

Embargo:
Ni ddylid ei gyhoeddi
na'i ddarlledu cyn
14.00 brynhawn
Gwener 11 Chwefror
2011

Embargoed:
Not for publication
or broadcast before
14.00hrs
Friday 11 February
2011

ADOLYGIAD O
LYWODRAETHIANT
CORFFORAETHOL S4C

REVIEW OF THE
CORPORATE GOVERNANCE
OF S4C

1. Datganiad i'r wasg
2. Ymateb yr Awdurdod
3. Adroddiad Syr Jon Shortridge KCB

Press release
Authority's Response
Sir Jon Shortridge KCB's Report

Newyddion News

S4C yn cyhoeddi Adroddiad Shortridge ar lywodraethiant corfforaethol

11.02.11

Mansel Jones
Cyswllt Contact
Ffôn Phone 029 2074 1451

Hefyd ar gael ar Clirlun,
gwasanaeth manylder uwch S4C
ar Freeview HD, sianel 53, yng
Nghymru.

Also available on Clirlun, S4C's
high definition service on
Freeview HD, channel 53, in
Wales.

Embargo: Ni ddylid ei gyhoeddi na'i ddarlledu cyn 14.00 brynhawn Gwener 11 Chwefror 2011

Mae Awdurdod S4C heddiw (Gwener 11 Chwefror) wedi cyhoeddi Adroddiad Shortridge ar lywodraethiant corfforaethol y Sianel.

Fe gomisiynodd Awdurdod S4C Syr Jon Shortridge, cyn Ysgrifennydd Parhaol Llywodraeth Cynulliad Cymru i gynnal adolygiad o lywodraethiant corfforaethol y Sianel ar ôl rhoi ystyriaeth i'r drefn o reoli'r Sianel yn gynnar yn 2010.

Ers i Syr Jon gyflwyno ei adroddiad, mae'r Awdurdod wedi bod yn ystyried ei argymhellion ac mae nawr yn cyhoeddi ei ymateb a chynllun gweithredu i sicrhau system gadarn a phriodol o lywodraethiant corfforaethol ar gyfer S4C.

Yn 2006 penderfynodd Awdurdod S4C weithredu system o lywodraethiant corfforaethol a elwir yn "Arwahanrwydd". Amcan y system oedd dangos yn glir beth oedd swyddogaethau penodol yr Awdurdod a gweithredaeth S4C. Fodd bynnag, daeth yn amlwg ymhen amser bod y system yn anaddas ar gyfer corfforaeth unol fel S4C a'r teimlad oedd bod hyn yn cyfyngu ar allu'r Awdurdod i weithredu ei swyddogaethau statudol anweithredol, gan gynnwys ei allu i sicrhau ei atebolrwydd i ystod o randdeiliaid. Fe ddaeth yr Awdurdod i'r casgliad nad oedd "Arwahanrwydd" yn briodol bellach ac y dylid comisiynu adolygiad annibynnol o lywodraethiant corfforaethol er mwyn adnabod ffyrdd newydd a mwy atebol o weithredu.

Mae adroddiad Syr Jon yn feirniadol o'r system o "Arwahanrwydd", y berthynas a oedd yn bodoli rhwng yr Awdurdod a'r tîm gweithredol, y llif gwybodaeth rhwng yr Awdurdod a'r tîm gweithredol, ac o ganlyniad i hynny, gallu'r Awdurdod i weithredu'n llawn ei rôl craffu.

Mae'r Awdurdod eisoes wedi gweithredu neu ar fin gweithredu ar lawer o argymhellion Syr Jon neu roedd y trefniadau oedd yn bodoli eisoes yn foddhaol. Mae nifer o welliannau wedi'u gwneud yn y modd y mae aelodau'r Awdurdod yn cydweithio gyda'r Prif Weithredwr a'i dîm rheoli, ac i'r wybodaeth sydd ar gael i alluogi'r Awdurdod i wneud penderfyniadau strategol a gweithredu ei rôl craffu.

Mae'n bwysig nodi nad yw penderfyniad yr Awdurdod i newid y system o "Arwahanrwydd" yn newid y gwahanu sylfaenol mewn cyfrifoldebau rhwng rôl anweithredol Aelodau'r Awdurdod a rôl weithredol y Prif Weithredwr a'i dîm rheoli. Mae'r Awdurdod yn parhau i fod yn fwrdd anweithredol ac nid yw'n chwarae rhan mewn penderfyniadau a wneir o ddydd i ddydd. Mae hyn yn egwyddor sydd wedi'i hen sefydlu ac yn bodoli ers sefydlu S4C yn 1982.

Meddai Rheon Tomos, Is-Gadeirydd Awdurdod S4C: "Mae'r Awdurdod o'r farn bod y gwelliannau sydd eisoes ar waith a'r newidiadau eraill arfaethedig a gaiff eu gweithredu dros y misoedd nesaf yn sicrhau y bydd gan S4C system sefydlog a chynaliadwy o lywodraethiant corfforaethol sy'n addas ar gyfer ein dibenion heddiw ac yn y dyfodol. Bydd y system hefyd yn galluogi aelodau'r Awdurdod i graffu perfformiad a bod yn atebol am berfformiad S4C heddiw ac yn y dyfodol.

Newyddion News

S4C yn cyhoeddi Adroddiad Shortridge ar lywodraethiant corfforaethol

Mansel Jones
Cyswllt Contact
Ffôn Phone 029 2074 1451

“Mae'r Awdurdod wedi cymryd camau cadarnhaol i fabwysiadu argymhellion Syr Jon. Fe ddaethom i'r casgliad bod yn rhaid i hyn ddigwydd er mwyn sicrhau bod llywodraethiant corfforaethol S4C yn creu hinsawdd sefydlog lle y gall staff a chyflenwyr S4C ddarparu rhaglenni a gwasanaethau o'r ansawdd uchaf i wylwyr S4C yng Nghymru a thu hwnt gan hefyd sicrhau mwy o atebolrwydd nag erioed o'r blaen i'r rhanddeiliaid niferus hynny sydd mor bwysig i S4C. Rydym yn hyderus y byd argymhellion Syr Jon yn sicrhau hinsawdd sefydlog.”

