriety at the Training Shop.<sup>4</sup>
3. In late 1997, and 1998, officials from the Department for Education and Employment and the European Commission undertook a review of the College's claims for European funding. They found that the College was unable to demonstrate from its records that the funds it had received from the European Social Fund had been applied correctly. In the light of this review all payments of European funding to the College were suspended, the College disbanded the Training Shop and withdrew from participating in any European-funded training schemes.<sup>5</sup>
4. The Principal at the time of the financial problems at the College – Mrs Sue Parker resigned in July 1997. Mr David Mason – the current Principal - was appointed with effect from 1 April 1998. Since 1998, all but one of the College's senior management team in post at the time of the events of 1996 and 1997 have left the College. With the

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<sup>1</sup> Committee of Public Accounts (PAC) 2<sup>nd</sup> Report 1999-2000 HC102 para 1

<sup>2</sup> Comptroller & Auditor General's (C&AG) Report on Financial Management at Gwent Tertiary College HC 253 1998-99 Executive Summary para 1

<sup>3</sup> PAC Report para 2

<sup>4</sup> PAC Report para 3

<sup>5</sup> PAC Report paras 12 -14

exception of one of the staff governors, none of the governors in post at the time of the problems remain in post.<sup>6</sup>

5. The Comptroller and Auditor General issued his report in March 1999 entitled *Financial Management and Governance at Gwent Tertiary College* (HC 253 1998-99) which was considered by the Committee of Public Accounts in June 1999. Their report led to a Treasury Minute (the Government's response to a PAC report) being issued in March 2000.<sup>7</sup> This made clear that the relevant responsibilities of the former Welsh Office had been transferred to the Assembly and it was for the Audit Committee to monitor the measures taken by the Further Education Funding Council for Wales and by the Assembly. In view of the Committee of Public Accounts' highly critical report and the concerns that the Audit Committee had about some of the responses in the Treasury Minute, we took evidence in June 2000 from officials from the National Assembly and the Further Education Funding Council for Wales (the Funding Council) and the Principal of Coleg Gwent. Our report takes forward many of the concerns raised by the Committee of Public Accounts and provides an update of the current state of play at the College on the following issues:

- the current financial health of the College and European funding issues;
- the governance and management of the College;
- the financial management of the College;
- external monitoring of the College and accountability issues; and
- some of the wider implications for the further education sector in Wales of the events at Gwent.

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<sup>6</sup> C&AG's Report Executive Summary paras 13 and 14

<sup>7</sup> Cm 4656 Treasury Minute on the First to Third Reports from the committee of Public Accounts 1999-2000

## **THE FINANCIAL HEALTH OF THE COLLEGE AND EUROPEAN FUNDING ISSUES**

### **The financial health of the College**

6. From incorporation in 1993 until the management restructuring and the changes to the pay and conditions of teaching staff which took place in 1996, the College had consistently achieved surpluses on its income and expenditure account. In the academic year 1996-97, the College made an operating deficit of £6.8 million. In the face of this financial crisis the College took corrective action and was able to reduce the deficit in the following year to £1 million.<sup>8</sup> The Treasury Minute reported that in the academic year 1998-99 the College made an operating deficit of £0.5 million.<sup>9</sup> The Principal of the College told us that the College is forecasting that it will make a small operating surplus of about £188,000 in the current academic year to 31 July 2000 against an original budget to break even. He added that the College has the strategic aim over the coming years to deliver an operating surplus of around £1 million a year.<sup>10</sup> We are pleased that the College appears to have turned the corner in its financial recovery. However, we look to the College to maintain its financial position by continuing to be vigilant in its financial management.

### **European funding issues**

7. This financial recovery by the College masks the issue of the repayment it is required to make to the European Union of the funds which the College received from the European Social Fund but which it did not apply correctly. The Principal subsequently confirmed in a note to us that the amount which the College will have to repay is £2.82 million. The Department for Education and Employment, which oversees the administration of this funding in the United Kingdom, has agreed that the College can repay this sum in three equal instalments on the last day of each of the next three academic years beginning in July 2001.<sup>11</sup>
8. The Principal is confident that this repayment will not dramatically affect the day-to-day business of the College. It will not mean that courses will have to be closed or that staff will lose their jobs. The College planned to find the money by reducing its planned capital investment programme by nearly £1 million in each of the next three years which

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<sup>8</sup> PAC Report para 9

<sup>9</sup> Cm 4656 para 22

<sup>10</sup> Q64

<sup>11</sup> Letter from Principal of Coleg Gwent 2 August 2000

in the current academic year will reduce capital expenditure from about £7 million to about £6 million.<sup>12</sup>

9. The current capital investment programme gives a high priority to maintenance, an area which had been severely cut back while the College was in financial crisis. The College has commissioned a condition survey of its estate and as a result £2 million of the aforementioned £6 million of capital expenditure for 2000-2001 has been allocated to the maintenance of the existing estate.<sup>13</sup> In addition, the College also plans to spend over £1 million of revenue expenditure on maintenance.<sup>14</sup> The Principal told us that the College would like to spend more money, more quickly, on this aspect but it will look to rebalance the under-investment of the past few years.<sup>15</sup> It concerns us that the College has had to cut back so savagely on its maintenance programme for so long. We look to the College to improve the fabric of its estate as quickly as possible and to keep a close eye on health and safety issues while backlog maintenance is being addressed.
10. The review of the Training Shop undertaken by the College's then internal auditors in 1998 found a catalogue of serious failings in the College's management and monitoring of the unit. For example, the College had failed to produce any strategic or business plans for the Training Shop, nor had it set any aims, objectives or targets for it. It had no records of the staff who worked for the Training Shop, and there was only limited formal reporting by the Training Shop to either the Governing Body or to senior management. In addition many of the Training Shop's activities were not covered by the College's financial regulations and there were a number of serious potential conflicts of interest within the Training Shop.<sup>16</sup>
11. The current Principal told us that in his view these problems were symptomatic of the widespread failings in control that had existed in the College. He assured us that, in response to those failings, tight financial controls systems had now been put in place across the College. All monies received in the College now have to be accounted for and spent appropriately. For example, staff cannot now be appointed without approval at the appropriate level.<sup>17</sup>
12. We stated in our report on Further Education in Wales<sup>18</sup> that it is vital to the future prosperity of Wales that maximum use is made of Objective 1 status and of the funding

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<sup>12</sup> Q4

<sup>13</sup> Q5

<sup>14</sup> Letter from Principal 2 August 2000

<sup>15</sup> Q5

<sup>16</sup> PAC Report para 12

<sup>17</sup> Qs 7-8

<sup>18</sup> Audit Committee Report 00-03: Further Education in Wales

that will flow from that programme. The Principal of Coleg Gwent told us that for the past two to three years the College had not been directly involved in any European Social Fund projects. He agreed that a College of the size and importance of Coleg Gwent should be involved in this area of activity particularly under Objective 1 status. He told us that the College planned to appoint two people to help with the transition back into European Social Fund work.<sup>19</sup> He also told us that the Department for Education and Employment had confirmed that it was now satisfied with Coleg Gwent's financial control and monitoring procedures and has no concerns about the College applying for and receiving European Social Funds.<sup>20</sup>

13. He told us that that the College did not have any Objective 1 funded schemes ready to start although there were some embryonic schemes. The Principal considered that the crisis at the College had caused it to lose sight of some wider strategic considerations. However, the College would be looking to build plans for some European projects into its strategic and institutional planning for next year.<sup>21</sup> We are very concerned that the College currently has no firm proposals in place to utilise Objective 1 funding. Given its position as the largest further education institution in Wales, Coleg Gwent must take immediate action to ensure that it is able to maximise its use of the funding available under Objective 1.
14. The importance of European funding to Wales cannot be over-estimated. However, the Permanent Secretary told us that accountability for European Social Funds monies in Wales does not rest with him but is vested in the Department for Education and Employment. He noted, however, that he is accountable for expenditure undertaken in Wales of funds received from the European Regional Development Fund.<sup>22</sup> We note that, as part of the Comprehensive Spending Review, the United Kingdom Government has passed responsibility for expenditure of European Social Funds to the Assembly. We look to the Assembly to put proper procedures in place and to discharge this new responsibility with regard to the need for regularity and propriety.

## **THE GOVERNANCE AND MANAGEMENT OF THE COLLEGE**

### **Governance**

15. The Governing Body which was in place at the College at the time of the crisis has come in for considerable criticism. For example, it is well documented that the Governing

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<sup>19</sup> Q10

<sup>20</sup> Letter from Principal 2 August 2000

<sup>21</sup> Qs 19 and 21

<sup>22</sup> Qs 11 and 14

Body did not set any framework for the implementation of the management restructuring, nor did it have any formal procedures for monitoring the progress of the restructuring. The Committee of Public Accounts described the attitude of the Governing Body to events at the College as complacent.<sup>23</sup> With the exception of one of the staff governors who has been re-elected by the staff, none of the governors now in post were in post at the time of the crisis.<sup>24</sup>

16. The Principal told us that the Governing Body had changed dramatically since the crisis. The Governing Body had expanded from 13 to 19 members, and aimed to have a total determination of 21. This included two co-opted members and the maximum allowed of three staff members. In addition, because Coleg Gwent functions within five unitary authorities, the College had been given special dispensation to appoint up to five local authority members which had now been achieved. The Governing Body had now undertaken a detailed skills audit which had identified the need for a member with a background in special needs as well as someone with a legal background. Both appointments had recently been made. In addition, someone from the farming community was also being sought. In his opinion the Governing Body now had a good balance of skills and was very vigilant.<sup>25</sup>
17. The Principal also told us that the Governing Body at Coleg Gwent had made extensive use of the training on offer under the Funding Council's Governance and Management Development Programme and had also run a large amount of in-house training. The Governing Body had held governors' development evenings and had received training sessions from the College's external auditors, and solicitors. In addition all new governors now go through an induction process tailored to their particular needs.<sup>26</sup> We welcome the changes in the Governing Body at Coleg Gwent including the full representation of all of the relevant local authorities. We particularly welcome the skills audit which the Governing Body has undertaken and that the Governing Body has expanded to accommodate the additional skills this process identified. We recommend that the Governing Body of every institution in the sector should undertake a detailed skills audit of its requirements and look to amend its membership in accordance with the findings.

## **Management issues at the College**

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<sup>23</sup> PAC Report para 7 (xii)

<sup>24</sup> PAC report para 55

<sup>25</sup> Q37

<sup>26</sup> Q38

18. In late 1997, the Governing Body implemented a number of measures which were designed to improve the financial position of the College as quickly as possible.<sup>27</sup> These actions included withdrawing contractually agreed arrangements that had been negotiated with the trade unions. Most notably this included the College withdrawing the so-called “workload agreement” which had been negotiated by Mrs Parker, the previous Principal, with the trades unions at the College. This agreement in effect afforded the means by which teaching staff at the College could recover expected efficiency gains from new contracts which had set particular terms and conditions for staff.<sup>28</sup> The Principal told us that at the time the trade unions had understandably felt that they had made a deal and that in their view College management had reneged on that deal. As a consequence, at the end of 1997 the staff had voted to take industrial action and the situation was not resolved until June this year.<sup>29</sup> We are pleased that the College has been able to negotiate an end to the industrial dispute that has disrupted the College since the end of 1997. However, the dispute has left a legacy of distrust which the management of the College will need to work hard to overcome.
19. One of the other early measures which the College took in 1997 to improve its financial position was to reverse the management restructuring from 118 posts back down to 35 posts.<sup>30</sup> The current Principal noted that as a result of these changes when he arrived at the College a typical faculty manager had up to 60 lecturers to manage which was not a realistic proposition. The College had therefore introduced an intermediate layer of management called section heads who spend about two thirds of their time teaching and one third supervising a small team of lecturers. A business plan to this effect had been reviewed and endorsed by both the Finance and Human Resources Committees of the Governing Body. The budget agreed by the Governing Body was £256,000 which was the estimate of the increase in the pay bill for the additional people needed to take over the teaching hours which the section heads had previously taught.<sup>31</sup>
20. The Finance Committee monitored the appointments and the Principal had to report exact details of the total cost backed up by a list of appointments, salaries and other information. The Principal stated that the process had come in under budget and that the introduction of section heads had been successful so far. He told us that the Governing Body held it up as an example of a well-managed project which it had monitored.<sup>32</sup> We

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<sup>27</sup> C&AG’s report para 1.5

<sup>28</sup> C&AG’s report para 2.24

<sup>29</sup> Q69

<sup>30</sup> C&AG’s report para 2.17

<sup>31</sup> Q80

<sup>32</sup> Q80

note the careful way the College managed the latest overhaul of its wider management structure which was in marked contrast to the way it managed the original restructuring exercise in 1996. We recommend that other institutions in the sector take note of the way Coleg Gwent has managed its latest restructuring.

21. Both the Principal of the College and the Funding Council admit that the College does still need to address a number of key strategic problems. One important factor is the need to produce accurate data on the number of students the College has enrolled. The Principal noted that the funding model for the sector now related money directly to students and that therefore accurate data about student enrolments was needed. He told us that the College had been struggling to produce such data but added that the College was to invest £250,000 in a new computer system to try to improve its record keeping. He also noted that the most recent external audit of data found that the College was in practice under-recording the number of students it has enrolled rather than over-recording. There was no suggestion therefore that the College was claiming money to which it is not entitled.<sup>33</sup> It concerns us that the College still faces difficulties in producing management information on the number of students that it enrolls. The Committee looks for confirmation of an early resolution to this problem.

### **The assessment and training of staff**

22. One of the key concerns which the Committee of Public Accounts raised in its report is the need for all colleges to have both a probationary period and a formal appraisal process in place for their Principals.<sup>34</sup> The Principal of Coleg Gwent confirmed to us that his appointment had been subject to a probationary period and that he had also been subject to a review of his performance at the end of his first year in post.<sup>35</sup> We seek confirmation that the Principal underwent a full appraisal process at the end of his second year in post.
23. The Principal also said that the College's Governing Body is now moving to formalise an appraisal procedure for each of the four senior post holders within the College. The College will gradually cascade the appraisal system right through the College although the Principal stressed that he would see this appraisal process more as a developmental tool rather than just being about staff's performance.<sup>36</sup> Coleg Gwent needs to formalise its appraisal process for its four senior post holders as quickly as possible and extend it to the remainder of the staff when this is practicable.

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<sup>33</sup> Q82

<sup>34</sup> PAC Report para 74

<sup>35</sup> Q23

<sup>36</sup> Qs 23 and 24

24. The Funding Council confirmed to us that most colleges have a system in place for appraising their Principal. The Funding Council told us that in May 2000 the Association of Colleges – the colleges’ employers federation – had issued guidance on a model contract which included arrangements for appraisal; and for probation periods. The Funding Council noted that while this is only guidance, it would address this issue in the Governance and Management Development Programme to ensure that all colleges are operating these procedures.<sup>37</sup> We recommend that the whole sector should adopt formal appraisal processes for senior post-holders as quickly as possible.

## **THE FINANCIAL MANAGEMENT OF THE COLLEGE**

### **General financial management**

25. In its report, the Committee of Public Accounts was highly critical of the financial management at the College. In addition to the complete breakdown in controls and regulations highlighted by the problems at the Training Shop,<sup>38</sup> the Committee of Public Accounts condemned the lack of honesty and integrity in the College’s financial reporting during the time of the crisis both on the estimated costs of the restructuring and the College’s overall financial position.<sup>39</sup> The Treasury Minute recorded that the College has since introduced a new financial control regime and new improved budgetary control procedures.<sup>40</sup>
26. The Principal told us that the College now involved all budget managers in the development of the annual budget, which was ultimately approved by the Governing Body. Detailed, monthly, management reports showed the income and expenditure account, cash flow predictions and the current forecast of the likely year-end financial position. The budget holders were asked to account for the variances in the report and to provide an action plan for addressing those variances. The Finance Committee of the Governing Body met to review each monthly management report.<sup>41</sup> We commend the comprehensive budget-setting and monitoring processes which have now been adopted by Coleg Gwent and which are key to ensuring the financial success of any institution.
27. The Committee of Public Accounts was also critical of the failure of the College during the time of the crisis to have anyone on the senior management team with an accounting background.<sup>42</sup> The Principal of Coleg Gwent confirmed to us that by July 1998 the

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<sup>37</sup> Q26

<sup>38</sup> PAC report para 7 (viii)

<sup>39</sup> PAC report para 7 (x)

<sup>40</sup> CM 4656 para 32

<sup>41</sup> Q30

<sup>42</sup> PAC Report para 7 (vii)

College did not have any qualified accountants. The current Finance Director who was a member of the senior management team arrived in August 1998. He had set about strengthening the Finance Department and the College now had three qualified accountants.<sup>43</sup> We note that the College has recognised the need to have adequate numbers of professionally qualified financial staff. We consider it is vital that all institutions have the appropriate level of qualified finance staff.

### **The procurement of goods and services**

28. In the light of our serious concerns about the way the further education sector has managed the procurement of goods and services, based on sector-wide examinations by the Auditor General for Wales, we asked how Coleg Gwent has tackled this issue. The Principal told us that during the period of the crisis, the six campuses within the College had been allowed to make their own procurement arrangements. In practice each campus had been buying its own items with no central control. As a result, towards the end of 1998, the College had appointed a purchasing officer to try to co-ordinate the central purchasing policy. The College told us, however, that it had quickly recognised that this was not an administrative post but a job for a qualified procurement manager. In April 2000 the College had appointed an experienced procurement manager.<sup>44</sup>
29. The Principal provided us with a number of examples of the savings that the College has made on procurement. For example, by centralising procurement in the College it has saved £100,000 on information technology expenditure and saved 20 per cent on its photocopying costs. In total, the College has saved over £250,000 on its procurement of goods and services in the current year and it is looking for further significant savings in the years ahead.<sup>45</sup> **We note the steps the College has made to improve its procurement of goods and services, which we commend to the sector. In particular the College was able to demonstrate to us the benefits of centralised purchasing; and the appointment of qualified procurement staff who have the necessary expertise.**
30. The Committee of Public Accounts was also very critical of the way in 1997 the College had appointed both Mr Cyril Lewis, as a consultant to propose and implement a recovery plan at a total cost of £77,000; and Coopers & Lybrand as financial advisers, without holding any form of competition.<sup>46</sup> The Principal assured us that the way these

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<sup>43</sup> Q31

<sup>44</sup> Q74

<sup>45</sup> Q74

<sup>46</sup> PAC Report para 7 (xx)

appointments had been made could not now happen under the College's current procedures. There would have to be a tendering process for any such appointment.<sup>47</sup>

### **Implementing audit recommendations**

31. One of the most unfortunate episodes during the crisis at Gwent was the failure of the College to implement many of the recommendations made by the Funding Councils' Audit Service in 1996 for improvements to the College's financial management and controls. The College subsequently misled the Funding Council when it reported that it had implemented all but two of the recommendations.<sup>48</sup>
32. The Principal told us that all audit reports now went before the College's Audit Committee which reviewed them and the management's actions and responses. The Chairman of the Audit Committee, in conjunction with the Clerk to the Governing Body, operated a small computer database which included all audit recommendations, the actions proposed and the date by which they had to be completed. The Audit Committee monitored that action was taken on every single recommendation and also required evidence that the action had been taken. If matters recurred past their due date the Audit Committee required an explanation. In turn the Governing Body now received regular reports from the Audit Committee on this process.<sup>49</sup> **We recommend that the Audit Committees of all institutions across the sector adopt the approach Coleg Gwent has employed for monitoring the implementation of recommendations made by all auditors.**

## **EXTERNAL MONITORING OF THE COLLEGE AND ACCOUNTABILITY ISSUES**

### **Monitoring by the Funding Council**

33. The Committee of Public Accounts asked why the Funding Council's monitoring of the College had failed to identify the fundamental failings of governance and management at the College. For example, the Committee of Public Accounts questioned how the Principal had been able to conceal the College's true financial position from both the Governing Body and the Funding Council for so long.<sup>50</sup>
34. The Funding Council monitors the financial health of all institutions three times a year. Having made a significant operating surplus in the academic year 1994-95, by July 1996 the College was forecasting a small operating deficit for 1995-96 and an operating deficit

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<sup>47</sup> Q71

<sup>48</sup> PAC Report paras 34 and 35

<sup>49</sup> Qs 28 and 29

<sup>50</sup> PAC report paras 7 (x) and (xiii)

of £750,000 for 1996-97. At the same time, however, the College's Senior Management Team was privately forecasting a very large operating deficit for 1996-97.<sup>51</sup> Despite the apparent decline in the College's financial performance the Funding Council continued to assess the College's financial health as Satisfactory (the highest rating) until March 1997 when the College finally admitted it was heading for a very large operating deficit in 1996-97. At that point the Funding Council changed its categorisation of the College's financial health to Marginal.<sup>52</sup> It was not until February 1998 that the Funding Council changed its assessment to Unsatisfactory - the lowest rating – an action that automatically triggers significantly more oversight of institutions by the Funding Council.<sup>53</sup>

35. The Funding Council has recently changed Gwent's categorisation of financial health back from Unsatisfactory to Marginal. The new Chief Executive of the Funding Council told us that he had personally reviewed the decision and had endorsed it. The decision had been based on the College's improving operating performance, its increase in general reserves, a small reduction in the College's reliance on funding from the Funding Council and the Funding Council's increased confidence in the College's ability to forecast its financial position accurately. He believed that, also given the improvements in the control systems at the College, it would have been perverse not to change the College's categorisation.<sup>54</sup>

36. He also told us, however, that the reclassification did not mean that the heat was off the College. The College would continue to have to provide monthly reports on its financial position and the Funding Council would continue to keep a close eye on the College. He acknowledged that many problems remain at the College including the backlog of maintenance, the need for a strong capital programme and the contingent liability for the European Social Fund monies. He further noted that the College needed to improve its strategic planning and be able to produce reliable data on student numbers.<sup>55</sup> **In light of the work that the College still has to undertake in a number of key areas such as strategic planning, we are surprised at the Funding Council's decision to recategorise the College's financial health. We urge the Funding Council to continue to monitor the College particularly closely.**

### **The accountability of individuals and organisations**

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<sup>51</sup> C&AG's report Figure 2 and PAC report para 22

<sup>52</sup> PAC report para 32

<sup>53</sup> C&AG's report para 5.8

<sup>54</sup> Q50

<sup>55</sup> Qs 50 and 51

37. We are concerned about the ability to hold individuals and organisations to account whenever negligence occurs in the public sector in Wales. At the time of the crisis at Gwent, the only power the Funding Council had to take direct action against the College was to withhold or reclaim grant money. In the light of the difficulties facing Gwent at the time the Funding Council considered that this would not have been an appropriate step for it to take.<sup>56</sup>
38. The Governing Body made a favourable financial settlement to Mrs Parker when she resigned as Principal in July 1996. The Chief Executive of the Funding Council told us that Governing Bodies now had the powers to suspend an individual, without pay if necessary, or even to summarily dismiss them. He expressed the view that if a similar situation was to arise in the future, he hoped that Governing Bodies would not hesitate to use such powers. He added that he would do everything within his powers to ensure that matters were acted upon properly.<sup>57</sup> **Like our colleagues on the Committee of Public Accounts, we feel frustrated that no individual or organisation has faced direct sanctions or disciplinary action as a result of the events that took place at Coleg Gwent. We take some comfort from the reassurances provided by the Chief Executive of the Funding Council that were similar failings to happen in the sector now, the Governing Body concerned would have greater powers to take action against the individuals in question. We recommend that all Governing Bodies take note of the powers which are now available to them to hold to account individuals who have been negligent, and use them when necessary.**

### **External Audit**

39. Deloitte & Touche were the College's external auditors at the time of the crisis. The PAC reported that the Funding Council's Audit Service had found that "the external auditors had not undertaken as part of their audit of the College's financial statements any detailed testing of transactions to primary records to confirm that the funds received by the College, including European funding, had been used for the purposes provided. The Committee of Public Accounts also noted the issue of the College seeking compensation from Deloitte & Touche.<sup>58</sup>
40. The College told us that it was being very cautious on this issue. Now that the size and phasing of the sum to be paid back to the European Union had been finalised the College would take legal advice as to whether it should take action against organisations or indeed

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<sup>56</sup> Qs 56 and 67

<sup>57</sup> Qs 67 and 68

<sup>58</sup> PAC report para 7 (xvi)

individuals. The Principal noted that the early legal advice which the College had received had shown that it would have to demonstrate that it had suffered a material loss as a result of the actions of Deloitte & Touche. He noted, with a view to protecting the public purse, that legal action against a large organisation such as Deloitte & Touche would be very expensive. Undertaking any such action would therefore require careful judgement on the part of the Governing Body. He assured the Committee, however, that within the constraints of the legal advice it received, the College would take whatever steps it could against Deloitte & Touche to secure redress.<sup>59</sup> We urge the College to pursue this matter vigorously.

41. The Funding Council has subsequently confirmed that Deloitte & Touche are currently the internal auditors to four further education institutions in Wales and external auditors at another seven which means they are involved in more than a third of colleges in the sector.<sup>60</sup> The Funding Council told us that it continued to work closely with Deloitte & Touche's Bristol Office to monitor the firm's work in Wales – the Cardiff Office no longer being responsible for this work. The Funding Council told us that it had made their expectations clear to Deloitte & Touche.<sup>61</sup> We recommend that the Funding Council should report to the National Assembly regularly on the results of its monitoring of Deloitte and Touche's work in Wales.
42. The Permanent Secretary told us that the Assembly had written to the Institute of Chartered Accountants in England and Wales to ask if there had been any actions which the Institute needed to take in relation to the quality of the work of Deloitte & Touche at Coleg Gwent. The Institute had referred this letter to its Professional Standards Office. The Permanent Secretary also told us that the National Assembly had written to all Chief Executives of public bodies in Wales to draw their attention to the comments and recommendations made by the Committee of Public Accounts relating to the adequacy of the work of Deloitte & Touche.<sup>62</sup> We note that the National Assembly has raised this matter about Deloitte & Touche in this way and we await its outcome with interest.
43. We also consider that, given our remit to scrutinise public expenditure by the Assembly and its sponsored bodies, and given the advent of the National Council for Education and Training for Wales, it is timely to review and strengthen the audit arrangements for further education institutions in Wales. The Auditor General for Wales is appointed by statute as the external auditor of the new Council. The external auditors of further

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<sup>59</sup> Qs 55 and 56

<sup>60</sup> Letter from Funding Council to the Committee 5 July 2000

<sup>61</sup> Q57

<sup>62</sup> Q60

education institutions are appointed by and report to their own Governing Bodies. At present, if the Auditor General wished to report to the Assembly on a matter concerning a particular institution, he would need to inspect the books and records of that institution or rely on the work of the appointed external auditors and the Funding Councils' own Audit Service. However, these arrangements do not provide a systematic means of monitoring the consistency of external audit standards across the sector. We see considerable merit in appointing the Auditor General as the external auditor of each further education institution in Wales or, alternatively, making him responsible for such external audit appointments and thereby enable him to oversee the consistency of audit standards across the sector. The Scottish Parliament has already made provision for the Auditor General Scotland to be appointed as the external auditor of further education institutions in Scotland; and consideration is being given to appointing the Comptroller and Auditor General as the external auditor of English further education institutions. Such a move would strengthen the public audit arrangements in Wales and allow the Auditor General for Wales and the Audit Committee to undertake our respective functions in respect of this important area of public expenditure more effectively.

## **SOME OF THE WIDER IMPLICATIONS FOR THE FURTHER EDUCATION SECTOR IN WALES OF THE EVENTS AT COLEG GWENT**

### **The administrative framework of the Further Education sector in Wales**

44. We considered the fundamental question as to whether - particularly in the light of the events which took place at Coleg Gwent - having further education institutions as independent self-governing corporations is the most appropriate model for the sector. The Permanent Secretary told us that when further education institutions were set up as independent self-governing bodies, the climate at the time had been that the Welsh Office should have a hands-off approach to their oversight and governance. Further education institutions 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 them.<sup>63</sup>
45. In the light of events at Coleg Gwent and elsewhere, the Permanent Secretary said he accepted it had been shown that this assumption was not the right one. With the benefit of hindsight, the procedures and systems that had been put in place for the establishment of these bodies in 1993 had been inadequate to deal with the sort of events that happened at Coleg Gwent – either to prevent them or, once they had happened, to identify them

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<sup>63</sup> Q16

quickly and bring them under control.<sup>64</sup> Both the Permanent Secretary and the Chief Executive of the Funding Council confirmed, however, that their roles were to make the existing model work to the best of their ability.<sup>65</sup> We also note the view of the Auditor General for Wales that his experience from examining a large number of institutions has shown that the freedoms provided to Governing Bodies throughout the country - not just in Wales - have not been backed up by proper systems and procedures.<sup>66</sup>

46. This Committee considers that the events at Coleg Gwent have raised fundamental questions about the current administrative framework for the further education sector. We recommend that the Assembly Minister for Education and Life Long Learning, in consultation with the corresponding Subject Committee, should examine whether the model established for the further education sector of colleges as independent self-governing bodies remains appropriate.

### **Governance issues**

47. We asked the National Assembly to tell us, in the light of the significance being placed upon the Governance and Management Development Programme, how it was planning to assess the effectiveness of that programme. The Permanent Secretary noted that he thought the National Assembly would assess the Governance and Management Development Programme mainly through the annual assurance statement on governance in institutions which the Funding Council was due to submit to the National Assembly each June.<sup>67</sup>
48. The Funding Council told us that, from its latest assessment in terms of the Governance and Management Development Programme, it had concerns about the way in which Governing Bodies operate at six of the sector's 27 institutions. They assured us that they would be focusing its efforts in the forthcoming second phase of the Governance and Management Development Programme on those institutions. The Governance and Management Development Programme remained a key part of the Funding Council's oversight of the sector.<sup>68</sup> We would welcome information from the National Assembly in due course on the outcomes achieved from part one of the Governance and Management Development Programme and the main aims, objectives and targets which have been set

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<sup>64</sup> Qs 16 and 17

<sup>65</sup> Qs 47 and 90

<sup>66</sup> Q92

<sup>67</sup> Q89

<sup>68</sup> Q49

for the next part of this programme.

49. Given this Committee's serious concerns about the current state of governance in the sector, some of which we also highlighted in our previous report on Further Education in Wales [Audit Committee report 00-03], we asked the Funding Council the latest position regarding the issue of the new revised Guide for Governors. The Funding Council told us that the revised Guide would at last be issued during the summer and would be accompanied by a range of useful and user-friendly training materials.<sup>69</sup> We are disappointed that this material has not been available before. The Funding Council recognised, however, that simply issuing such training materials did not mean that its job was done and that it had a continuing responsibility in this area. It was trying to ensure, primarily through the Governance and Management Development Programme, that best practice was available to all Governing Bodies and this was an area in which it would look to work in close partnership with institutions.<sup>70</sup>

#### **Other issues**

50. In the light of the events at the Training Shop, a unit that had a particular entrepreneurial remit, we asked what guidance the Funding Council has produced to ensure that Colleges have sufficient oversight of such units and what monitoring the Funding Council undertakes. The Funding Council told us that it monitored units with an entrepreneurial remit as part of their general monitoring of control systems. This work was built into the Audit Service's audit programme and did not in its opinion require a specific one – off response.<sup>71</sup> In the opinion of this Committee, the saga of the College's Training Shop was made worse by the unusual and entrepreneurial nature of its remit and working practices. Despite the reassurances provided by the Funding Council that such units needed only to be subject to the same monitoring as any other parts of institutions we consider it is vital that all trading units and companies operated by Colleges are strictly regulated and monitored by the Funding Council. We recommend that the Funding Council should establish a register of all units with an entrepreneurial remit and companies at all institutions and monitor their activities using internal audit.

51. Finally, in the light of the events at Gwent we sought confirmation that all institutions in the sector now have a whistleblowing policy in place. The Funding Council confirmed that all institutions had a system in place although at a number of institutions the policy

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<sup>69</sup> Q43

<sup>70</sup> Q49

<sup>71</sup> Q85

was awaiting formal approval. The Funding Council also confirmed that all these systems conformed to best practice.<sup>72</sup> The Principal of Coleg Gwent confirmed that his College had an approved whistleblowing procedure which he was currently discussing with the trades unions. He noted, however, that the whistleblowing procedure the College had put in place was a daunting legalistic document and that the College was trying to produce a staff-friendly guide to the whistleblower procedure.<sup>73</sup> We recommend that all institutions should ensure they have a users' guide to assist staff in understanding how their whistleblowing policy operates.

## **RECOMMENDATIONS**

52. In the light of these findings and conclusions we make the following recommendations:

### **Financial Health of Coleg Gwent and European Funding Issues**

- (i) We look to the College to maintain its financial position by continuing to be vigilant in its financial management.
- (ii) We look to the College to improve the fabric of its estate as quickly as possible and to keep a close eye on health and safety issues while backlog maintenance is being addressed.
- (iii) Given its position as the largest further education institution in Wales, Coleg Gwent must take immediate action to ensure that it is able to maximise its use of the funding available under Objective 1.
- (iv) We look to that the Assembly to put proper procedures in place for the oversight of European Social Funds received in Wales and to discharge this new responsibility with regard to the need for regularity and propriety.