Diwedd

Newyddion News

S4C publishes Shortridge Report on corporate governance

11.02.11

Mansel Jones
Cyswllt Contact
Ffôn Phone 029 2074 1451

Hefyd ar gael ar Clirlun,
gwasanaeth manylder uwch S4C
ar Freeview HD, sianel 53, yng
Nghymru.

Also available on Clirlun, S4C's
high definition service on
Freeview HD, channel 53, in
Wales.

Embargoed: not for publication or broadcast before 14.00hrs Friday 11 February 2011

The S4C Authority today (Friday 11 February) published the Shortridge Report into corporate governance at the Channel.

The S4C Authority commissioned Sir Jon Shortridge, former Permanent Secretary to the Welsh Assembly Government, to undertake a review of its corporate governance following an overview of its arrangements in early 2010.

Since Sir Jon presented his report the Authority has been considering his recommendations and is now publishing its response and action plan to put in place a robust and appropriate system of corporate governance for S4C.

In 2006 the S4C Authority decided to put in place a system of corporate governance known as "Arwahanrwydd" ('Separation'). This system was intended to clarify the distinct roles of the Authority and S4C's executive. However, over time this system proved unsuitable for a single corporate body such as S4C as it was felt that it was inhibiting the Authority's ability to discharge its non-executive statutory functions, including its ability to provide accountability to a range of stakeholders. The Authority came to the conclusion that "Arwahanrwydd" was not suitable and that an independent review of corporate governance should be commissioned in order to identify new and more accountable ways of working.

Sir Jon's report is critical of the system of "Arwahanrwydd", the relationship which existed between the Authority and the executive, the flow of information between the Authority and the executive, and as a result the Authority's capacity to take decisions and adequately perform its scrutiny role.

Many of Sir Jon's recommendations have or are already in the process of being implemented, or satisfactory arrangements were already in place. A number of amendments have been made to the way in which the Authority members work with the Chief Executive and his management team, and the information that is provided to the Authority to enable it to take strategic decisions and perform its scrutiny role.

It is important to note that the Authority's decision to replace the system of "Arwahanrwydd" does not alter the fundamental division of responsibilities between the non-executive Authority Members and the Chief Executive and his Management Team. The Authority remains the non-executive board of S4C, and does not participate in any day-to-day decisions. This is a long established principle that has existed since S4C's establishment in 1982.

Rheon Tomos, Vice Chairman of the S4C Authority, said: "The Authority believes the reforms already in place and the further proposed changes which will be implemented over the coming months will ensure that S4C has a stable and sustainable system of corporate governance that is fit for purpose today and for the future. The system will also enable members of the Authority to oversee and account for the present and future performance of S4C in an effective and efficient way.

Newyddion News

S4C publishes Shortridge Report on corporate governance

Mansel Jones
Cyswllt Contact
Ffôn Phone 029 2074 1451

“The Authority has taken positive steps to take ownership of Sir Jon’s recommendations. It has concluded that this had to happen to ensure that the corporate governance of S4C creates a stable environment in which S4C’s staff and suppliers can deliver programmes and services of the highest quality to S4C’s viewers in Wales and beyond, and also to provide greater accountability than ever before to S4C’s numerous important stakeholders. We are confident that the implementation of Sir Jon’s recommendations will create this stable environment.”

Ends

Ymateb S4C i adolygiad Syr Jon Shortridge o Lywodraethiant Corfforaethol S4C Chwefror 2011

Fe gomisiynodd Awdurdod S4C Syr Jon Shortridge, cyn Ysgrifennydd Parhaol Llywodraeth Cynulliad Cymru i gynnal adolygiad o lywodraethiant corfforaethol y Sianel ar ôl rhoi ystyriaeth i'r drefn o reoli'r Sianel yn gynnar yn 2010. Fe gyflwynodd Syr Jon ei adroddiad i Awdurdod S4C ym mis Tachwedd 2010.

Ers i Syr Jon gyflwyno ei adroddiad, mae'r Awdurdod wedi bod yn ystyried ei argymhellion ac mae nawr yn cyhoeddi ei ymateb a chynllun gweithredu i sicrhau system gadarn a phriodol o lywodraethiant corfforaethol ar gyfer S4C. Mae ymateb yr Awdurdod i adroddiad Syr Jon yn broses yn hytrach nag yn ddigwyddiad. Fe fydd y camau gweithredu a amlinellir yn yr ymateb yma yn cael eu gweithredu, datblygu a'u hadolygu dros gyfnod o amser.

Yn 2006 penderfynodd Awdurdod S4C weithredu system o lywodraethiant corfforaethol a elwir yn "Arwahanrwydd". Amcan y system oedd dangos yn glir beth oedd swyddogaethau penodol yr Awdurdod a gweithredaeth S4C. Fodd bynnag, daeth yn amlwg ymhén amser bod y system yn anaddas ar gyfer corfforaeth unol fel S4C a'r teimlad oedd bod hyn yn cyfyngu ar allu'r Awdurdod i weithredu ei swyddogaethau statudol anweithredol, gan gynnwys ei allu i sicrhau ei atebolrwydd i ystod o randdeiliaid. Fe ddaeth yr Awdurdod i'r casgliad nad oedd "Arwahanrwydd" yn briodol bellach ac y dylid comisiynu adolygiad annibynnol o lywodraethiant corfforaethol er mwyn adnabod ffyrdd newydd a mwy atebol o weithredu. O ddechrau 2010, fe wnaeth yr Awdurdod fwrw ati i ymgymryd â phroses o adolygu ei drefniadau llywodraethiant corfforaethol. Fe arweiniodd y broses hon at gomisiynu Syr Jon Shortridge i ymgymryd ag adolygiad annibynnol o lywodraethiant corfforaethol S4C.