### **Governance and Management**

- (v) We recommend that the Governing Body of every institution in the sector should undertake a detailed skills audit of its requirements and look to amend its membership in accordance with the findings.
- (vi) We recommend that other institutions in the sector take note of the way Coleg Gwent has managed its latest restructuring.

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<sup>72</sup> Q87

<sup>73</sup> Q88

(vii) It concerns us that the College still faces difficulties in producing management information on the number of students that it enrolls. The Committee looks for confirmation of an early resolution to this problem.

(viii) We seek confirmation that the Principal underwent a full appraisal process at the end of his second year in post.

(viii) Coleg Gwent needs to formalise its appraisal process for its four senior post holders as quickly as possible and extend it to the remainder of the staff when this is practicable.

(x) We recommend that the whole sector should adopt formal appraisal processes for senior post-holders as quickly as possible.

### **Financial Management**

(xi) We consider that it is vital that all institutions have the appropriate level of qualified finance staff.

(xii) We recommend that the Audit Committees of all institutions across the sector adopt the approach Coleg Gwent has employed for monitoring the implementation of recommendations made by all auditors.

### **External Monitoring and Accounting Issues**

(xiii) In light of the work that the College still has to undertake in a number of key areas such as strategic planning, we are surprised at the Funding Council's decision to recategorise the College's financial health. We urge the Funding Council to continue to monitor the College particularly closely.

(xiii) We recommend that all Governing Bodies take note of the powers which are now available to them to hold to account individuals who have been negligent, and use them when necessary.

(xv) We urge the College vigorously to pursue the issue of taking cost effective legal action for redress against Deloitte & Touche.

(xvi) We consider it timely to review and strengthen the audit arrangements for further education institutions in Wales. We see considerable merit in appointing the Auditor General for Wales as the external auditor of each further education institution in Wales or, alternatively, making him responsible for such external audit appointments and thereby enable him to oversee the consistency of audit standards across the sector.

## **Wider Implications for the FE Sector**

- (xvii) We recommend that the Assembly Minister for Education and Life Long Learning, in consultation with the corresponding Subject Committee, should examine whether the model established for the further education sector of colleges as independent self-governing bodies remains appropriate.
- (xviii) We would welcome information from the National Assembly in due course on the outcomes achieved from part one of the Governance and Management Development Programme and the main aims, objectives and targets which have been set for the next part of this programme.
- (xviii) We recommend that the Funding Council should establish a register of all units with an entrepreneurial remit and companies at all institutions and should monitor their activities using internal audit.
- (xx) We recommend that all institutions should ensure they have a users' guide to assist staff in understanding how their whistleblowing policy operates.
- (xxi) Because of the wider relevance of the events at Coleg Gwent, we recommend that the Funding Council should arrange for this report to be considered by every FE College in Wales.

## **CONCLUDING COMMENTS**

53. We are pleased that Coleg Gwent can now begin to plan with more certainty for the future now that it has finally settled the repayment which it will have to make to the European Union of the funds which it received from the European Social Fund. While we welcome the fact that the College has been able to make a significant financial recovery, we are aware that progress has to be measured in terms of the College's capacity to absorb the pain of this repayment. The events at Gwent should be a stark warning to all institutions of the immense price that has to be paid for a failure to manage an institution in the appropriate manner and the consequential impact on students present and future.
54. Like the Committee of Public Accounts before us we, are immensely frustrated that no individual has been held to account for the events at Gwent. We consider that this sends out the wrong message to all those who work in the public sector in Wales and to the taxpayers who expect the best use to be made of their money. We urge the College that it very carefully considers its position in relation to the work of Deloitte & Touche as the College's former external auditors. While we fully acknowledge that the College has to

protect the public purse, we urge the College to consider all possible options for taking cost-effective actions against Deloitte & Touche to secure redress.

55. In the light of events at Gwent this Committee considers that it is time that a more consistent and strengthened approach is adopted for the external audit of the further education sector in Wales. Appointing the Auditor General for Wales as the external auditor to all institutions or, alternatively, to make him responsible for such appointments to enable him to oversee the standard of external audit, would greatly enhance accountability to the Assembly and provide much needed consistency across the sector. We therefore encourage the Assembly to reconsider the audit arrangements for the further education institutions in Wales.

56. Notwithstanding the achievements of the further education sector since it was incorporated in 1993, we consider that the events at Gwent provide a salutary warning about the basic deficiencies in the way in which the further education sector is structured. We therefore wish to bring to the attention of the Assembly Minister for Education and Life Long Learning and the corresponding Subject Committee our concerns about the way in which the current funding, oversight and accountability model for the further education sector in Wales operates. Freedoms for Governing Bodies need to be balanced against the need for proper systems and procedures.

## **ANNEX A**



**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 witnesses to introduce

[1] Janet Davies: Estynnaf groeso i bawb i'r cyfarfod hwn o'r Pwyllgor Archwilio. Fel y gwyddoch mae'n siwr, 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.

**themselves.**

Mr Shortridge: **I am the Permanent Secretary of the Assembly.** Mr Shortridge: **Ysgrifennydd Parhaol y Cynulliad wyf fi.**

Mr Mason: **I am the principal and chief executive of Coleg Gwent.** Mr Mason: **Prifathro a phrif weithredwr Coleg Gwent wyf fi.**

Mr Martin: **I am the chief executive of the Further Education Funding Council for Wales.** Mr Martin: **Prif weithredwr Cyngor Cyllido Addysg Bellach Cymru wyf fi.**

Mr Hirst: **I am the director of finance of the Welsh Funding Councils.** Mr Hirst: **Cyfarwyddwr cyllid Cyngorau Cyllido Cymru wyf fi.**

[2] Janet Davies: **I understand that the witnesses have some assistants. On my list are Arwel Thomas, senior** [2] Janet Davies: **Deallaf fod gan y dystion gynorthwy-wyr. Ar fy rhestr mae Arwel Thomas, uwch archwilydd**

auditor of the Welsh Funding Cynghorau Cyllido Cymru;  
Councils; Richard Hart, Richard Hart, pennaeth yr  
head of the Further Is-Adran Cyngor Cyllido  
Education Funding Council Addysg Bellach; Andrew  
Division; Andrew Bevan, Bevan, cyfarwyddwr cyllid a  
director of finance and gwyobdaeth yng Ngholeg  
information at Coleg Gwent; Gwent; a Derek Adams,  
and Derek Adams, head of pennaeth Is-Adran Addysg  
the Further and Higher Bellach ac Uwch y Cynulliad  
Education Division of the Cenedlaethol.  
National Assembly.

Before we start, I will remind Cyn inni ddechrau, atgoffaf y  
speakers that they will need siaradwyr y bydd angen  
to ensure that the iddynt sicrhau bod y  
microphone is on before they meicroffon ymlaen cyn  
speak. Anyone who wishes to iddynt siarad. Mae croeso i  
speak Welsh is welcome to do unrhyw un sydd am siarad  
so. yn Gymraeg wneud hynny.

Two Committee members Mae gan ddau aelod o'r  
have declarations of interest Pwyllgor ddatganiadau  
to make. I declare an interest buddiant i'w gwneud.

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.

Datganaf fuddiant am fod fy ngwr 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: 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.

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

[4] Janet Davies: There has been a lot of concern about Coleg Gwent. The Public

[4] Janet Davies: Bu cryn bryder ynglyn â Choleg Gwent. Yr oedd adroddiad y

<p>Accounts Committee report</p> <p>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?</p>	<p><b>Pwyllgor</b></p> <p><b>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 yn fanylach yn ddiweddarach yn y sesiwn. Fodd bynnag, yn gyntaf, deallaf y bydd yn rhaid i'r coleg ad-dalu £2.9 miliwn i'r Undeb Ewropeaidd mewn perthynas â'r arian o'r gronfa Ewropeaidd. Sut y bydd hynny yn effeithio ar sefyllfa ariannol y coleg a'i allu i ddarparu addysg a hyfforddiant cynhwysfawr?</b></p>	<p><b>Cyfrifon</b></p>
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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 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.

Mr Mason: Credaf y gallaf sicrhau'r Pwyllgor ynglyn 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 gwyr aelodau o'r Pwyllgor, mae'n siwr—inni drosglwyddo'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 gwyddoch.

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.

Yn gynnar eleni, dychwelodd Heddlu Gwent yr holl ddogfennaeth inni ac yr ydym wedi gofyn i'n harchwilwyr allanol, sef Price Waterhouse Coopers, a Price Waterhouse Coopers, gynnal ymchwiliad manwl i gadarnhau pa symiau o arian a dderbyniasom 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.

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

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.

would like to think that we Hoffwn feddwl y gallem could negotiate a longer negodi cyfnod hwy na period than that, because, hwnnw, oherwydd, wrth obviously, the longer we have gwrs, po fwyaf o amser a to pay it back, the easier it fydd gennym i'w ad-dalu, will be. However, my hawsaf fydd. Fodd bynnag, understanding is that it is caf ar ddeall mai cyfnod o likely to be a three-year dair blynedd fydd hwn fwy period. na thebyg.

The sum, which has been Mae'r swm, sydd wedi cael ei bandied about in the public grybwyll yn gyhoeddus, yn y domain, in the press and so wasg ac ati, tua £2.9 miliwn. on, is around £2.9 million. I Credaf mai'r hyn y gallaf think that what I can say to ddweud wrth y Pwyllgor yw the Committee is that the y bydd yn agos i'r swm early indications from Price hwnnw yn ôl yr arwyddion Waterhouse Coopers are that cynnar gan Price it will be near to that sum. I Waterhouse Coopers. Ni think that it is unlikely to be chredaf ei fod yn debygol o much less than that sum. If fod yn llawer llai na'r swm we, just for the purpose of hwnnw. Os ydym yn my answer to this question, rhagdybio, a hynny dim ond assume that it is £3 million in at ddiben fy ateb i'r cwestiwn

round terms, it would seem that we will have to pay back £1 million in each of the next three financial years.

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.

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. Therefore, I think,

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 miliwn yn hytrach na £7 miliwn. Felly,

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.

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: 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

[5] Janet Davies: Gofynnaf yn fyr am y rhaglen buddsoddi cyfalaf. Yn amlwg, mae gennych sawl campws, ac mae'n rhaid bod cryn broblem ynglyn 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

as any new facilities?

ag unrhyw gyfleusterau newydd?

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

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 cwtdogi 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 cwtdogi 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 cwtdogi'n

something. Money was sylweddol ar waith cynnal a haemorrhaging from the chadw. Nid oedd unrhyw college. Again, I do not know ddewis gennym mewn if members of the Committee gwirionedd. Yr oedd yn have a feel for it, but I rhaid inni wneud rhywbeth. arrived in April 1998 and by Yr oedd arian yn llifo o'r July we could not pay the coleg. Unwaith eto, ni wn a staff's salaries. We had run all aelodau'r Pwyllgor out of money. In fact, the amgyffred â hynny, ond funding council had to give cyrhaeddais yn Ebrill 1998 us an advance on our grant. 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.

Given that situation, as I am O ystyried y sefyllfa honno, sure that you will appreciate, fel y gwerthfawrogwch, yr you look for ways to stem the wyf yn siwr, yr ydych yn flow of blood that have the chwilio am ffyrdd i atal y llif least impact on the day-to- sydd yn effeithio leiaf oll ar day running of the business. redeg y busnes o ddydd i So we cut back on ddydd. Felly, cwtogasom ar y maintenance. However, in gwaith cynnal a chadw. Fodd

our capital investment programme plans for the next three years we have given a high profile to 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 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.

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 GVA Grimley. The amount arolwg o gyflwr pob un o gampysau'r Coleg ar ein gampysau'r Coleg ar ein next year in response to that rhan. Yr ydym yn bwriadu gwario £2 filiwn 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: 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.

[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: 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

[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

the improved procedures and when do you expect to recommence European funded courses? Will the money go where it is intended to go?

crynodeb o'r gweithdrefnau gwell a phryd yr ydych yn ailgychwyn trefnu cyrsiau a ariennir gan Ewrop? A gaiff yr arian ei wario yn ôl y bwriad ar ei gyfer?

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

Mr Mason: Rhoddaf fy ateb yn ei gyd-destun. 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

people to do what they did wneud yr hyn a wnaethant  
and led to the money being gan arwain at geisiadau am  
claimed from the European arian gan y gronfa  
social fund. It is very gymdeithasol Ewropeaidd.  
important to understand Mae'n bwysig iawn deall  
that. It was not that the hynny. Nid bod arian y  
European social fund money gronfa gymdeithasol  
was in any way different Ewropeaidd yn wahanol  
from any other money. If we mewn unrhyw ffordd i  
receive money from the unrhyw arian arall. Os y  
training and enterprise derbyniwn arian gan y  
council, it is audited in cyngor hyfforddiant a  
exactly the same way as the menter, caiff ei archwilio'n  
money from the funding union yn yr un modd â'r  
council. arian gan y cyngor cyllido.

One thing that I want to Un peth yr hoffwn ei  
stress is that the ESF debacle bwysleisio yw bod helynt y  
is evidence of the lack of gronfa gymdeithasol  
control systems in the college. Ewropeaidd yn amlygu'r  
What we have done is put in diffyg systemau rheoli yn y  
some very tight control coleg. Yr hyn yr ydym wedi  
systems in the financial area ei wneud yw rhoi rhai  
across the college. In a sense, systemau rheoli llym iawn ar

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

waith yn y maes 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

**social fund.**

**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: 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?**

**[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: Several parties** Mr Mason: **Mae sawl parti**

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.

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.

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

Mae'n anodd mewn amgylchedd fel hwn i roi enghreifftiau ichi o ba mor wael yr oedd rhai o'r rheolaethau. Er enghraifft, os

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.

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

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

in place that are important 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.

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 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 ty dyddiol bron. Yr oeddem yn rheoli'r busnes fel busnes arian parod gan ein bod mor brin o arian.

We then moved to a situation where—it sounds sefyllfa—mae'n swnio'n

Wedyn symudasom i

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.

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.

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

Felly credaf y gallaf dawelu'ch meddwl ynglyn 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

on that. However, certainly ildio i farn Steve Martin ar  
in our internal audit reports, hynny. Fodd bynnag, yn sicr  
the categorisation of our yn ein hadroddiadau  
internal audit controls have archwilio mewnol, mae  
lifted dramatically. The 4Cs categoreiddiad ein  
that we were getting have rheolaethau archwilio  
gone up to 2As and so on. mewnol wedi codi'n  
There is a lot of evidence to sylweddol. Mae'r graddau  
give us confidence. Having 4C yr oeddem yn eu cael  
said that, I think that the wedi codi i raddau 2A ac ati.  
danger is, as you begin to get Mae llawer o dystiolaeth  
confident, you have to guard sydd yn rhoi hyder inni.  
against complacency slipping Wedi dweud hynny, wrth  
in. We are still very vigilant. ichi ddechrau magu hyder,  
credaf fod yn rhaid ichi wylio  
rhag bod yn hunanfodlon. Yr  
ydym yn wyliadwrus iawn o  
hyd.

[9] Geraint Davies: I [9] Geraint Davies: Deallaf  
understand that the funding fod y cyngor cyllido wedi  
council has given you new rhoi arweiniad newydd ichi.  
guidance. How does that Ym mha ffordd y mae'r  
guidance differ from that you arweiniad hwnnw yn

had previously?

wahanol i'r hyn a gawsoch yn y gorffennol?

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

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

[10] Geraint Davies: Yes.

[10] Geraint Davies: Ie.

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

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

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.

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. Pwysleisiaf 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: I have a question for Mr Shortridge on monitoring further education colleges in Wales and, in particular, their use

[11] Geraint Davies: Mae gennyf gwestiwn i Mr Shortridge ynglyn â monitro colegau addysg bellach yng Nghymru ac, yn benodol, eu

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?

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 gennyh, yn y gorffennol, ymagwedd peidio-agymyrryd a'n bod wedi talu'n hallt oherwydd hynny?

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

Mr Shortridge: O ran y monitro ariannol, edrychaf ar y cyngor cyllido i wneud hynny a cheisiaf sicrwydd ganddo a chan yr amrywiaeth o archwiliadau sydd yn cael eu cynnal yn y maes hwnnw. Ynglyn ag arian y gronfa gymdeithasol Ewropeaidd, nodaf—ac nid esgus yw hwn o gwbl—fel y gwyddoch, mai'r Adran

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 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

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 gofal dwys fel petai ar Goleg Gwent bellach, yn sicr mae'n cael ei wylio'n ofalus iawn o hyd. Nid ydym yn gwbl ffyddiog bod systemau ariannol y

yet sufficiently robust.

coleg a'i iechyd ariannol yn ddigon cadarn o hyd.

[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?

[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: 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

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

learnt by Coleg Gwent but Gwent wedi dysgu'r gwersi that we are still in the anodd iawn, ond ein bod yn process of ensuring that dal yn y broses o sicrhau bod sufficiently robust systems systemau a gweithdrefnau and procedures are in place digon cadarn ar waith i atal to prevent any sort of hyn rhag digwydd eto. Nid recurrence. I am not talking wyf yn siarad am hyn yn about a recurrence on the digwydd eto ar yr un raddfa. same scale. I am always Yr wyf yn gofyn o hyd am looking for near absolute sicrwydd llwyr bron. Credaf assurances. I think that Mr y bydd Mr Martin yn gallu Martin will be able to dweud wrthy ch fod tipyn o indicate to you that, on the waith i'w wneud o hyd o ran close monitoring of the monitro iechyd ariannol financial health of the colegau Cymru yn fanwl. colleges in Wales, there is still a way to go.

[13] Janet Davies: Geraint [13] Janet Davies: Mae wants to go on to Objective 1, Geraint am symud ymlaen at but I will just bring Dafydd Amcan 1, ond hoffwn adael i and Jane in first. Dafydd a Jane siarad yn gyntaf.

[14] Dafydd Wigley: Yr wyf [14] Dafydd Wigley: I am

yn ddiolchgar iawn very grateful because I would  
oherwydd hoffwn ddod i like to come in on the exact  
mewn ar yr union bwynt yr point to which Jon  
oedd Jon Shortridge yn Shortridge referred in his  
cyfeirio ato yn ei ateb i answer to Geraint, namely,  
Geraint, sef ymhle y mae where does political  
atebolrwydd gwleidyddol yn accountability rest in these  
aros yn y materion hyn? matters? It is obvious that  
Mae'n amlwg fod y saga hon this saga is one of the darkest  
yn un o'r penodau mwyaf chapters in our recent  
tywyll yn ein hanes diweddar history in terms of lack of  
o safbwynt diffyg rheolaeth budgetary control in Wales.  
gyllidol yng Nghymru. Mae'n This must be a matter for  
rhaid iddo fod yn fater yr which we all share  
ydym i gyd yn rhannu responsibility and we are  
cyfrifoldeb amdano ac yn determined will not happen  
benderfynol na fydd yn again. I note with great  
digwydd eto. Nodaf â interest what you said: that  
diddordeb mawr yr hyn a responsibility for matters  
ddywedaso: nad gennyh relating to European funding  
chi yr oedd y cyfrifoldeb dros did not lie with you but with  
y materion yn ymwneud ag the Department for  
arian Ewropeaidd ond gan yr Education and Employment,  
Adran Addysg a but that other responsibility  
Chyflogaeth, ond bod for the operation of the

cyfrifoldeb arall dros funding council lies with you.  
weithrediad y cyngor cyllido  
gyda chi.

Mae'r cyngor cyllido felly yn Therefore, the funding  
rhannol atebol i chi ac yn council is partly accountable  
rhannol atebol i'r Adran to you and partly  
Addysg a Chyflogaeth ar accountable to DfEE on such  
fater fel hyn. Mae'n fy nharo a matter. This situation  
bod y sefyllfa hon yn strikes me as unacceptable if  
anfoddhaol os yr ydym am we are to get full control  
gael rheolaeth lawn o fewn y within the Assembly of the  
Cynulliad ar y sector addysg higher and further education  
uwch a phellach yng sector. I would appreciate  
Nghymru. Byddai'n dda your comments on how we  
gennyf gael eich sylwadau ar can improve the situation.  
sut y gallwn wella'r sefyllfa.

Mr Shortridge: I am in no way Mr Shortridge: Nid wyf yn  
evading personal ceisio osgoi cyfrifoldeb  
responsibility for the personol dros atebolrwydd  
financial accountability of ariannol materion o gwbl. O  
matters. In terms of where safbwynt fy atebolrwydd, yr

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?

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: 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

[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



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.

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: 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 control through the local education authorities and, therefore, accountability to the

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

**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 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**

**Mr Shortridge: Mae'n gwestiwn damcaniaethol. A gaf ei ateb yn y modd hwn? Credaf, pan sefydlwyd y sefydliadau addysg bellach fel cyrff annibynnol hunan-lywodraethol, 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 cyhoeddus oedd ceisio rhagweld. Yng ngoleuni'r hyn a ddigwyddodd yng Ngholeg Gwent ac mewn**

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

mannau 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

established back in 1993. wedi bod yn ceisio rheoli'r  
Ever since then we have been risgiau hynny mewn modd  
seeking to manage those risks priodol heb danseilio'n llwyr  
in an appropriate way natur annibynnol y cyrff ar  
without at the same time yr un pryd.  
totally undermining the  
independent nature of the  
bodies.

[17] Brian Gibbons: At a [17] Brian Gibbons: Mewn  
previous hearing in relation gwrandawriad blaenorol ar y  
to the health service, it was gwasanaeth iechyd,  
argued that some of the dadleuwyd mai diffyg  
problems that the health cyfeiriad strategol a methiant  
service had were a lack of i gadw pethau ynghyd, fel  
strategic direction and a lack petai, oedd rhai o  
of holding the centre of the broblemau'r gwasanaeth  
ring, as it were. I think that, iechyd. Credaf eich bod wedi  
in your answer, you have dweud, fwy neu lai, yn eich  
more or less said that this ateb mai hyn a gyfrannodd  
contributed to the Welsh tuag at fethiant y Swyddfa  
Office's failure in this Gymreig yn yr achos hwn a  
instance and that there was a bod barn strategol y dylai'r  
strategic view that the Welsh Swyddfa Gymreig beidio ag

Office should not have this ymyrryd. A fyddech yn hands-on approach. Would cytuno mai rhyw fath o you agree that there was a gamsyniad sylfaenol o ran sort of systematic strategic polisi strategol oedd caniatáu policy error in allowing this y fath annibyniaeth a degree of autonomy and chyfrifoldeb datganoledig, devolved responsibility, sydd wedi arwain at nifer o which has led to a number of argyfyngau gan gynnwys yr crises including this one? un dan sylw?

Mr Shortridge: With the Mr Shortridge: Wrth edrych benefit of hindsight, the yn ôl, yr oedd y procedures and systems that gweithdrefnau a'r systemau were put in place following a roddwyd yn eu lle yn sgîl the establishment of these sefydlu'r cyrff hyn fel bodies as self-governing sefydliadau hunan-institutions in 1993 were lywodraethol yn 1993 yn inadequate to deal with the annigonol i ddelio â'r math o sorts of events that occurred ddigwyddiadau a gafwyd yng at Coleg Gwent—either, in Ngholeg Gwent—naill ai, yn the first place, to prevent y lle cyntaf i'w hatal neu, them or, once they had unwaith iddynt ddigwydd, eu happened, to identify them nodi'n gyflym a'u rheoli. quickly and bring them Cytunaf â hynny.

**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?**

**[18] Geraint Davies: Mae Amcan 1 yn gyfle gwych inni. Yn ddiau, 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: No, I do not think so, in the sense that already the embryo community consortia for education and training are beginning to**

**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**

develop. We are, for instance, ydym, er enghraifft, mewn  
in a partnership with partneriaeth â Chyngor  
Newport County Borough Bwrdeistref Sirol  
Council. We are also in a Casnewydd. Y mae gennym  
strong partnership in bartneriaeth gadarn â  
Caerphilly and in Torfaen. Chaerffili a Thor-faen yn  
One of the things that, in a ogystal. Un o'r pethau yr  
sense, we are modest enough ydym yn ddigon diymhongar  
to accept is that there are a i'w dderbyn, fel petai, yw  
lot of people with whom we bod gan lawer o bobl yr  
are in partnership who have ydym mewn partneriaeth â  
had a lot of experience in the hwy brofiad helaeth ym maes  
ESF area. As I say, we are cronfa gymdeithasol Ewrop.  
confident that our control Fel y dywedais, yr ydym yn  
mechanisms and the ffyddiog y bydd ein  
monitoring procedures that mecanweithiau rheoli a'r  
we have in the college will gweithdrefnau monitro sydd  
enable us, with confidence, to gennym yn y coleg yn ein  
become involved in those galluogi i gymryd rhan yn y  
partnerships. I do not think partneriaethau hynny yn  
that it will inhibit us. I think hyderus. Ni chredaf y bydd  
that it has been a shame that, yn ein llesteirio. Credaf y  
for two to three years, we bu'n drueni fod yn rhaid inni  
have had to withdraw. We dynnu'n ôl ers dwy neu dair  
took a view, and I advised the blynedd. Daethom i'r

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.

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.

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

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

begin to develop with our partners the kind of training programmes to which you refer.

bod yr arian yn cael ei ddefnyddio'n briodol—yn fan cychwyn da iawn. Gallwn ddechrau datblygu'r math o raglenni hyfforddi y cyfeiriasoch atynt gyda'n partneriaid.

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

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

Mr Mason: Not yet. However, there are embryo schemes developing with these partnership groups. There is a scheme beginning to develop in Newport, 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

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

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.

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: 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?

[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: **Yes.**

Mr Mason: **Ydyw.**

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

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

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.**

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: This is only for seven years. We must get our act together.

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

Mr Mason: Yes, I understand that.

Mr Mason: Oes, deallaf hynny.

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

[23] Janet Davies: Byddwn yn awr yn 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

assessment and who ratifies yn ei gadarnhau?  
it?

Mr Mason: I suppose I would Mr Mason: Buaswn yn  
argue that my performance, dadlau, mae'n debyg, fod y  
given the history of Coleg llywodraethwyr yn cadw  
Gwent, is being watched golwg eithaf manwl ar fy  
fairly closely by the mherfformiad gan amlaf, o  
governors most of the time. I ystyried hanes Coleg Gwent.  
certainly get that feeling. In Yn sicr dyna'r teimlad sydd  
formal terms, at the end of gennyf. O safbwynt ffurfiol,  
my first six months, the ar ddiwedd fy chwe mis  
chairman undertook a cyntaf, cynhaliodd y  
formal interview—I suppose cadeirydd gyfweliad  
that you would call it an ffurfiol—cyfweliad  
appraisal interview. There gwerthuso y byddech yn ei  
was a discussion in the alw, mae'n debyg. Cafwyd  
governing body about how trafodaeth gan y corff  
the governors felt my llywodraethu ar sut yr oedd y  
performance was llywodraethwyr yn teimlo  
progressing. They looked at ynglyn â'r cynnydd yn fy  
the kind of indicators that mherfformiad. Ystyriasant y  
were beginning to show math o ddangosyddion  
through about the financial perfformiad a oedd yn

recovery and so on. My dechrau cael eu hamlygu o appointment was then safbwynt yr adfer ariannol confirmed. I stress that my ac ati. Wedi hynny, cafodd fy contract contained a clause mhenodiad ei gadarnhau. that stated that at the end of Hoffwn bwysleisio bod fy my probationary period, if nghontract yn cynnwys the governors were not cymal a oedd yn nodi bod y satisfied with my llywodraethwyr yn gallu fy performance, they could niswyddo ar ddiwedd fy dispense with my services. nghyfnod prawf os nad Fortunately, they did not. At oeddent yn fodlon ar fy the end of my first year in mherfformiad. Yn ffodus, ni post, another review was wnaethant hynny. Ar undertaken, again based on ddiwedd fy mlwyddyn gyntaf feedback from the chairman yn y swydd, cynhaliwyd to the corporation, where the arolwg arall, unwaith eto corporation again discussed wedi ei seilio ar adborth gan how I was doing. The y cadeirydd i'r gorfforaeth, corporation is now moving to lle y trafododd y gorfforaeth a position where it wants to sut yr oeddwn yn dod ymlaen formalise the procedure not unwaith eto. Mae'r only for myself, but for the gorfforaeth bellach yn symud other four senior post- i sefyllfa lle y mae am holders in the college—if you ffurfioli'r weithdrefn nid yn like, the four most senior unig i mi, ond i'r pedwar

directors in the college. uwch ddeiliad swydd yn y  
Certainly, the governors coleg—os mynnwch, y  
have taken fully on board the pedwar cyfarwyddwr uchaf  
concerns that have been eu statws yn y coleg. Yn  
expressed about this issue of bendant, mae'r  
monitoring the principal's llywodraethwyr wedi  
performance. I think that it ystyried yn llawn y pryderon  
is now moving towards a fynegwyd ynglyn â'r mater  
monitoring the performance hwn o fonitro perfformiad y  
of the whole of the senior prifathro. Credaf ei bod  
management team. bellach yn symud tuag at  
fonitro perfformiad yr uwch  
dîm rheoli cyfan.

[24] Janet Davies: Does that [24] Janet Davies: A yw  
go wider than the four senior hynny'n mynd ymhellach  
managers who are sat next to na'r pedwar uwch reolwr  
you? sydd yn eistedd wrth eich  
ochr?

Mr Mason: Again, I will lay Mr Mason Unwaith eto,  
my cards on the table, as they siaradaf yn gwbl ddi-flewyn  
say. ar dafod, fel y maent yn ei

ddweud.

During that crisis period, one of the things 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

Yn ystod y cyfnod argyfwng hwnnw, un o'r 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 siwr y bydd pobl yn deall hyn—oedd cwtogi 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,

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.

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: 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?

[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: 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

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

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.

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?

[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: 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

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

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.

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: Do you foresee any difficulty in getting all colleges on board on this?

[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: 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

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

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

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

already achieving. The direct answer to your question is that I think that almost all the proposed changes have 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.

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 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: 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

[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

made to it. Can you tell us more about how the audit committee does this?

archwilio a wneir iddo eu gweithredu. A allwch ddweud rhagor wrthym ynglyn â'r modd y mae'r pwyllgor archwilio yn gwneud hyn?

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

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 clerc yn cadw cronfa data

of all the outstanding actions. gyfrifiadurol fach sydd, yn  
For instance, if an action says syml iawn, yn cadw cofnod  
that management agrees to o'r holl weithredoedd sydd  
do something by a certain heb eu gwneud hyd yn hyn.  
date, that will go onto the Er enghraifft, os yw  
database. The audit gweithred yn datgan fod y  
committee will track if it has rheolwyr wedi cytuno i  
been done. More wneud rhywbeth erbyn  
importantly, bearing in mind dyddiad penodol, caiff  
earlier comments, it will hwnnw ei gofnodi yn y  
provide evidence that it has gronfa ddata. Bydd y  
been done. This is the key pwyllgor archwilio yn cadw  
thing. It is not willing to golwg i weld a yw wedi ei  
accept that the finance wneud. Yn bwysicach na  
director says, 'yes, that is hynny, o ystyried y sylwadau  
okay, we have done that'. cynharach, bydd yn darparu  
The committee wants actual tystiolaeth ei fod wedi'i  
evidence that we have done wneud. Dyma'r peth  
it. If things recur past their allweddol. Nid yw'n fodlon  
date, the audit committee derbyn bod y cyfarwyddwr  
then wants to know why we cyllid yn dweud, 'ie, mae  
have not addressed that hynny'n iawn, yr ydym wedi  
issue. Obviously, sometimes gwneud hynny'. Mae'r  
there are reasons for that pwyllgor eisiau tystiolaeth  
and it would then go back bendant ein bod wedi ei

onto the database.

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.

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 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

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

time. I think that I can again give you a fairly confident position on that process.

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: Does the outcome of that monitoring feed back to the full governing body on a regular basis?

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

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.

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: Thank you. [30] Peter Black: Diolch yn  
The Treasury minute also fawr. Mae cofnod y Trysorlys  
states that the College has hefyd yn nodi bod y Coleg  
introduced improved wedi gwella'r trefniadau  
budgetary control rheoli cyllideb. A allech  
arrangements. Could you grynhoi prif elfennau'r  
summarise the key elements trefniadau newydd hyn i  
of these new budgetary reoli'r gyllideb a'r mesurau  
control arrangements and eraill yr ydych wedi eu  
other measures that you have cymryd i wella  
taken to improve the gweithdrefnau ariannol a  
college's financial procedures rheoli ariannol y coleg?  
and financial management?