Mae adroddiad Syr Jon yn feirniadol o'r system o "Arwahanrwydd", y berthynas a oedd yn bodoli rhwng yr Awdurdod a'r tîm gweithredol, y llif gwybodaeth rhwng yr Awdurdod a'r tîm gweithredol, ac o ganlyniad i hynny, gallu'r Awdurdod i weithredu'n llawn ei rôl craffu.

Mae'r Awdurdod o'r farn bod y system y mae'n bwriadu sefydlu yn mynd i'r afael â'r beirniadaethau yma ac yn darparu hinsawdd sefydlog ac atebol ar gyfer llywodraethiant corfforaethol S4C. Yn ogystal â'r materion a drafodir yn yr ymateb yma, mae'r Awdurdod hefyd yn bwriadu adolygu ei Reolau Sefydlog ac i osod cod trefniadau dirpryaeth rhwng yr Awdurdod a'r Tîm Rheoli.

Mae'r Awdurdod eisoes wedi gweithredu neu ar fin gweithredu ar lawer o argymhellion Syr Jon neu roedd y trefniadau oedd yn bodoli eisoes yn foddhaol. Ers penderfynu rhoi "Arwahanrwydd" o'r neilltu, mae'r Awdurdod a'r Is-Gadeirydd wedi bod mewn trafodaethau gyda'r Prif Weithredwr presennol ac aelodau o'r Tîm Rheoli ynghylch rhoi ar waith y trefniadau newydd a'r dulliau o weithio y dylid eu mabwysiadu gan yr Awdurdod anweithredol a'r Tîm Rheoli gweithredol. Mae'r trafodaethau hyn wedi arwain at nifer o welliannau yn y modd y mae aelodau'r Awdurdod yn cydweithio gyda'r Prif Weithredwr a'i Dîm Rheoli, ac i'r wybodaeth sydd ar gael i alluogi'r Awdurdod i wneud penderfyniadau strategol a gweithredu ei rôl craffu.

Mae'n bwysig nodi nad yw penderfyniad yr Awdurdod i roi o'r neilltu'r system o "Arwahanrwydd" yn newid y gwahanu sylfaenol mewn cyfrifoldebau rhwng rôl anweithredol Aelodau'r Awdurdod a rôl weithredol y Prif Weithredwr a'i Dîm Rheoli. Mae'r Awdurdod yn parhau i fod yn fwrdd anweithredol ac nid yw'n chwarae rhan mewn penderfyniadau a wneir o ddydd i ddydd. Mae hyn yn egwyddor sydd wedi'i hen sefydlu ac yn bodoli ers sefydlu S4C yn 1982.

Mae'r Awdurdod o'r farn bod y gwelliannau sydd eisoes ar waith a'r newidiadau eraill arfaethedig a gaiff eu gweithredu dros y misoedd nesaf yn sicrhau y bydd gan S4C system sefydlog a chynaliadwy o lywodraethiant corfforaethol sy'n addas ar gyfer ein dibenion heddiw, ac o dan y trefniadau partneriaeth i'w gosod yn eu lle gyda'r BBC ac Adran Diwylliant Cyfryngau a Chwaraeon (DCMS) am y cyfnod ar ôl 2013. Fe fydd y system hefyd yn galluogi Aelodau'r Awdurdod i graffu perfformiad a bod yn atebol am berfformiad S4C heddiw ac yn y dyfodol, mewn modd effeithiol ac effeithlon.

Mae'r Awdurdod wedi cymryd camau cadarnhaol i fabwysiadu argymhellion Syr Jon. Fe ddaeth i'r casgliad bod yn rhaid i hyn ddigwydd er mwyn sicrhau bod llywodraethiant corfforaethol S4C yn creu hinsawdd sefydlog lle y gall staff a chyflenwyr S4C ddarparu rhaglenni a gwasanaethau o'r ansawdd uchaf i wylwyr S4C yng Nghymru a thu hwnt gan hefyd sicrhau mwy o atebolrwydd nag erioed o'r blaen i'r rhanddeiliaid niferus hynny sydd mor bwysig i S4C. Rydym yn hyderus y bydd argymhellion Syr Jon yn sicrhau'r hinsawdd sefydlog hon.

S4C's response to Sir Jon Shortridge's review of S4C's Corporate Governance February 2011

The S4C Authority commissioned Sir Jon Shortridge, former Permanent Secretary to the Welsh Assembly Government, to undertake a review of its corporate governance following an overview of its arrangements in early 2010. Sir Jon presented his report to the S4C Authority in November 2010.

Since Sir Jon presented his report the Authority has been considering his recommendations and is now publishing its response and action plan to put in place a robust and appropriate system of corporate governance for S4C. The Authority's response to Sir Jon's report is a process and not an event. The actions set out in this response will be implemented, developed and reviewed over a period of time.

In 2006 the S4C Authority decided to put in place a system of corporate governance known as "Arwahanrwydd" ("Separation"). This system was intended to clarify the distinct roles of the Authority and S4C's executive. However, over time this system proved unsuitable for a single corporate body such as S4C as it was felt that it was inhibiting the Authority's ability to discharge its non-executive statutory functions, including its ability to provide accountability to a range of stakeholders. The Authority came to the conclusion that "Arwahanrwydd" was not suitable and that an independent review of corporate governance should be commissioned in order to identify new and more accountable ways of working. From early 2010, the Authority commenced on a process of review of its corporate governance arrangements. This process led to commissioning Sir Jon Shortridge to undertake an independent review of the corporate governance of S4C.