Mr Mason: Yes. I think that Mr Mason: Gallwn. Hwn  
this was probably one of the oedd un o'r meysydd cyntaf  
first areas that we tackled inni fynd i'r afael ag ef yn  
shortly after I took over. The fuan ar ôl fy mhenodi, mi  
problem that we identified gredaf. Y broblem a nodwyd  
very early on was that the gennym yn gynnar iawn oedd  
processes that were being nad oedd y prosesau a  
used did not have those two ddefnyddiwyd yn meddu ar y  
fundamentals of control and ddau beth hanfodol hynny

monitoring.

sef rheoli a monitro.

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.

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 cyllidebau 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.

Having agreed the budget—the budget is obviously approved by the

Wedi cytuno ar y gyllideb—caiff ei chymeradwyo gan y gorfforaeth wrth gwrs—yr

corporation—we have a ydym yn cael adroddiad monthly management report, rheoli bob mis, sydd yn fanwl which is very detailed. It iawn. Dengys y cyfrif incwm shows the income and a gwariant, rhagolygon llif expenditure account, cash arian ac, yn bwysig iawn o flow predictions and, ystyried hanes Coleg Gwent, particularly important in y rhagolwg cyfredol ar gyfer terms of the history of Gwent y sefyllfa ar ddiwedd y College, the current forecast flwyddyn. Caiff y rhain eu for the end of the year llunio ar gyfer gwahanol position. Those are produced lefelau'r gyllideb. Yna mae at the various budget levels. aelodau'r adran gyllid yn Members of the finance cyfarfod â phob deiliad department then meet with cyllideb yn fisol. Mae'r each budget holder on a adroddiad yn cynnwys monthly basis. There is a dadansoddiad o'r variance analysis shown in amrywiannau a gofynnir i the report and the budget ddeiliad y gyllideb gyfrif am holder is asked to account for yr amrywiannau a chynnig variances and to give an cynllun gweithredu ynglyn action plan on what is going â'r hyn a fydd yn digwydd o to happen to those variances. safbwynt yr amrywiannau The finance committee of the hynny. Mae pwyllgor cyllid y corporation currently meets gorfforaeth yn cyfarfod yn monthly and reviews the fisol ar hyn o bryd gan

monthly management report. It then reports to each meeting of the corporation on how the financial position is looking.

arolygu'r adroddiad rheoli misol. Yna mae'n cyflwyno adroddiad i bob cyfarfod o'r gorfforaeth ar y sefyllfa ariannol.

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

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

given certain amounts of pobl wedi cael hyn a hyn o money and told to get on arian a dywedwyd wrthynt with it. We are trying to am fwrw ymlaen. Yr ydym make the budgeting process yn ceisio sicrhau bod y broses an integral part of the gyllidebu yn rhan annatod management process in the o'r broses reoli yn y coleg. Yr college. I think that we have ydym wedi gwneud tipyn gone some way to achieving tuag at gyflawni hynny. that.

[31] Peter Black: I can see [31] Peter Black: Gwelaf fod that that is quite important. hynny'n eithaf pwysig. Pan When you introduce any new fyddwch yn cyflwyno process like that, you unrhyw broses newydd o'r obviously have to train staff fath, mae'n rhaid hyfforddi'r and make sure that they fully staff wrth gwrs a sicrhau eu understand the systems and bod yn deall y systemau yn are properly implementing llawn ac yn eu gweithredu'n them. Given what you said gywir. O gofio'r hyn a previously about suspending ddywedasoeh yn gynharach training and appraisal am ohirio gweithdrefnau procedures in the college, do hyfforddi a gwerthuso yn y you not feel that coleg, onid ydych o'r farn y reintroducing them should dylent gael eu hailgyflwyno now be a priority in relation fel mater o flaenoriaeth o

to the budgetary safbwynt y rheolaethau management controls as a rheoli cyllidebol fel y cam first step towards cyntaf tuag at eu cyflwyno ar introducing them across the draws y coleg cyfan? 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 have focused that £200,000 on those sorts of issues. The other point, perhaps, mention in terms of budgeting and financial management is that when I arrived—I think that I am right in saying this—the only

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 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

qualified accountant in the ac ariannol yw pan college, bearing in mind that gyrhaeddais—credaf fy mod we are talking about a yn gywir wrth ddweud hyn—business with a £40 million yr unig gyfrifydd cymwys yn turnover—was the then y coleg, o gofio ein bod yn finance director who was sôn am fusnes a chanddo working his redundancy drosiant o £40 miliwn—oedd notice. So in July 1998 we did y cyfarwyddwr cyllid bryd not have a qualified hynny a oedd yn gweithio ei accountant in the central rybudd diswyddo. Felly ym finance department of the mis Gorffennaf 1998 nid college. The new finance oedd gennym gyfrifydd director arrived in August cymwys yn adran gyllid and one of the first things ganolog y coleg. that we did was strengthen Cyrhaeddodd y cyfarwyddwr the financial department. We cyllid newydd ym mis Awst now have three qualified ac un o'r pethau cyntaf a accountants. So there have wnaethom oedd been a number of actions. atgyfnerthu'r adran gyllid. You are absolutely right, one Bellach mae gennym dri of the things that we have chyfrifydd cymwys. Felly done with the new training cymerwyd nifer o gamau. Yr and development budget this ydych yn hollol gywir, un o'r year is to focus on priority pethau yr ydym wedi ei areas of training for staff. 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: **How do you propose to develop that in future years?** [32] Peter Black: **Sut yr ydych yn bwriadu datblygu hynny yn y dyfodol?**

Mr Mason: **In what sense?** Mr Mason: **Ym mha ffordd?**

[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?** [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: 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

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 corporate, 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

money from the training and development budget. It is very precious because it is small. We need to try to spend it wisely.

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

[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

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

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

**Committee needs to be lywodraethu. Felly yr wyf o'r reassured of the steps that farn bod angen ichi sicrhau'r you have taken in terms of Pwyllgor Archwilio ynglyn making sure that you have an â'r camau yr ydych wedi eu effective governing body cymryd o ran sicrhau bod now. Can you start by giving gennych gorff llywodraethol us some information on how effeithiol bellach. A allwch the governing body is made ddechrau drwy roi ychydig o up and who the wybodaeth inni ar sut mae'r representative constituents corff llywodraethol wedi ei are? 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: Oeddw'n.**

**Mr Mason: The easiest thing is to give you a summary. Perhaps I can just prefix that, given the comments you**

**Mr Mason: Y peth hawsaf yw rhoi crynodeb i chi. A gaf gynnig ychydig sylwadau cyn gwneud hynny, o ystyried yr**

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 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

hyn yr ydych newydd ei ddweud. Wrth gwrs, nid wyf am ddifriö'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—the staff governor, who was 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 pob un ohonynt eu penodi ers i Sue Parker ymddiswyddo—dyma'r ffordd orau o dynnu llinell. Credaf fod hwnnw'n bwyt eithaf pwysig i'w wneud. Cafwyd cryn drosiant 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

composition of the governing body be helpful?

ddefnyddiol nodi  
cyfansoddiad presennol y  
corff llywodraethol?

[37] Janet Davies: Yes.

[37] Janet Davies: Byddai.

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

Mr Mason: 19 yw ein haelodaeth benodedig. Mae 19. Mae'n 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

student member and five fyfyrwr a phum aelod o local authority members. awdurdodau lleol. Unwaith Again, you probably know eto, fe wyddoch mae'n siwr, that Coleg Gwent was given a bod gan Goleg Gwent offeryn special instrument. All other arbennig. Mae gan bob un colleges have up to three o'r colegau eraill hyd at local authority members but uchafswm o dri aelod o Coleg Gwent, because we awdurdodau lleol, ond function within five unitary rhoddwyd offeryn arbennig authorities, was given a yn y ddeddfwriaeth i Goleg special instrument in the Gwent, gan ein bod yn legislation. We were allowed gweithredu o fewn ffiniau to appoint up to five and we pum awdurdod unedol. have, of course, chosen five. Caniatawyd inni benodi hyd So we have five local at uchafswm o bump ac yr authority members. It is ydym, wrth reswm, wedi quite important to pick up dewis pump. Felly mae that linkage back to the old gennym bum aelod o system. I think that there is a awdurdodau lleol. Mae'n bridge building there. I am eithaf pwysig nodi'r ddolen also a member of the gyswllt honno â'r hen system. governing body. A principal Yr wyf o'r farn bod modd can choose to be a member pontio o ran hynny. Yr wyf and I do not know of a innau hefyd yn aelod o'r principal who has not chosen corff llywodraethol. Gall y

to be a member.

prifathro ddewis bod yn aelod ai peidio ac ni wn am unrhyw brifathro nad yw wedi dewis bod yn aelod.

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 real

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

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

awyddus i 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.

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

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

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.

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.

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

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

suggested to local authorities wedi awgrymu i'r  
 the sort of skills that we are awdurdodau lleol y math o  
 looking for in the hope that sgiliau yr ydym yn chwilio  
 they will choose such people. amdanynt gan obeithio y  
 For instance, one of our local byddant yn dewis pobl  
 authorities has nominated gyffelyb. Er enghraifft, mae  
 the chief executive of the un o'n hawdurdodau lleol  
 authority. The other four wedi enwebu prif weithredwr  
 have nominated elected yr awdurdod. Mae'r pedwar  
 members, which again is a arall wedi enwebu aelodau  
 nice balance. We have made etholedig, sydd hefyd yn  
 huge progress in terms of the gydbwysedd da. Yr ydym  
 fact that we now have a wedi gwneud cynnydd  
 governing body that is very sylweddol yn y ffaith bod  
 well-balanced in terms of gennym gorff llywodraethol  
 skill. We are looking for one bellach sydd yn gytbwys o  
 more co-opted member. You ran sgiliau. Yr ydym yn  
 know that we have a large chwilio am un aed  
 land-based provision and a cyfetholedig arall. Gwyddoch  
 big farm. We are looking for bod gennym ddarpariaeth  
 someone from the farming helaeth o dir a fferm fawr.  
 community, which is a Yr ydym yn chwilio am  
 sensitive community from unigolyn o'r gymuned  
 which to identify someone. ffermio, sydd yn gymuned  
 We are working on that. sensitif o ran ceisio nodi

unigolyn. Yr ydym yn  
parhau i weithio ar hynny.

So I can reassure you that Felly gallaf eich sicrhau bod  
the governing body has y corff llywodraethol wedi  
changed quite dramatically. newid cryn dipyn. Mae'n  
It is quite different to the gwbl wahanol i'r hen gorff  
previous governing body. It llywodraethol. Mae'n  
is very vigilant. You can wyliadwrus iawn. Pe baech  
imagine that if you joined yn dod yn aelod o gorff  
Coleg Gwent's governing llywodraethol Coleg Gwent  
body and read some of these ac yn darllen rhai o'r  
reports, you would stay adroddiadau hyn, dyn a wyr,  
awake at the meetings. byddech yn aros yn effro yn  
y cyfarfodydd.

[38] Jane Davidson: **One of** [38] Jane Davidson: **Un o'r**  
the key points in terms of pwyntiau allweddol o ran y  
governing bodies—because, cyrff llywodraethol—  
after all, we are talking about oherwydd wedi'r cyfan, sôn  
volunteers—is to ensure that am wirfoddolwyr yr ydym—  
governors have adequate yw sicrhau bod y  
training so that they are llywodraethwyr yn cael

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?

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: 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

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

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 extensively. Again, we choose carefully. If the matter concerns management, the finance attend as well as a couple of new members.

byddwn yn dweud wrthynt y credwn y dylent fynychu neu'i gilydd, byddant yn ceisio ei fynychu. Y broblem yw eu bod weithiau yn teimlo bod pretty gormod o bwysau gwaith. Felly yr ydym yn defnyddio'r rhaglen datblygu financial 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 mynychu.

We also run quite a bit of in-house training ourselves. For example, next Tuesday we have a governor development evening. The issues being

Yr ydym hefyd yn cynnal ychydig o hyfforddiant mewnol ein hunain. Er enghraifft, ddydd Mawrth nesaf bydd gennym noswaith

shared with them are the latest developments in 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.

ddatblygu i'r llywodraethwyr. Y materion 16 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 cyflogaeth yr ydym yn ymdrin ag ef wedi annerch y corff llywodraethol am faterion yn ymwneud â chyfraith cyflogaeth, deddfwriaeth newydd Ewropeaidd ac ati.

We have a well-developed induction 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 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.

Mae gennym raglen sefydlu ddatblygedig ar 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 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: 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 assessment of the performance of the governing body 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?

[39] Jane Davidson: Yr ydym oll yn ymwybodol bod y fethodoleg gyllido yn ddyrys iawn. Os oes gennych drosgiant 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: 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

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

on, is that we have had an influx, if you like.

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: Yes, you said that you had eight new governors.

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

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 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

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 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

extra input because we gorff llywodraethol sefydlog.  
happened to have a lot of Yr oeddem yn tueddu i roi'r  
governors. On the funding allbwn ychwanegol  
methodology, we are not oherwydd ein bod yn  
trying to teach them the digwydd penodi llawer o  
details of that but are trying lywodraethwyr. Ynglyn â'r  
to give them an appreciation fethodoleg gyllido, nid ydym  
of how critical it is that yn anelu at ddysgu manylion  
student numbers hold up and y fethodoleg iddynt ond yn  
that we have good hytrach ceisio rhoi darlun  
achievements and retention iddynt o ba mor holl bwysig  
because it relates so directly ydyw bod nifer y myfyrwyr  
to our funding. 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: I will [41] Jane Davidson: Hoffwn  
finish with two questions to orffen gyda dau gwestiwn i  
Mr Martin on the fund Mr Martin ar fanylion y  
details. cyllido.

[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.

[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 ynglyn â'r corff llywodraethol.

[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?

[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: 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.**

**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 ynglyn â'r math o faich sydd ynghlwm â hi. Yr ydych yn cyfeirio at hynny yn 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.**

**This summer we will at last Yn yr haf eleni byddwn o'r**

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

diwedd yn cyhoeddi'r arweiniad i'r llywodraethwyr a hefyd ddeunyddiau a fydd yn ddefnyddiol iawn ac yn hawdd iawn i'w defnyddio. Cefais 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 ynglyn â'i bartneriaeth a'r colegau—dros gynnal cyfres o ddigwyddiadau, seminarau neu beth bynnag o

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.

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

[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: 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

Mr Martin: Nid rôl y corff llywodraethol yw rhedeg sefydliad. Ei rôl yw llunio barn ynglyn 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

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 college.

**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 oruchwylio, 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 ynglyn 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.**

[45] Brian Gibbons: That is precisely what the governing body has been criticised for, as far as I understand it—not

**[45] Brian Gibbons: Dyna'r union beth y mae'r corff llywodraethol wedi cael ei feirniadu yn ei gylch, hyd y**

being on top of the detail.

deallaf fi—sef peidio â  
meistrolî'r manylion.

Mr Martin: **Yes.**

Mr Martin: **Ie.**

[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?**

[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: **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**

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**

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.

rheolaidd a'i fod yn gweithredu ar archwiliadau. Er enghraifft, yn sicrhau, pan fydd yr archwilwyr 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 cyfrifyddeg, 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: Hoffwn 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?