Sir Jon's report is critical of the system of "Arwahanrwydd", the relationship which existed between the Authority and the executive, the flow of information between the Authority and the executive, and as a result the Authority's capacity to take decisions and adequately perform its scrutiny role. The Authority believes that the system it intends to put in place will address these criticisms and provide a stable and accountable environment for the corporate governance of S4C. Together with the matters set out in this response the Authority intends to review its Standing Orders and to codify the delegation arrangements to be put in place between the Authority and the Management Team.

Many of Sir Jon's recommendations have or are already in the process of being implemented, or satisfactory arrangements were already in place. Since deciding to replace "Arwahanrwydd", the Authority and its Vice-Chair have been in discussions with the current Chief Executive and members of the Management Team regarding the new arrangements to be put in place and also the methods of working that should be adopted by the non-executive Authority and the executive Management Team. These discussions have led to a number of amendments to the way in which the Authority members work with the Chief Executive and his Management Team, and the information that is provided to the Authority to enable it to take strategic decisions and also to perform its important scrutiny role.

It is important to note that the Authority's decision to replace the system of "Arwahanrwydd" does not alter the fundamental division of responsibilities between the non-executive Authority Members and the Chief Executive and his Management Team. The Authority remains the non-executive board of S4C, and does not participate in any day-to-day decisions. This is a long established principle that has existed since S4C's establishment in 1982.

The Authority believes that the reforms already put in place and the further proposed changes which will be implemented over the coming months will ensure that S4C has a stable and sustainable system of corporate governance that is fit for purpose today, and under the new partnership arrangements to be put in place with the BBC and DCMS for the period post- 2013. The system will also enable Members of the Authority to properly oversee and account for the present and future performance of S4C in an effective and efficient way.

The Authority has taken positive steps to take ownership of Sir Jon's recommendations. It concluded that this had to happen to ensure that the corporate governance of S4C creates a stable environment in which S4C's staff and suppliers can deliver programmes and services of the highest quality to S4C's viewers in Wales and beyond, and also to provide greater accountability than ever before to S4C's numerous important stakeholders. We are confident that the implementation of Sir Jon's recommendations will create this stable environment.

Review of the Corporate Governance of S4C
S4C Authority's Response
February 2011

Sir Jon Shortridge KCB was asked to advise on models of best practice systems/arrangements for corporate governance and accountability appropriate for S4C as a public authority. The approach he applied involved assessing compliance with the UK Corporate Governance Code as well as the principles underpinning the Good Governance Standards for Public Services. This document includes a summary of the areas covered by the review and the Authority's response to Sir Jon's report.

Although the majority of areas covered by the review are deemed to be operating satisfactorily the report includes a suggested governance framework for S4C for the future and in particular the importance of clarifying the roles and responsibilities of the S4C Authority and its Management Team. This assessment is on-going and will take into account the findings of the 'root and branch' process review that is currently being undertaken across all service lines. The Authority will track any changes/developments during this process, expected to conclude in June 2011, and will undertake a further follow-up review during Autumn 2011.

**Review of the Corporate Governance of S4C
February 2011
S4C Authority's Response**

Area covered by the review	Authority Response (Accept, Reject, Note, Already in place)	Responsibility and Date for implementation
<p>Roles and Responsibilities</p> <p><i>The Authority</i></p> <p>1. The Authority needs to establish a very clear set of delegations based upon its agreed roles and responsibilities. This should completely replace the existing 'Roles' document.</p> <p>2. The division of responsibilities between the Chair and the Chief Executive should be redefined.</p> <p>3. The Chair and the Chief Executive to refer to the Authority all novel or contentious matters which might have reputational consequences for the Authority.</p>	<p>Accept. The Authority's decision to replace Arwahanrwydd and replace it with a more functional and robust scrutiny arrangement is fundamental to its future effectiveness. The implementation of new delegation arrangements is currently underway and subject to ongoing review during the root and branch exercise expected to be completed by June 2011.</p> <p>Accept (as above)</p> <p>Accept and already in place. The Chair and Chief Executive have regular meetings at which such matters are discussed.</p>	<p>Chair/Chief Executive Immediately and on-going during the root and branch review period to June 2011.</p> <p>(as above)</p> <p>Chair/Chief Executive On-going</p>
<p>Set and uphold S4C's values</p> <p>4. Establish a set of shared values and behaviours which will motivate staff and appeal strongly to its producers and the viewing public. To ensure that these values are shared fully by the whole organisation, they need to be developed with the chief executive and the management team who will have the task of operationalising them within the organisation. Once established, they should be constantly reinforced by effective communication and behaviour.</p>	<p>The Chief Executive and Management Team are currently reviewing aspects of "core values" as part of its root and branch review. The Chief Executive will report to the Authority during the root and branch review period.</p>	<p>CE/Mteam</p> <p>On-going during root and branch review to June 2011</p>

Area covered by the review	Authority Response (Accept, Reject, Note, Already in place)	Responsibility and Date for implementation
<p>Strategy</p> <p>5. Produce a 5 year business plan which incorporates its programming strategy. This should be refreshed annually, and rolled forward as part of a fundamental review every 3 years.</p> <p>6. To review the nature and production of the corporate plan and produce a new one for the coming year.</p>	<p>The current 5 year financial strategy has been updated to reflect CSR changes and will also be updated as part of the review of the programming strategy and the root and branch review.</p> <p>Already in place. A more streamlined and user friendly document has been approved by the Authority for 2011 in consultation with the Management Team.</p>	<p>CE/Director of Finance & HR Ongoing</p>
<p>Financial Matters</p> <p>7. To approve S4C's annual operating expenditure budget and any material changes that need to be made to this in-year.</p> <p>8. To approve S4C's annual report and accounts and all associated publicity material.</p> <p>9. To reserve to itself responsibility for approving all contracts and other financial liabilities over an agreed threshold, and for the acquisition and disposal of business assets</p>	<p>Already in place. The Authority receives monthly budget monitoring reports including suggested in-year variations to budget.</p> <p>Already in place</p> <p>Already in place. This will be codified in the Authority's revised Standing Orders.</p>	

Area covered by the review	Authority Response (Accept, Reject, Note, Already in place)	Responsibility and Date for implementation
<p>Stewardship</p> <p>10. To receive and review reports on S4C's risk and control processes</p> <p>11. To undertake an annual assessment of these processes.</p> <p>12. To ensure that all members of the Authority are aware of the seven Nolan principles for the conduct of people in public life.</p> <p>13. The Authority needs to be satisfied that sufficient systems are in place to secure the achievement of the seven Nolan principles.</p> <p>14. To put in place reporting arrangements on, for example, potential conflicts of interest and the receipt of hospitality.</p> <p>15. To make sure that staff understand the standards of behaviour that the Authority expects of them and bringing relevant standards of conduct into the ambit of its audit regime</p> <p>16. Whilst safeguarding editorial freedom, to set the standards for the programmes that S4C broadcasts in terms of overall content and quality and then to assess the extent to which this is being achieved at least annually.</p>	<p>Already in place. Regular reports and updates are provided to the Audit and Risk Management Committee and Authority.</p> <p>Already in place. Also subject to review by internal and external audit on an annual basis.</p> <p>Already in place. The DCMS specify at time of appointment. The principles are fundamental to the role of Members of the Authority.</p> <p>Already in place</p> <p>Already in place.</p> <p>The Authority acknowledges the commitment shown by S4C's staff to delivering high quality and professional services.</p> <p>Already in place, and subject to continuous review by the Content Committee</p>	<p>Ongoing. Content Committee</p>

Area covered by the review	Authority Response (Accept, Reject, Note, Already in place)	Responsibility and Date for implementation
<p>Regulation and Complaints Handling</p> <p>17. To establish that all complaints that the Authority receives are dealt with by its management in the first instance, and that where they are unable to satisfy the complainant the Authority should itself investigate the matter.</p> <p>18. To consider what other aspects of regulation the Authority could and should be reserving to itself.</p>	<p>Already in place. The 2011 Corporate Plan also includes an action to review the complaints handling procedure during the year.</p> <p>Already in place. This will be further considered as part of the root and branch review.</p>	<p>C&C Committee</p> <p>Secretary to the Authority</p>
<p>Research</p> <p>19. To give full consideration to the research findings arising from the research undertaken on its behalf.</p>	<p>Already in place. The Authority will consider further how research findings could assist the Authority and Management Team in the process of delivering S4C's services in the future</p>	<p>Ongoing Authority and MTeam</p>
<p>Appointments and Remuneration</p> <p>20. To appoint, and manage the performance of, its chief executive and its secretary</p> <p>21. To determine the remuneration of its chief executive and its secretary, and endorse the chief executive's recommended remuneration proposals for other members of the management team.</p> <p>22. To be represented on the appointments panels established to recruit to vacancies on the management team.</p> <p>23. To be consulted by the Chief Executive on any proposals to restructure the management team or remove key members of staff.</p> <p>24. To endorse the HR policies adopted by the management team</p>	<p>The means of achieving this aim will be subject to further consideration and review by the Authority and its P&R Committee</p> <p>Already in place – appointment of new Chief Executive expected in summer 2011, following the appointment of a new Chairman. The P&R Committee will be responsible for proposing the remuneration package to the Authority.</p> <p>Accept. The implementation of this recommendation will be considered as part of the new delegation arrangements to be put in place.</p> <p>Already in place. The implementation of this recommendation will be considered further as part of the new delegation arrangements to be put in place.</p> <p>Already in place</p>	<p>Early 2011</p> <p>Early 2011</p>

Area covered by the review	Authority Response (Accept, Reject, Note, Already in place)	Responsibility and Date for implementation
<p>Manage Performance</p> <p>25. To ensure that it is provided with the necessary information in a timely manner.</p> <p>26. Authority members both collectively and individually to challenge and scrutinise.</p>	<p>Accept. This is being considered by the Chair and Members in association with the Management Team.</p> <p>Agreed. Effectiveness of scrutiny being reviewed by each committee.</p>	<p>CE/Mteam/Authority</p> <p>Immediately and on-going during the root and branch review period.</p> <p>Committee Chairs in consultation with their committees and the Chair. February 2011 and on-going</p>
<p>Corporate Governance Matters</p> <p>27. To annually review its overall corporate governance arrangements and processes – including a rigorous annual evaluation of its own performance and that of its committees and senior managers, and the appropriateness of its delegations.</p>	<p>Agreed. Following implementation of the initiatives referred to in this document, this will be implemented and reviewed internally, and also by the internal and external auditors.</p>	<p>Chair/Committee chairs</p>
<p>Policies</p> <p>28. To approve and keep under review its policies. These include:</p> <ul style="list-style-type: none"> • Its Code of Conduct • Health and Safety • Environmental Sustainability • Equality and Diversity • Whistleblowing 	<p>Already in place and subject to continuous review.</p>	
<p>Other Matters</p> <p>29. To reserve to itself:</p> <ul style="list-style-type: none"> • The prosecution, defence or settlement of material litigation • Responding to any investigation into its activities by any competent regulatory authority • Any other matter which might materially prejudice the credibility or reputation of the S4C Authority 	<p>Already in place</p>	