**Yr wyf yn edrych ar yr I am looking at the report adroddiad a gawsom yn that we received earlier. It gynharach. Mae'n dweud says that the Welsh Office bod y Swyddfa Gymreig wedi has placed new obligations rhoi rhwymedigaethau o'r on the funding council to newydd ar y cyngor cyllido i ensure the highest standards sicrhau'r safonau uchaf of governance in the sector mewn llywodraethu yn y and has asked the funding sector ac wedi gofyn i'r council to monitor the cyngor cyllido fonitro performance of organisations perfformiad sefydliadau o in terms of governance. What ran llywodraethu. Pa wersi lessons are we learning about yr ydym yn eu dysgu am monitoring the performance fonitro perfformiad of organisations in terms of sefydliadau o ran governance and are we llywodraethu ac a ydym yn coming to a decision that we dod i benderfyniad fod angen need to change this model? newid y model hwn?**

**Mr Martin: Ni chredaf ein bod Mr Martin: I do not think that wedi cyrraedd y pwynt o we have reached the point of newid y model. Mae hynny changing the model. That is wedi'i osod yn y Ddeddf ac set out in the Act and in the yn yr erthyglau ac articles and instruments and**

offerynnau ac yn y blaen. Y so on. The lesson for me is  
wers i mi yw'r angen i the need to ensure that there  
sichau bod digon o is enough training as well as  
hyfforddiant yn ogystal â certainty about the needs of  
sicerwydd ynghylch governing bodies before  
anghenion y cyrff appointing people. We must  
llywodraethu cyn penodi ensure that there is a  
pobl. Rhaid inni sichau bod commitment to do the work.  
ymrwymiad i wneud y From what I understand of  
gwaith. O'r hyn yr wyf yn ei the standard of governors in  
ddeall ynglyn â safon y Gwent College after all the  
llywodraethwyr yng Ngholeg problems, they are people of  
Gwent ar ôl yr holl a high standard who take the  
drafferthion, maent yn bobl o responsibilities seriously. I  
safon sydd yn cymryd y am not sure, after four  
cyfrifoldebau o ddifrif. Nid weeks, if that is generally  
wyf yn sicr, ar ôl pedair true or not. I want to ensure  
wythnos, a yw hynny'n that the funding council does  
gyffredinol wir neu beidio. its best to work with colleges  
Yr wyf am sichau bod y through the second part of  
cyngor cyllido yn gwneud ei the programme that I have  
orau i weithio gyda'r colegau just described, to do that in  
drwy ail ran y rhaglen yr wyf the future. We have started  
newydd ei disgrifio, i wneud on that. I do not think that  
hynny yn y dyfodol. Yr ydym there is sufficient evidence

wedi dechrau ar hynny. Ni that the model is deficient.  
chredaf fod digon o There are many examples of  
dystiolaeth bod y model yn bodies with a professional  
ddiffygiol. Ceir lluo o model that have problems. I  
enghreifftiau o gyrff sydd â do not say that to justify this  
model proffesiynol yn cael model, but I do not think  
problemau. Ni ddywedaf that the model is the  
hynny i gyfiawnhau'r model fundamental problem. I am  
hwn, ond nid wyf yn credu sure that we will have to look  
mai'r model yw'r broblem at its operation carefully as  
sylyfaenol. Yr wyf yn sicr y we monitor, because there  
bydd yn rhaid inni edrych ar are still several deficiencies  
ei weithrediad yn wyliadwrus in the performance of  
wrth inni fonitro, oherwydd organisations and we are  
bod nifer o ddiffygion ym working to improve the  
mherfformiad cyrff o hyd ac situation.  
yr ydym yn gweithio i wella'r  
sefyllfa.

[48] Janet Davies: There is a [48] Janet Davies: Mae'r  
feeling in the Committee that Pwyllgor o'r farn bod rhai  
there are some problems problemau efallai y byddwn  
here to which we may ask yn gofyn i rannau eraill o'r  
other parts of the Assembly Cynulliad roi sylw iddynt.

to pay attention. However, Fodd bynnag, yr ydym am we want to move on from the symud ymlaen o fater y corff governing body issue now. llywodraethol yn awr.

[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 more to ensure that all colleges in Wales have governors who are fully skilled through training programmes and issuing strong guidance to colleges

[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 ynglyn 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 Cyfrifon Cyhoeddus, ymddengys y dylai'r cyngor cyllido wneud llawer mwy i sicrhau bod gan bob coleg yng Nghymru llywodraethwyr sydd yn gwbl

on their governing bodies' arrangements, in the same way that colleges get strong guidance on the appointment of their senior staff.

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 ynglyn â phenodi eu huwch 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

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

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

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

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 we roll out the next phases of this programme. Therefore, we do not think that 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.

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: In terms of the role of the funding council in relation to the financial 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?

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

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

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.

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.

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.

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 archwiledig 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.

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

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 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.

Problems remained. You Erys problemau. Yr ydych have referred to the issue of wedi crybwyll yr ôl-groniad backlog maintenance, the yn y gwaith cynnal a chadw, capital programme, the y rhaglen gyfalaf, a'r contingent liability for the rhwymedigaeth achlysurol ar European social fund money gyfer arian y gronfa and the fact that there had gymdeithasol Ewropeaidd not been a pay award for a a'r ffaith na chafwyd couple of years. All those dyfarniad cyflog am ychydig things were taken into flynyddoedd. Cafodd pob un account. I am giving you this o'r pethau hynny eu full picture to show that this hystyried. Yr wyf yn rhoi'r was not a casual decision. darlun llawn hwn ichi er This was based on a very mwyn dangos nad thorough analysis, which was penderfyniad rhywsut the same as would be applied rhywsut ydoedd. Cafodd ei to any institution. That seilio ar ddadansoddiad improved situation has been trylwyr iawn, sef yr hyn a confirmed in the mid-year fyddai wedi digwydd mewn return for this March. That unrhyw sefydliad. shows a historic cost surplus Cadarnhawyd y sefyllfa well forecast of £1.4 million for honno drwy'r canlyniad

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.

canol blwyddyn ar gyfer mis Mawrth eleni. Dengys hwnnw fod gwarged cost 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.

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

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 anfoddhaol yn hytrach nag ymylol. Fodd bynnag, a gaf

add to that, just to underline nodi hefyd, dim ond i  
that we are being very danlinellu ein bod yn  
vigilant about this, that we wyliadwrus iawn yn hyn o  
are working closely with the beth, ein bod yn gweithio'n  
college. I have visited the agos iawn gyda'r coleg. Yr  
college myself since I started wyf wedi ymweld â'r coleg  
in this job. We have—I think ers i mi ddechrau yn y swydd  
that it is probably fair to hon. Yr ydym—credaf ei bod  
say—almost daily contact on yn deg dweud, mae'n  
something or other. That will debyg—wedi bod mewn  
continue and, in particular, cysylltiad â'n gilydd bron  
the monthly financial returns bob dydd ynglyn â rhywbeth  
will continue. Marginal neu'i gilydd. Bydd hynny'n  
classification means that we parhau ac, yn benodol, bydd  
have our eye on the college. y canlyniadau ariannol misol  
yn parhau. Mae'r  
categoriadau ymylol yn  
golygu ein bod yn cadw  
llygad barcud ar y coleg.

[51] Jane Davidson: When [51] Jane Davidson: Pryd y  
would you expect to byddech yn disgwyl  
recategorise the college, if the ailgategoriadau'r coleg, os

financial arrangements in bydd y trefniadau ariannol  
place work as both the staff sydd yn eu lle yn llwyddo yn  
and the governing body ôl bwriad y staff a'r corff  
intend? llywodraethol?

Mr Martin: There is a Mr Martin: Mae ychydig o  
measure of work to do in a waith i'w wneud mewn nifer  
number of areas. I think that o feysydd. Yr wyf o'r farn y  
the college would fully accept byddai'r coleg yn derbyn yn  
that some of its systems need llawn bod angen ffurfioli rhai  
formalising, particularly in o'i systemau, yn enwedig o  
relation to strategic planning, ran cynllunio strategol, lle  
where an integration of the mae angen integreiddio'r  
various things that make up gwahanol bethau sydd yn  
a good strategic plan need to ffurfio cynllun strategol da.  
happen. Very important in Yr hyn a fyddai'n bwysig  
relation to risk analysis iawn o ran dadansoddi risg  
would be well-embedded, yw systemau da, wedi hen  
good systems and reliable ymsefydlu, a data y gellir  
data on student numbers, dibynnu arno o ran nifer y  
which is so important for the myfyrwyr, sydd mor bwysig  
funding of colleges. That has ar gyfer cyllid y colegau. Mae  
been a really big problem in honno wedi bod yn broblem  
this college. It has not been sylweddol yn y coleg hwn.

cracked everywhere but it has been a particular problem for Coleg Gwent, and it may well have suffered as a result.

Nid yw wedi ei datrys ymhob man, ond bu'n gryn broblem i Goleg Gwent, ac efallai ei fod wedi dioddef o'r herwydd.

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.

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

**ydyd am iddo lwyddo.**

[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?**

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

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

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 ymylol?**

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

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

Mr Martin: **I hope that it will**

Mr Martin: **Hyderwn y bydd**

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, 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.

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 yn uniongyrchol—er sort of feed through. I will bod pethau’n llifo i lawr, fel petai. Gwrthodaf, os caf, ddweud pryd y bydd hyn yn digwydd. Bydd yn have heard said in another digwydd—a chredaf fy mod place—at the appropriate wedi clywed hyn mewn lle time. ‘When the criteria are arall—ar yr adeg briodol. met’ is the phrase, I think. ‘Pan fodlonir y meini prawf’ yw’r ymadrodd, fe gredaf.

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

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

[55] Dafydd Wigley: Yr wyf eisiau mynd yn ôl, os caf fi,

[55] Dafydd Wigley: I want to go back, if I may, because I

oherwydd teimlaf ein bod yn feel that we are looking back  
edrych yn ôl ar yr hyn sydd at what has happened. There  
wedi digwydd. Mae are new governors, a new  
llywodraethwyr newydd, principal and new people in  
pennaeth newydd a phobl the funding council, and  
newydd yn y cyngor cyllido, therefore everything is okay.  
ac felly mae popeth yn iawn. However, the situation is that  
Fodd bynnag, y sefyllfa yw millions of pounds have been  
bod miliynau o bunnoedd lost and £2.9 million has to  
wedi eu colli a bod yn rhaid be repaid. Have we followed  
talu yn ôl £2.9 miliwn. A through—have you followed  
ydym wedi dilyn trwodd— through—on whether there  
ydych chi wedi dilyn are individuals or bodies that  
trwodd—a oes unigolion neu have financial responsibility  
gorfforaethau sydd â and which have perhaps  
chyfrifoldeb ariannol ac o shown personal or corporate  
bosibl wedi dangos negligence and whether there  
esgeulustod personol neu is a place to take action  
gorfforaethol a bod lle i against them?  
weithredu yn eu herbyn?

Nodaf fod y nodyn Trysorlys I note that the Treasury  
yn cyfeirio at y ffaith fod y minute refers to the fact that  
cyngor cyllido wedi cael the funding council has had

cyfarfodydd gyda Deloitte a meetings with Deloitte and Touche, er enghraifft, a bod Touche, for example, and cwestiwn yn codi a ydych yn that a question arises about cael arweiniad cyfreithiol whether you are getting legal ynglyn â chael iawndal gan guidance on getting Deloitte a Touche. Beth yw'r compensation from Deloitte sefyllfa o ran cael y cyrff, neu and Touche. What is the hyd yn oed unigolion, a oedd situation in terms of getting wedi dangos esgeulustod i bodies, or even individuals, dalu? Mae'n rhaid i'r neges that have shown negligence fynd allan o'r Cynulliad i'r to pay? The message must go sector cyhoeddus yng out from the Assembly to the Nghymru, pan fo esgeulustod public sector in Wales that gan unigolion neu gan gyrff, when negligence by ein bod yn disgwyl iddynt individuals or bodies occurs, orfod talu am hynny. Nid we expect them to have to yw'n deg fod y pwrs pay for that. It is not fair that cyhoeddus bob amser yn talu the public purse always pays pan fo esgeulustod gan bobl when there is negligence by yn y sector preifat neu gan people in the public sector or unigolion. by individuals.

Mr Martin: Yr wyf yn cymryd Mr Martin: I take that point y pwynt hwnnw o ddifrif. seriously. It is very

Mae'n holl bwysig. Fodd important. However, I was  
bynnag, nid oeddwn o not around when the college  
gwmpas pan benderfynodd y decided to get rid of the  
coleg gael gwared o'r hen former principal. There were  
bennaeth. Yr oedd rhesymau, reasons, in their opinion, to  
yn eu barn hwy, i symud move on as soon as possible.  
ymlaen cyn gynted ag oedd That has been reported in the  
yn bosibl. Mae hynny wedi PAC's report.  
cael ei adrodd yn adroddiad  
y Pwyllgor Cyfrifon  
Cyhoeddus.

I droi at Deloitte a Touche, To turn to Deloitte and  
bydd yn rhaid imi droi at Touche, I will have to turn to  
David Mason i ateb hynny, os David Mason to answer that,  
caf i, achos mae David wedi if I may, because David has  
bod yn ei ystyried. Gan y been considering it. The  
coleg y mae cyfrifoldeb am college has responsibility for  
hynny. Yr ydym wedi that. We have worked with  
gweithredu gyda Deloittes i Deloittes to try to ensure that  
geisio sicrhau na fydd such problems will not occur  
problemau o'r math yn y in the future. I think that the  
dyfodol. Credaf fod y Assembly, through officials,  
Cynulliad, drwy swyddogion, has done other things in this

wedi gwneud pethau eraill yn context to ensure that lessons  
y cyd-destun hwn i sicrhau are disseminated and shared  
bod gwersi yn cael eu with public bodies in Wales  
lledaenu a'u rhannu gyda in general.  
chyrff cyhoeddus yng  
Nghymru yn gyffredinol.

Mr Mason: I will just make Mr Mason: Hoffwn wneud un  
one comment, Mr Wigley, if I sylw, Mr Wigley, os caf. Yr  
may. You talked about the oeddech yn sôn am y pwrs  
public purse paying the cyhoeddus yn ad-dalu'r  
money back. I think that we arian. Credaf fod rhaid inni  
have to hold our hands up in syrthio ar ein bai fel coleg  
terms of the college but ond ni ddylai neb anghofio'r  
people should not lose sight ffaith i'r arian ddod i mewn  
of the fact that the money i'r coleg a chael ei wario o  
came in and was spent within fewn y coleg. Oherwydd na  
the college. It is because we ddylem fod wedi cael yr  
should not have had that arian hwnnw yn y lle cyntaf y  
money that we have to pay it mae'n rhaid inni ei ad-dalu.  
back. In a sense, you could Ar un olwg, gallech ddadlau  
argue the college has in some bod y coleg wedi elwa  
way benefited from that rywffaint ar yr arian. Dim  
money. I just make that ond nodi'r pwynt hwnnw yr

point.

wyf.

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

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 siwr, 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

as to whether or not we should take action either against organisations or more importantly, perhaps, whether there are issues to do with individuals.

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.

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,

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 ynglyn â hyn, ond bu'r arian hwnnw gennym er pedair neu bum mlynedd ac

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.

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.

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; obviously we would take some advice from

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 gwerth—y llywodraethwyr a minnau;

others—as to whether going wrth gwrs y byddem yn  
down that path of possibly a ymgynghori ag eraill—  
huge amount of expenditure ynghylch a ydym am fynd ar  
from the college budget, is hyd y llwybr hwnnw a allai  
what we want to do. arwain at wariant enfawr o  
However, I stress that once gyllideb y coleg. Fodd  
we have the final figure and bynnag, hoffwn bwysleisio y  
the reasons why we have to byddwn yn ymchwilio i'r  
pay that money back, we will honiadau hynny, unwaith  
explore those allegations. inni gael y ffigur terfynol a'r  
rhesymau pam bod rhaid  
inni ad-dalu'r arian hwnnw.

[56] Dafydd Wigley: Could I [56] Dafydd Wigley: A gaf  
just follow through on that ddilyn hynny a phwyso  
and press, obviously within arnoch, gan ddibynnu ar y  
the constraints of the legal cyngor cyfreithiol yr ydych  
advice that you get—you yn ei gael wrth gwrs—mae'n  
have to follow that; I accept rhaid ichi ddilyn hynny;  
that entirely—that if there is derbynias hynny yn llwyr—i  
legal advice that shows that gymryd camau os cewch  
there was culpability, that it gyngor cyfreithiol sydd yn  
be acted upon. We know dangos bod beusrwydd.  
from another part of the Gwyddom o ran arall o'r  
report which we may come to adroddiad y byddwn yn ei

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 legal advice that you have—that you will look to maximise any steps that you

thrafod yn nes ymlaen efallai, ynglyn 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

can take.

gawsoch—i ystyried amlhau unrhyw gamau y gallwch eu cymryd.

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

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 byrs 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

steadfastness towards this. I ei godi.

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 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

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 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

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.

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: 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

[57] Brian Gibbons: Mae gennyf ychydig gwestiynau ynglyn 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 gontract 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, pwyl

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.

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: 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

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

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.

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 ynglyn 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

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

in this sector following those events.

weithredoedd a'i safle proffesiynol yn y sector hwn yn sgîl y digwyddiadau hynny.

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

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 sydd yn ei gwneud yn ofynnol i'r 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

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.

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: Do we know how many colleges it is working with now?

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

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

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

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

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

Mr Hirst: **It is a handful but it is certainly still active in the sector.** Mr Hirst: **Llond dwrn ydyw ond yn sicr mae'n weithgar o hyd yn y sector hwn.**

[59] Brian Gibbons: **I am amazed that we cannot get a hard answer to that question. How can we monitor if we cannot even answer how many colleges—** [59] Brian Gibbons: **Yr wyf yn synnu clywed na allwn gael ateb manwl gywir i'r cwestiwn hwnnw. Sut gallwn fonitro os na allwn gael ateb ynglyn â faint o'r colegau—**

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?** 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: **Yes, I think that that would be very** [60] Janet Davies: **Byddai, credaf y byddai hynny'n**

helpful.

ddefnyddiol iawn.