Area covered by the review	Authority Response (Accept, Reject, Note, Already in place)	Responsibility and Date for implementation
<p>Structures</p> <p>30. To establish a new Committee to oversee the management of S4C's executive arm.</p>	<p>Reject. This is not deemed necessary at present, however this recommendation will be considered periodically by the Authority.</p>	
<p>Risk Management and Audit</p> <p>31. The Audit and Risk Management committee should be given formal responsibility for auditing and assessing value for money.</p> <p>32. The Authority should consider whether it should increase the capacity of its internal audit function so that it can obtain greater assurance about the standards of regularity and compliance within the organisation as a whole.</p>	<p>Agreed. Has been discussed by the A&R committee, and the strategy to be implemented following completion of the root & branch review process.</p> <p>A&R committee to re-visit as part of Internal Audit Needs Assessment annual review and discuss with the Authority's internal auditors.</p>	<p>A&R Committee July 2011</p> <p>Ongoing</p>
<p>Complaints and Compliance</p> <p>33. The Committee should be given a much stronger regulatory role. Amongst other things this would mean that it should:</p> <ul style="list-style-type: none"> • Consider the extent to which S4C programmes are meeting the standards set by the Ofcom Broadcasting Code and by the Authority itself in its annual Statement of Programme Policy • Investigate complaints referred to it by the Authority, and keep under review management's performance in handling complaints. • Report upon the performance of its responsibilities to the Authority on a regular basis 	<p>The review's conclusions that there should be a realignment of responsibilities between the C&C committee and Content Committee is accepted and detailed arrangements will be considered at the next meeting of the C&C committee</p>	<p>Committee Chair in consultation with Chair and Chair of the Content Committee Early 2011</p>

Area covered by the review	Authority Response (Accept, Reject, Note, Already in place)	Responsibility and Date for implementation
<p>Personnel and Remuneration</p> <p>34. The nature of the Chief Executive's accountability to the Committee should be clarified.</p> <p>35. The Committee should be given an explicit additional role in respect of appointing the chief executive and other senior staff, and in determining their remuneration.</p> <p>36. The Authority should keep under review the possibility of expanding the role of the Personnel and Remuneration Committee to provide oversight of all S4C's corporate services.</p>	<p>Accept. To be considered as part of the new delegation arrangements at the next meeting of P&R committee.</p> <p>Reject. The Authority believes that it should reserve for itself the role of appointing the chief executive. In relation to other senior staff, the Authority and the P&R Committee will consider this recommendation further at the next meeting of P&R committee.</p> <p>To be considered by the Authority</p>	<p>Committee Chair in consultation with Chair and CE Early 2011</p> <p>Committee Chair in consultation with Chair Early 2011</p> <p>Chair and Authority Early 2011</p>
<p>Content Committee</p> <p>37. To provide clear direction - to both S4C's Chief Executive and the commissioners of S4C programmes - about the programming strategy to be adopted. The Committee needs to continue to have responsibility for assessing programme performance and content.</p> <p>38. Its role needs to be differentiated more clearly from the similar role which I believe needs to be exercised by the Complaints and Compliance Committee in future.</p> <p>39. There should be at least one joint meeting of the two Committees each year - together with a thorough consideration of the Committees' relevant recommendations at meetings of the Authority itself.</p>	<p>Accept. This will be considered at the next meeting of the CC</p> <p>Accept. See also 33 above. This will be considered at the next meeting of the CC</p> <p>Accept. This will be considered at the next meeting of the CC</p>	<p>Chair/Committee Chair Early 2011</p> <p>Chair/Committee Chair Early 2011</p> <p>Chair/Committee Chair Early 2011</p>

Area covered by the review	Authority Response (Accept, Reject, Note, Already in place)	Responsibility and Date for implementation
<p>The Commercial Board</p> <p>40. Two members of the Authority who have extensive commercial experience should become members of the Board, and one of these should become the chair.</p> <p>41. The minutes of the Board should be circulated to the Authority on a regular basis.</p> <p>42. After each Board meeting the Chair should report orally to the Authority on its proceedings</p>	<p>One member of the Authority has attended the meetings of the Commercial Board since September 2010. This additional recommendation is agreed.</p> <p>Accept. Improvements in the flow of information between the Commercial Board and the Management Team are currently under review</p> <p>Accept</p>	<p>February 2011</p> <p>Immediately Management Team and Commercial Board</p> <p>Immediately</p>
<p>5. MAKING IT WORK</p>		
<p>Attendance at Authority Meetings</p> <p>43. Members of the management team should be in attendance on a regular basis. (At the least, the chief executive, the director of finance and the director of commissioning should always attend).</p> <p>44. The director of communications should always attend as an observer.</p> <p>45. The Authority should consider putting in place arrangements whereby up to four members of staff can attend all or part of its meetings as observers.</p>	<p>Already in place</p> <p>Already in place</p> <p>Agreed in principle. The Authority believes that the process of disseminating information to staff is very important. To be considered by the next Authority meeting</p>	<p>Early 2011</p>

Area covered by the review	Authority Response (Accept, Reject, Note, Already in place)	Responsibility and Date for implementation
<p>Format of Authority Meetings</p> <p>46. The agendas for Authority meetings should follow a set pattern including:</p> <p>(1) Each meeting should begin with an oral report from the chairs of the subcommittees that have met since the last meeting of the Authority. These reports should be supplemented by the minutes of the meetings concerned, which should be circulated with the papers for the meeting as 'papers to note'.</p> <p>(2) There should be an oral report to the Authority from the Chair.</p> <p>(3) The chief executive's monthly report to the Authority should always be in the form of a paper.</p> <p>(4) There would then be the Finance Director's monthly report.</p> <p>(5) Details of S4C's performance in terms of both output and management should be presented in the form of a 'dashboard' providing the latest available information on all those matters that the Authority has indicated it wishes to monitor performance.</p> <p>47. The meeting agenda should follow a standard format and make clear what is expected of the Authority on each item – decision, discuss, note and so on.</p> <p>48. The Authority needs to set aside time at least twice a year to consider in a workshop format strategic issues. Examples of issues that could usefully be considered in this way include:</p> <ul style="list-style-type: none"> • The annual research report and what this is saying about the appropriateness of S4C's existing programme mix. • The programming strategy for the next year – informed not just by past performance but by trends and ideas from elsewhere 	<p>Agreed. Already in place</p> <p>The Chair will provide a written report to the Authority on a monthly basis</p> <p>Already in place</p> <p>Already in place</p> <p>The CE and Secretary will prepare a paper to be considered by the Authority</p> <p>Accept</p> <p>Accept Secretary to prepare a report which will be discussed by the Authority. This matter will be progressed following the appointment of a new Chair by DCMS.</p>	<p>Implemented in January 2011</p> <p>April 2011</p> <p>Early 2011</p> <p>Secretary to the Authority April 2011</p>

Area covered by the review	Authority Response (Accept, Reject, Note, Already in place)	Responsibility and Date for implementation
<ul style="list-style-type: none"> The matters that the Authority want its management team to take into account when refreshing its business strategy and corporate plan 		
<p>Annual cycle of meetings</p> <p>49. To adopt the suggested annual cycle of meetings set out in Annex 3 based very largely on the Authority's existing cycle but adapted to take account of suggestions contained in the review.</p>	Accept	Immediately
<p>Role of the Chair and the Chief Executive</p> <p>50. To establish weekly recorded meetings between the Chair and Chief Executive in addition to more regular informal discussions.</p> <p>51. Committee chairs and lead directors should seek to establish similar relationships.</p>	<p>Accept. The form of meetings is to be agreed, and both the Chair and CE will keep their notes of the meetings.</p> <p>Accept. Committee Chairs and other Authority Members are developing further these relationships.</p>	<p>Implemented in January 2011</p> <p>Implemented in January 2011</p>
<p>Role of the Secretary</p> <p>52. The Secretary should establish close links with the secretary to the Management Board, and attend all this Board's meetings as an observer. Or the Secretary should become the secretary of the Management Board (as has happened in the past).</p>	Already in place. The Secretary now attends meetings of the management team.	

Area covered by the review	Authority Response (Accept, Reject, Note, Already in place)	Responsibility and Date for implementation
<p>Engaging with Stakeholders</p> <p>53. To hold a seminar (or workshop) with its independent producers at least once a year so that issues of this nature can be fully ventilated.</p> <p>54. To consider the establishment of advisory or focus groups who can contribute to the Authority's deliberations on an annual basis.</p> <p>55. The appointment of people from under-represented viewing groups as non-executive members of particular committees – the Content Committee especially.</p>	<p>Accept. A seminar has already taken place in autumn 2010 and further seminars will be organised during 2011.</p> <p>Accept. External Advisors being brought in to comment on the root and branch review. The Authority has also recently established a New Media Forum.</p> <p>Reject. The Authority and the Management Team will consider how to ensure the views of all constituencies of S4C's audience are presented to the Authority.</p>	<p>February 2011</p>

Abbreviations:

A+R Committee	Audit and Risk Management Committee
CE	Chief Executive
CC	Content Committee
C+C Committee	Complaints and Compliance Committee
MTeam	Management Team
P+R Committee	Personnel and Remuneration Committee

**ADOLYGIAD O
LYWODRAETHIANT CORFFORAETHOL S4C**

Syr Jon Shortridge KCB
Tachwedd 2010

TABL CYNNWYS

1. CYFLWYNIAD
2. Y CYD-DESTUN STATUDOL A GWEINYDDOL
3. LLYWODRAETHIANT CORFFORAETHOL YN S4C : ASESIAID
4. FFRAMWAITH LLYWODRAETHIANT CORFFORAETHOL ARFAETHEDIG I S4C
5. GWNEUD IDDO WEITHIO

ATODIADAU

1. FFRAMWAITH DIRPRWYO
2. DYLETSWYDDAU A CHYFRIFOLDEBAU PWYLLGORAU
3. CYLCH BLYNYDDOL O GYFARFODYDD
4. RHESTR O GYFWELEION

RHAGAIR

Cynhaliwyd yr adolygiad hwn yn ystod Medi 2010, ac roedd yr adroddiad ei hun wedi ei ysgrifennu ymhell cyn i'r Canghellor gyhoeddi yn ei Adolygiad Cynhwysfawr o Wariant y dylai'r cyllid ar gyfer S4C gael ei ddarparu gan y BBC, ac felly gan dalwyr y drwydded deledu o fis Ebrill ymlaen.

Nid oeddwn o'r farn bod angen newid dim ar yr adroddiad o ganlyniad i hyn. Beth bynnag fydd ffynhonnell cyllid S4C mae'n hanfodol bod ei annibyniaeth a'i hygredd yn cael eu diogelu. Mae hynny yn ei dro'n golygu y dylai sicrhau ei fod yn mabwysiadu'r math o drefniadau llywodraethiant cadarn a argymhellir gennyf yma.