Mr Shortridge: This is Mr Shortridge: Yr oedd hyn something that I personally yn fater difrifol iawn yn fy took very seriously and on nhyb i ac yr oeddwn am weld which I wanted to have camau dilynol yn cael eu follow-up action. Deloitte and cymryd yn ei gylch. Mae Touche is a major firm and Deloitte a Touche yn un o'r one has to be very careful prif gwmnïau ac mae'n rhaid about what one does and says bod yn ofalus iawn ynglyn publicly in relation to a â'r hyn y mae rhywun yn ei major firm that has a wneud neu'n ei ddweud yn reputation. However, we gyhoeddus parthed cwmni have written to the Institute mawr a chanddo enw da. of Chartered Accountants in Fodd bynnag, yr ydym wedi England and Wales so that it ysgrifennu i Sefydliad y can consider whether there Cyfrifwyr Siartredig yng are any actions that it needs Nghymru a Lloegr fel y gall to take in relation to the ystyried a oes angen iddo quality of work completed by gymryd unrhyw gamau ai Deloitte and Touche. The peidio parthed ansawdd y institute has referred that to gwaith a gwblhawyd gan its professional standards Deloitte a Touche. Mae'r office. We have also written sefydliad wedi cyfeirio'r

to all the chief executives of Asembly sponsored public bodies in Wales to draw their attention to the 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.

achos hwnnw i'w swyddfa safonau proffesiynol. Yr ydym hefyd wedi ysgrifennu at bob prif weithredwr corff and 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: That is more reassuring. Thank you.

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

Mr Mason: Just to answer the other part of the gentleman's

Mr Mason: I ateb i ran arall cwestiwn y gwr bonheddig, y

question, the procedure that weithdrefn a ddefnyddiwyd we underwent in terms of gennym i benodi ein appointing our new external harchwilwyr allanol newydd auditors is the one that we yw'r un a ddefnyddiwn ar use for all services. We went gyfer pob un o'r out to tender and many firms gwasanaethau. Cynigiwyd y were invited to tender, in gwaith ar dendr gennym a fact, Deloitte and Touche gwahoddwyd nifer o were one of them. We gwmniau i dendro, yn wir, yr decided that we would offer oedd Deloitte a Touch yn eu the contract to Price plith. Penderfynasom y Waterhouse Coopers. byddem yn cynnig y contract i Price Waterhouse Coopers.

[62] Janet Davies: We will [62] Janet Davies: Cawn now have a brief break. egwyl fach yn awr.

*[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.]*

[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?

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

Mr Mason: Bydd yn dda gennyf roi'r wybodaeth honno. Cyfeiriau 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

forecast for this year?

am y rhagolwg diwedd y flwyddyn ar gyfer eleni onid ydych?

[64] Janet Davies: Yes.

[64] Janet Davies: Ydwyf.

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

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

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

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 gyd-destun, y targed cyllideb a bennwyd i ni ein hunain ar gyfer eleni. Pan bennwyd y gyllideb gennym ar ddechrau'r flwyddyn, cymeradwyodd y gorfforaeth

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.

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.

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

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

positive rather than the ochr positif na'r ochr  
negative side. negyddol.

We have a strategic aim over Mae gennym nod strategol  
the coming years to deliver yn ystod y blynyddoedd i  
an operating surplus of ddod i gyflwyno gwarged  
around £1 million a year. So gweithredol o tua £1 miliwn y  
what I am really saying is flwyddyn. Felly yr hyn yr  
that we are on an upward wyf yn ei ddweud mewn  
path. For this year, we are gwirionedd yw ein bod ar  
confident that we will deliver lwybr ar i fyny. Ar gyfer  
just above a break-even eleni, yr ydym yn ffyddiog y  
position. byddwn yn adennill costau o  
ychydig.

I am happy to give you any Byddai'n dda gennyf roi  
other information but I do unrhyw wybodaeth arall ond  
not want to blind you with nid wyf am eich drysu gyda  
figures. ffigurau.

[65] Janet Davies: That is [65] Janet Davies: Mae  
sufficient. Thank you. hynny'n ddigon. Diolch yn  
fawr.

[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

[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 ynglyn 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 phe cyn llawer gwell. Cafodd £10,000 yn

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.

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: 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

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 wyr bu digon o sagâu yn y sector

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 must leave it to others to judge whether or not that is enough, but we

cyhoeddus, rhai ohonynt yn ddiweddar iawn, lle mae systemau rheoli wedi torri i lawr a hynny'n drychinebus. Felly, nid wyf yn work with the model and the hunanfodlon ynglyn 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 ynglyn 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 oruchwyliaeth ddi-baid ydyw. Mae'n rhaid ichi sicrhau bod y systemau yn eu lle ac mae'n rhaid ichi eu

will do our best. Sorry, was there another leg to your question?

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: I take that to mean that nobody gets punished.

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

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

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

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.

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 bwer a oedd gan y coleg i weithredu'n uniongyrchol

We could only do that in fyddai peidio â rhoi grant. Ni those circumstances if we felt allwn wneud hynny ond o that the behaviour of the dan yr amgylchiadau hynny college governors had been pe baem o'r farn bod unreasonable by a ymddygiad llywodraethwyr y Wednesbury test of coleg wedi bod yn afresymol, reasonableness, which is a yn ôl prawf rhesymoldeb very severe one, namely that Wednesbury, sydd yn un no reasonable person, given llym iawn, sef na fyddai those facts and unrhyw berson rhesymol, o circumstances, would have ystyried y ffeithiau a'r behaved differently. amgylchiadau hynny, wedi ymddwyn yn wahanol.

I cannot put my hand on my Ni thyngaf lw—ni cheisiaf heart—I will not try to be fod yn hunangyfiawn, a holier than thou, having only minnau dim ond wedi dod i'r lately come into the sefyllfa yn ddiweddar—a situation—and say that, dweud nad oedd unrhyw faced with those amheuaeth bod y coleg, dan circumstances, it is beyond wynebu'r amgylchiadau doubt that the college was hynny, yn afresymol wrth unreasonable in taking that wneud y penderfyniad decision. I agree with the hwnnw. Yr wyf yn cyd-fynd

Committee and the â'r Pwyllgor a'r teimladau yr sentiments that you are ydych yn eu mynegi, ei bod expressing, that it is very yn destun gofid os felly y'i regrettable if that is dehonglir sef bod rhywun yn interpreted as somebody dianc rhag cosb. Fodd getting away with it. bynnag, gobeithiaf y bydd y However, I hope that the cyhoeddusrwydd y mae hyn publicity that this has wedi'i dderbyn gan y received from the Public Pwyllgor Cyfrifon Accounts Committee and will Cyhoeddus ac y bydd yn ei receive from this Committee dderbyn gan y Pwyllgor hwn means that people do not get yn golygu na fydd pobl yn off the hook. They might not dianc rhag cosb. Efallai nad be paying in terms of their ydynt yn talu'r pris yn pockets, but in terms of their ariannol, ond o ran eu henw reputations and so on, I think da ac ati, credaf fod hyn yn that this is extremely niweidiol. Mae pa un ai a damaging. Whether we ddylem fynd ymhellach yn should go further depends on dibynnu ar y fframwaith y the framework within which gweithredir o'i fewn. Pe bai one is operating. If this arose hyn yn digwydd eto, again, it would be possible to byddai'n bosibl gwahardd suspend, with or without pay, unigolyn, gyda chyflog neu or to summarily dismiss heb gyflog, neu'n ei someone in these ddiswyddo'n ddiannod o dan

circumstances. Those were not powers available at the time.

yr amgylchiadau hyn. Nid oedd y pwerau hynny ar gael bryd hynny.

[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.**

[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: **As I have said, the arrangements have now changed. It would now be possible for a governing body to summarily dismiss or to**

Mr Martin: **Fel y dywedais, mae'r trefniadau wedi newid bellach. Byddai'n bosibl yn awr i gorff llywodraethol ddiswyddo unigolyn yn**

suspend and move on. ddiannod neu ei wahardd a  
However, it did not have symud ymlaen. Fodd bynnag,  
those powers available to it. nid oedd ganddo'r pwerau  
In the spirit of looking hynny bryd hynny. Gan  
forward to operating these edrych ymlaen at ddelio â'r  
matters better, I hope that, if materion hyn yn well yn y  
anything even remotely like dyfodol, gobeithiaf na  
this arose again, the fyddai'r corff llywodraethol  
governing body would not yn oedi cyn defnyddio'r  
hesitate to use those powers. pwerau hynny pe bai  
I know that behind the rhywbeth cyffelyb o'r braidd  
scenes—and I would act in yn digwydd eto. Gwn na  
the same way—my fyddai fy rhagflaenydd y tu  
predecessor was not slow to ôl i'r drysau cudd—a  
engage with governing bodies byddwn yn gweithredu'n  
and to give them his best union yr un fath—yn oedi  
advice, not just in this cyn cysylltu â'r cyrff  
instance, but in others in the llywodraethol a rhoi ei  
past, where there were gyngor gorau iddynt, nid yn  
problems of this sort. What unig yn yr achos hwn, ond  
he could not do is make them mewn achosion eraill yn y  
do things that the law says gorffennol, pan gafwyd  
are their responsibility and problemau o'r fath. Yr hyn  
not his. It would be the same na allai ei wneud oedd eu  
with me, but I will do gorfodi i wneud pethau a

everything within my powers to ensure that these matters are acted on properly.

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: 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?

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

Mr Mason: If you could bear with me, Chair, because I know that you are trying to

Mr Mason: Maddeuwch imi, Gadeirydd, gwn eich bod am symud ymlaen, ond credaf ei

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 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—contractually withdrawing agreed arrangements that had been negotiated with the trade union. There was an arrangement called the workload agreement that Sue Parker had negotiated with

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 gontract 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

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.

siwr 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.

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

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 gennyh 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

environment that we were in. rhaid iddynt dalu'r pris.  
A ballot was taken at the end Dyna oedd y sefyllfa yr  
of 1997 for industrial action. oeddem ynnddi. Cynhaliwyd  
They voted in favour of pleidlais ar ddiwedd 1997  
industrial action short of a ynglyn â gweithredu  
strike or strike action, if it diwydiannol. Pleidleisiasant  
was called for by the union. o blaid gweithredu  
diwydiannol ac eithrio streic  
neu weithredu streicio, pe  
bai'r undeb yn galw am  
hynny.

I arrived in April 1998, and Cyrhaeddais ym mis Ebrill  
this industrial action was 1998, ac yr oedd y  
ticking away. As the end of gweithredu diwydiannol fel  
that financial year petai yn llusgo ymlaen o hyd.  
approached, we could see Wrth i ddiwedd y flwyddyn  
that we were going to have ariannol honno ddynesu,  
another deficit, although gallwn weld y byddai diffyg  
significantly reduced from arall gennym, er y byddai  
that of the previous year. We dipyn yn llai na diffyg y  
received notification from the flwyddyn flaenorol. Fe'n  
funding council that our hysbyswyd gan y cyngor  
funding was being reduced, cyllido ei fod yn gostwng ein  
purely because of our student harian, oherwydd, yn syml,

numbers. I think that Mr nifer y myfyrwyr oedd  
Martin mentioned this gennym. Credaf i Mr Martin  
earlier. We had had what sôn am hyn yn gynharach.  
appeared to have been a drop Ymddangosodd fod nifer y  
in student numbers the myfyrwyr yn y coleg wedi  
previous year, which affected gostwng yn ystod y flwyddyn  
our funding for the following flaenorol, a effeithiodd ar ein  
year. So we were suddenly harian, i'r flwyddyn  
faced with something like a ganlynol. Felly yn sydyn  
£2 million reduction in our iawn yr oeddem yn wynebu  
funding. sefyllfa lle yr oedd ein harian  
yn gostwng tua £2 miliwn.

That was in May of that year Digwyddodd hynny ym mis  
and we were setting the Mai yn y flwyddyn honno  
budget for the next year. The pan oeddem wrthi'n pennu'r  
corporation supported my gyllideb ar gyfer y flwyddyn  
recommendation that the nesaf. Cefnogodd y  
staff, for a second year—and gorfforaeth fy argymhelliad  
I stress that it was for a na ddylai'r staff am yr ail  
second year—should not flwyddyn o'r bron—a  
have a pay rise. I can phwysleisiaf mai'r ail  
absolutely understand how flwyddyn ydoedd—gael  
the staff must have felt. You codiad cyflog. Deallaf yn

see what has happened, and then, for a second year, you do not get a pay rise. Staff, understandably, were incensed.

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.

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

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

important in terms of spend, ein tyb ni, yn wahanol iawn  
were very different. I will i'r hyn a oedd yn bwysig  
just give you one trivial iddynt hwy o'u safbwynt  
example. There was an order afradlon braidd. Rhoddaf  
for 150 gold-leafed desk enghraifft fach ichi. Bob  
diaries, which had been blwyddyn yr oedd 150 o  
ordered every year. ddyddiaduron desg ag  
Obviously we did not buy ymylon aur yn cael eu  
them that year. So the staff's harchebu. Wrth gwrs nis  
perceptions began to build prynwyd gennym yn y  
up. flwyddyn honno. Felly y  
dechreuodd teimladau'r staff  
gronni.

In the summer of 1999, we Yn ystod haf 1999,  
commissioned MORI to comisiynwyd MORI gennym  
conduct an attitude survey. i gynnal arolwg barn. Bydd  
Many of the staff will tell you llawer o'r staff yn dweud nad  
that you did not need MORI oedd angen i MORI ddweud  
to tell you what the attitude beth oedd barn y staff, ond  
of the staff was, but we yr oeddem am gau pen y  
wanted to draw a line in the mwdwl. Yr oeddem am  
sand. We wanted to find out ganfod beth oedd sefyllfa'r  
where we were with the staff staff fel y gallwn ddechrau

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 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

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 olog, o safbwynt dileu'r cytundeb baich gwaith drwy geisio cyflwyno trefniadau cytundebol a oedd yn rhesymol i'r naill ochr a'r

not be what the other side 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 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.

llall. Fel y mae'n digwydd mewn 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

[70] Alison Halford: Hwn fydd fy nghwestiwn olaf, yr

have probably almost ydych wedi ei ateb bron fwy  
 answered. The Public na thebyg. Yr oedd y  
 Accounts Committee was Pwyllgor Cyfrifon  
 very critical of the way Cyril Cyhoeddus yn feirniadol  
 Lewis and Coopers & iawn o'r modd y cafodd Cyril  
 Lybrand were taken on Lewis a Coopers & Lybrand  
 board. This, presumably, was eu penodi. Cafodd hyn ei  
 done without going out to wneud, debygaf, heb ei  
 tender. Is that to do with the gynnig ar dendr. A yw hyn  
 fact that you were yn gysylltiedig â'r ffaith eich  
 haemorrhaging and just had bod yn colli arian ac yn syml  
 to get the first person bod yn rhaid ichi gael y  
 available? What are your person cyntaf a oedd ar gael?  
 comments on the engagement Beth yw'ch sylwadau ynglyn  
 of Mr Lewis and Coopers & â chyflogi Mr Lewis a  
 Lybrand, please? Coopers & Lybrand, os  
 gwelwch yn dda?

Mr Mason: I am cautious Mr Mason: Pwyllaf rhag  
 about commenting on actions cynnig sylwadau ar yr hyn a  
 that were taken by a wnaeth corff llywodraethol  
 governing body at a time ar adeg pan nad oeddwn yno.  
 when I was not there. I would Hoffwn nodi—  
 just make—

[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,**

[73] Janet Davies: **Diolch yn**

**Alison. Peter has some questions on procurement. 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 disappointed by the slow progress the 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?**

**[72] 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 cyfan ar wella'r broses o 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: In a sense, one of the things that we identified very quickly during that crisis period was that the six**

**Mr Mason: Ar un olwg, un o'r pethau a nodwyd gennym yn fuan iawn yn ystod cyfnod yr argyfwng oedd bod y chwe**

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.

champsys wedi cael pob rhyddid i wneud fel y mynnont. Yr oedd y campysau yn prynu personol a cyfrifiaduron heb beth 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

That is a measure of his background and experience. gan Edwina Hart i ystyried pwnc caffael ar draws Cymru. Mae hynny'n arwydd o'i gefndir a'i brofiad.

Here are just a few figures; Nodaf ychydig ffigurau; yn y in the last 12 months that we 12 mis diwethaf pan rydym have been centrally wedi bod yn prynu a chaffael purchasing and procuring in yn ganolog yn y coleg yn the college, rather than hytrach na chaniatáu i'r letting the campuses buy on campysau brynu ar eu pen eu their own, we have saved hunain, yr ydym wedi arbed £100,000 on information £100,000 ar dechnoleg technology. Our capital gwybodaeth. £1 miliwn oedd investment in IT this year ein buddsoddiad cyfalaf was £1 million, and we have mewn TG eleni ac yr ydym saved £100,000, about 10 per wedi arbed £100,000, sef tua cent. Another way of looking 10 y cant. Ffordd arall o at it is that students have had edrych arno, yw bod y 200 extra PCs as a result of myfyrwyr wedi cael 200 o us buying centrally, rather gyfrifiaduron personol than letting campuses buy ychwanegol oherwydd ein from local suppliers. We bod wedi prynu'n ganolog,

have saved about 20 per cent on our photocopying costs. We purchase our energy through the 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 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.

yn hytrach na chaniatáu i'r campysau brynu oddi wrth gyflenwyr lleol. Yr ydym wedi arbed 20 y cant ar ein costau llungopïo. Yr ydym yn prynu ein hynni drwy gonsortiw 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 ynglyn 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 am fy mod yn ymwybodol** **Mr Mason: Atebaf yn gryno,**

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 of the people on the corporate team had 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

bod y Cadeirydd yn edrych yr amser. Pan gyrhaeddais, strwythur uwch reoli'r coleg oedd bod gan bob campws gyfarwyddwr 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

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.

x yn cael ei argyhoeddi gan y farn gorfforaethol. Felly yrdym 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

That is now the current cyfarwyddwr cyllid, y team. Therefore the senior cyfarwyddwr ystadau, y management team—we call it cyfarwyddwr adnoddau the corporate management dynol a'r cyfarwyddwr team—are now corporate marchnata a chynllunio people, if I can use that term. corfforaethol. Hwn yw'r tîm cyfredol 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? [77] Alun Cairns: Sut y mae costau'r strwythur newydd yn cymharu â chostau'r hen strwythur, sef y cyfarwyddwyr campws?

Mr Mason: It is marginally cheaper, but it was not a restructuring to save money, it was a restructuring to Mr Mason: Mae ychydig yn rhatach, ond nid er mwyn arbed arian y cafodd ei ailstrwythuro, fe'i

make the senior management of the college more effective. **ailstrwythurwyd i sicrhau bod uwch reolwyr y coleg yn fwy effeithiol.**

[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—** [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: **Sorry, did you say 50?** Mr Mason: **Mae'n ddrwg gennyf, ai 50 a ddywedasoch?**

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

Mr Mason: **That is right.** Mr Mason: **Mae hynny'n gywir.**

[80] Alun Cairns: **Could you** [80] Alun Cairns: **A allech**

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?

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: 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

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

was that you cannot have a situation where someone is trying to manage lecturers. So we realised that we needed some intermediate layer.

o'r ychydig bethau lle yr oedd Cymdeithas Genedlaethol yr Athrawon yn 60 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.

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 important to note that when you create positions for these

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 drydedd rhan yn goruchwyllo tîm bychan o ddarlithwyr. Mae'n bwysig

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.

nodi mai'r unig gost sydd gennyh 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.

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

Monitrwyd 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 bennaethiaid 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

holds it up as an example of a well-managed project that it monitored.

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: 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?

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

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

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 ty yn dda. Etifeddais sefydliad a rhoddaf ffigur ichi i gynorthwyo i roi hyn yn ei gyd-destun. Ar ddiwedd

Tertiary College, as it was Gorrffennaf 1995, yr oedd gan then, had around £7 million Goleg Trydyddol Gwent, fel in the bank. At the end of y'i gelwid bryd hynny, tua £7 July 1998, just after I had miliwn yn y banc. Ar arrived, we were broke and ddiwedd Gorrffennaf 1998, we had spent £3 million of ychydig ar ôl imi gyrraedd, European social fund money. yr oeddem wedi mynd i'r wal Therefore, we had got ac yr oeddem wedi gwario £3 through around £10 million. miliwn o arian y gronfa When we considered the gymdeithasol Ewropeaidd. situation and particularly Felly gwariwyd tua £10 when Andrew, my finance miliwn. Wrth inni ystyried y director, arrived, we could sefyllfa ac yn enwedig pan see clearly that it was about gyrhaeddodd Andrew, fy good housekeeping and nghyfarwyddwr cyllid, getting tight controls on gallem weld yn eglur mai expenditure and trying to cadw ty yn dda a rheoli'r make people aware of the gwariant yn dynn a cheisio fact that sometimes the sicrhau bod pobl yn organisation could not afford ymwybodol o'r ffaith na the things that they wanted. I allai'r sefydliad bob amser could give you hundreds of fforddio'r hyn yr oeddent eu examples. heisiau oedd wrth wraidd y mater. Gallwn roi cannoedd o enghreifftiau ichi.

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.

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 ymagweddd fusnes. Yr ydym yn ei reoli. Mae'n

beth eithaf syml yn y bôn.

[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

[83] Alun Cairns: Yr wyf yn eich llongyfarch ar gadw ty 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 ynglyn 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 ynglyn â strwythur rheoli da, pa gymhariaeth y gellir ei wneud rhwng y ddau a pham nad yw'r gwaith o fonitro

been co-ordinated nifer y myfyrwyr sydd yn effectively? cofrestru wedi cael ei gydlynu'n effeithiol?

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

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

very accurate data about student enrolments is needed. cyfateb arian yn uniongyrchol â phobl, felly mae angen data cwbl gywir am nifer y myfyrwyr sydd yn cofrestru.

We have been struggling, Yr ydym wedi cael because we now have a anawsterau, gan fod gennym computer system called bellach system gyfrifiadurol FEMIS, which is used by o'r enw FEMIS, a only two colleges in Wales. ddefnyddir gan ddau goleg Although I do not want to yng Nghymru yn unig. Er criticise FEMIS, you will nad wyf am feirniadu understand that an FEMIS, deallwch nad yw organisation with only two sefydliad a chanddo ddau installations in Wales is not gwsmer yng Nghymru yn going to provide the sort of mynd i ddarparu'r math o software development that is ddatblygu meddalwedd sydd needed. Steve mentioned that ei angen. Soniodd Steve ein we are going to invest bod yn bwriadu buddsoddi £250,000 in a new computer £250,000 mewn system system to try to improve our gyfrifiadurol newydd i geisio record keeping. When you gwella ein cofnodion. Pan mentioned a lack of credible gyfeiriasoch at ddiffyg data y

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.

gellir ymddiried ynddo, byddai'r cyngor cyllido yn cyd-fynd pan ddywedaf fod Price Waterhouse Coopers wedi archwilio ein data Price Waterhouse Coopers. 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: There is also concern about claiming all the money to which you are entitled.**

**[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: Yes.**

**Mr Mason: Oes.**

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

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

**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**

**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**

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 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

sefydliadau yn ei baratoi'n dda, nid yw eraill crystal. Mae'n faes lle mae angen gwylidwraeth 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 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. Gwyr pawb sydd yn ymwneud â'r busnes hwn nad tasg syml yw cyfrif pobl yn gywir. Mae'n

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.

swnio'n syml, ond gwyr 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.

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

Ategaf 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

did. Hopefully this situation will not recur in the future.

Ewropeaidd wedi arfer gwneud hynny. Gobeithio na welir y sefyllfa hon yn codi eto yn y dyfodol.

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

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

Pa arweiniad y mae'r cyngor cyllido wedi ei gynhyrchu i sicrhau bod y colegau yn rheoli a gorchwyllo unedau a chanddynt gylch gorchwyl entrepreneuriaidd 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: 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

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 ddiddorol, 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

matters should be part and parcel of the college's systems. As the PAC 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

o'r rhaglen archwilio. Nid rhan atodol mohoni ac mae ein cyngor yn gwbl eglur: 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

the governance and ymsefydlu sydd wrth wraidd  
management development y mater hwn. Cyfeiriaf yn ôl  
programme, we seek to at y ffordd yr ydym yn  
ensure that everybody gweithio gyda'r cyrff  
concerned knows their duties llywodraethol i sicrhau eu  
and fulfils them. We will bod yn cael y wybodaeth y  
issue a governors' guide this mae ei hangen arnynt i  
summer, which will reinforce fonitro a rheoli. Drwy ein  
some of these messages. harchwiliad ein hunain a'r  
However, even that is only an prosesau eraill, a thrwy'r  
event and it needs to be rhaglen datblygu  
followed through in the ways llywodraethu a rheoli,  
that I have described. 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: 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.

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

[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: 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'.

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

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

against any discrimination? honno?

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 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

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

then get this document. It is legalistic. Our lawyers had to look at it, and so on. We are trying to produce a staff-friendly guide to 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

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 Rhoddwyd cyhoeddusrwydd ymhlith y staff i'r ffaith ei bod ar gael gan glerc y gorfforaeth. Nid oes rhaid iddynt ofyn imi am gopi. Ynglyn 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

involves a disciplinary action, weithredwr y gorfforaeth. where it was as a result of Byddem yn annog aelodau something that was raised o'r staff i'w defnyddio, os with us—not actually using cyfyd pryder. Yn wir mae the whistleblowing gennym sefyllfa ddiweddar, procedure—but it was raised ni roddaf fanylion gan ei fod with us and that led to some yn ymwneud â chamau quite useful developments. disgyblu, lle codwyd mater o We want to send a message ganlyniad—nid drwy'r that we encourage staff, if weithdrefn datgelu they have concerns, to raise cyfrinachau ei hun—ond them, that there is an tynnwyd y mater hwn i'n informal procedure within sylw ac mae hynny wedi the procedure and that they arwain at ambell i can talk to whoever. At the ddatblygiad eithaf end of the day, if staff think defnyddiol. Hoffem roi'r that something is going neges ein bod yn annog y wrong, I would like to know. 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: 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 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?

[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 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: 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

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

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.

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: What steps is the Assembly taking to improve the way that universities and colleges are governed and managed?

[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: 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

Mr Shortridge: Ni allaf gynnig sylwadau awdurdodol ynglyn â phrifysgolion, ond credaf, o safbwynt y colegau, ein bod yn dibynnu'n fawr iawn ar y cyngor cyllido, gan ein bod bellach wedi dirprywo'r gwaith o fonitro'r trefniadau

arrangements to them, to llywodraethu yn ffurfiol  
take that forward. As I say, it iddynt, i ymgymryd â hynny.  
is through a dialogue, and Fel y dywedais, drwy  
seeking to satisfy ourselves ddeialog a cheisio bodloni ein  
that the framework is right hunain bod y fframwaith yn  
and that the way in which the un cywir a bod pobl yn  
framework is being applied defnyddio ac yn deall y  
and understood is right. If it fframwaith yn gywir. Pe bai  
were necessary to make angen gwneud newidiadau  
further changes to pellach yn yr offerynnau a'r  
instruments and articles of erthyglau llywodraethu,  
governance, I would be keen byddwn yn awyddus bod y  
to see those made. rheini'n cael eu gwneud.

There is a wider issue that Codwyd mater ehangach yn  
has come up during the ystod y drafodaeth heddiw,  
discussion today, which is sef ai'r model yr ydym yn ei  
whether the model that we ddefnyddio o dan Ddeddf  
are applying through the 1992 yw'r un cywir. Ein  
1992 Act is the right one. Our gwaith fel swyddogion yw  
job as officials is to make the sicrhau ein bod yn  
model that we have work to gweithredu'r model sydd  
the best of our ability. If gennym hyd eithaf ein gallu.  
there are wider concerns Os oes pryderon ehangach  
about the approach, that is a ynglyn â'r ymagwedd, y

matter for the Post-16 Pwyllgor Addysg a  
Education and Training Hyfforddiant Ôl-16 ddylai ei  
Committee to consider in the ystyried yn y lle cyntaf.  
first instance.

[91] Janet Davies: Jane wants [91] Janet Davies: Mae Jane  
to pursue that and enlarge on am ddilyn y pwynt hwnw ac  
that point. ymhelaethu arno.

[92] Jane Davidson: I [92] Jane Davidson: Tybed a  
wondered if I might pursue gaf holi Syr John ynglyn â  
this with Sir John and have a hyn a chael sylwadau gan y  
comment from the National Swyddfa Archwilio  
Audit Office on that view, Genedlaethol ar y farn  
because it seems to me that honno, oherwydd ymddengys  
we have a systematic i mi bod gennym broblem  
problem in Wales—or rather systematig yng Nghymru—  
in the UK—as a result of that neu yn y DU yn hytrach—yn  
Act. Neither this Committee sgîl y Ddeddf honno. Nid  
nor the Assembly would yw'r Pwyllgor hwn na'r  
want to see a Cynulliad am roi cyfran  
disproportionate amount of anghymesur o amser i un  
time and eternal vigilance sector yn unig a'i  
being devoted to one sector oruchwylio'n ddi-baid tra

when we have so many bod gennym gymaint o sectors in Wales that we want sectorau yng Nghymru yr to ensure are given adequate ydym am sicrhau eu bod yn support. Could we have a cael cymorth digonol. A comment from Sir John on wnaiff Syr John gynnig sylw that in this public session? ar hynny yn y sesiwn gyhoeddus hon?

Sir John Bourn: I am glad to Syr John Bourn: Mae'n dda respond to that, Chair. I gennyf ymateb i hynny, agree very much with the Gadeirydd. Cytunaf yn fawr point that Mr Shortridge iawn â'r pwynt a wnaeth Mr made during the course of Shortridge yn ystod y the discussion. The model drafodaeth hon. Diben y that was introduced for the model a gyflwynwyd ar gyfer management of further rheoli addysg bellach—nid education—not just in Wales yn unig yng Nghymru ond but throughout the country ledled y wlad i gyd—oedd as a whole—was designed to rhoi mwy o bwerau ac give much greater power and awdurdod i gyrff authority to the governing llywodraethol y sefydliadau bodies of these institutions. I hyn. Credaf mai un o'r think that among the motives rhesymau dros hyn oedd y for that was the idea that syniad y byddai rhyddid yn

freedom would lead to esgor ar egni a energy and enterprise. mentergarwch. Fodd bynnag, However, I think that credaf fod profiad wedi experience has shown that it dangos ei fod yn rhyddid nad was a freedom not backed by oedd wedi ei seilio ar brofiad proper experience, proper priodol, systemau priodol a systems and proper gweithdrefnau priodol. Felly procedures. So the result has mae'r canlyniad wedi bod yn been disappointing in many un siomedig iawn mewn sawl ways, as so much of our work ffordd, fel y mae cymaint o'n has shown, right throughout gwaith wedi dangos, ledled y the country. wlad.

So to the extent for which it Felly, i'r graddau y mae'n is for me to say, I do not briodol imi ddweud, ni think that it is a good model chredaf fod hwn yn fodel da for running further dros redeg sefydliadau education institutions. You addysg bellach. Gofynasoch asked me for a view. That is am fy marn. Dyna yw fy my view, based on the marn, yn seiliedig ar yr examination of a large archwiliadau o nifer fawr number of them and the fact ohonynt a'r ffaith bod that we have had so many gennym gymaint o achosion instances of these difficulties. o'r anawsterau hyn. Mae'n

It is quite interesting. When we 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 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.

**eithaf diddorol. Sut y cawsom wybod am Goleg Gwent? Aelodau o Dy'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 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: **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**

[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**

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 transcript of this session so that you can check its accuracy before it is published. When the Committee publishes its report that transcript will be included in an annex.

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 i chi. 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.*

## **Annex B**

This Annex is only available in Hard copy. Please refer to the Report in Hard copy.

## **Annex C**

This Annex is available in Hardcopy only. Please refer to the hard copy of the report.

## Annex D

### THE AUDIT COMMITTEE

The National Assembly's Audit Committee ensures that proper and thorough scrutiny is given to the Assembly's expenditure. In broad terms, its role is to examine the reports on the accounts of the Assembly and other public bodies prepared by the Auditor General for Wales; and to consider reports by the Auditor General for Wales on examinations into the economy, efficiency and effectiveness with which the Assembly has used its resources in discharging its functions. The responsibilities of the Audit Committee are set out in detail in Standing Order 12.

The membership of the Committee as appointed on 9 November 2000 is:

Janet Davies (Plaid Cymru) - Chair  
Alan Cairns (Conservative)  
Jocelyn Davies (Plaid Cymru)  
Alison Halford (Labour)  
Ann Jones (Labour)  
Peter Law (Labour)  
Lynne Neagle (Labour)  
Dafydd Wigley (Plaid Cymru)  
Kirsty Williams (Liberal Democrat)

Further information about the Committee can be obtained from:

Julie Bragg  
Acting Clerk to the Audit Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA  
Tel: 02920 898026  
Email: [Audit.comm@wales.gsi.gov.uk](mailto:Audit.comm@wales.gsi.gov.uk)