JON SHORTRIDGE
TACHWEDD 2010

1. CYFLWYNIAD

1. Yn 2006 cytunodd Awdurdod S4C yn wirfoddol i roi system newydd o lywodraethiant corfforaethol ar waith o'r enw 'Arwahanrwydd'. Gosodwyd y trefniadau newydd hyn mewn dogfen dan y teitl 'Rolau Allweddol Awdurdod a Bwrdd S4C'. Eu bwriad oedd rhannu cyfrifoldebau'n glir rhwng rôl reoliadol a strategol yr Awdurdod a rôl y Bwrdd Rheoli sef rheoli, comisiynu a golygu. Mewn gwirionedd ei effaith oedd creu tri endid penderfynu gwahanol o fewn y corff corfforaethol – sef Awdurdod S4C, y Bwrdd Rheoli a'r Bwrdd Masnachol.
2. Daeth yr Awdurdod yn gynyddol bryderus ac anfodlon a'r modd yr oedd y trefniadau newydd yn esblygu. Yn y pen draw, daeth i'r farn nad oeddent yn addas i gyflawni ei ddyletswyddau statudol yn effeithiol ac ym mis Gorffennaf 2010, ar ôl misoedd lawer o ystyried ac asesu, cyhoeddodd eu bod am gael eu dileu. Yn sgil hyn cefais innau fy ngwahodd ganddo i adolygu'r trefniadau cyfredol ar gyfer llywodraethiant corfforaethol S4C, gan gynnwys adolygiad o'r ddogfen Rolau Allweddol a'i gweithredu.
3. Yn benodol, gofynnwyd imi gyngori ar 'systemau modelau arfer gorau/trefniadau ar gyfer llywodraethiant corfforaethol ac atebolrwydd sy'n briodol i S4C yn awdurdod cyhoeddus er mwyn:
 - Sefydlu protocolau a threfniadau pendant i sicrhau a diogelu annibyniaeth yr Awdurdod fel y corff sy'n gyfrifol am reoleiddio agweddau penodol ar wasanaethau teledu cyhoeddus S4C a sicrhau eu bod yn cydymffurfio, ac sydd hefyd yn nodi'r strategaeth ar gyfer S4C, gan sicrhau hefyd nad oes rhaniad amhriodol yn cael ei greu rhwng yr Awdurdod a'r Tîm Gweithredol
 - Sicrhau bod pob parti perthnasol yn deall rôl ac atebolrwydd yr Awdurdod a'r Tîm Gweithredol, er mwyn darparu gwybodaeth yn effeithiol i'r Awdurdod a'i Bwyllgorau
 - Sicrhau bod dulliau diogelu priodol ar waith i hyrwyddo ffydd ymhlith rhanddeiliaid allweddol S4C; a
 - Sicrhau bod y strwythurau llywodraethu corfforaethol arfaethedig yn cwmpasu holl weithgareddau ehangach S4C, gan gynnwys y 'gronfa gyhoeddus', y 'gronfa gyffredinol' ac S4C Masnachol (buddiannau masnachol a chysylltiedig S4C), gan eu cymharu hefyd ag arfer gorau'r diwydiant.'
4. Yn ymarferol, rwyf wedi ystyried fy rôl fel hyn
 - cyngori Awdurdod S4C ar sut y gall gyflawni ei gyfrifoldebau statudol ac eraill yn fwyaf effeithiol
 - canolbwyntio ar y rolau, y berthynas a'r strwythurau strategol allweddol
 - argymhell fframwaith y gall yr Awdurdod ei ddefnyddio i ddatblygu ei ofynion manwl ei hun, yn hytrach na cheisio gorfodi cyfres fanwl iawn o gynigion llywodraethu na fydd yr Awdurdod yn teimlo o reidrwydd ei fod yn berchen arnynt nac yn eu deall
 - nodi fy nghasgliadau'n glir ac yn gryno
5. Mae'r casgliadau hyn yn seiliedig yn rhannol ar y cyfraniadau a gefais gan y bobl lawer yr ymgynghorais â hwy, ac y cofnodir eu henwau yn Atodiad 4. Hoffwn ddiolch yn arbennig i Emyr Byron Hughes am fod ei ddealltwriaeth am S4C a darlledu'n fwy cyffredinol o werth arbennig i mi, ac wedi rhoi sylwadau defnyddiol iawn imi ar ddrafftiau olynol o'm hadroddiad.
6. Yn olaf, dylwn fel rhan o'm cyflwyniad egluro fy mod wedi ceisio gwneud fy adroddiad yn niwtral o ran y rhywiau trwy ddefnyddio rhyw y deiliaid swyddi perthnasol ar y pryd pan ysgrifennais yr adroddiad. Felly rwyf yn cyfeirio at y prif weithredwr fel 'ef' a'r Cyfarwyddwr Cyllid fel 'hi'.

2. Y CYD-DESTUN STATUDOL A GWEINYDDOL

7. Nid oes modd sefydlu strwythurau llywodraethiant mewn gwactod. Mae'n rhaid iddynt ystyried statws a rôl y sefydliad dan sylw, ei berthnasoedd atebolrwydd, a'r amgylchedd mae'n gweithredu ynddo. Nodaf isod y pwysicaf o'r gofynion hyn yn achos S4C yn fy marn i. Maent yn darparu'r cyd-destun i'r hyn sy'n dilyn, a byddant yn ddefnyddiol – gobeithiaf – i atgoffa aelodau, rheolwyr a staff fel ei gilydd o natur S4C a'i chyfrifoldebau.

Y Fframwaith Statudol

8. Nodir dyletswyddau statudol Awdurdod S4C yn Neddfau Darlledu 1990 a 1996, a Deddf Cyfathrebu 2003. Yn benodol, mae'r Deddfau hyn yn amodi y bydd Awdurdod Cymru:
 - yn cael ei adnabod yn ôl yr enw Sianel Pedwar Cymru (neu S4C)
 - yn cynnwys cadeirydd a benodir gan yr Ysgrifennydd Gwladol a'r fath nifer o aelodau eraill a benodir gan yr Ysgrifennydd Gwladol, heb fod yn llai na phedwar nac yn fwy nag wyth, fel y caiff ei bennu o bryd i'w gilydd
 - yn gorfod darparu'r gwasanaeth darlledu teledu Cymraeg o'r enw S4C, a sicrhau bod y gwasanaeth yn cyflawni ei gylch gwaith gwasanaeth cyhoeddus
 - yn gorfod cadw'r cyllid 'rhagnodedig' a gaiff gan yr Ysgrifennydd Gwladol mewn cronfa ar wahân ('y gronfa gwasanaeth cyhoeddus') na cheir ei chymhwyso heblaw at ddibenion swyddogaethau'r Awdurdod mewn perthynas â'i wasanaethau cyhoeddus
 - yn gwneud trefniadau i ganfod:
 - barn y cyhoedd ynglŷn â rhaglenni a ddarlledir ar S4C
 - unrhyw effeithiau a gaiff rhaglenni felly ar agweddau neu ymddygiad pobl sy'n eu gwylio
 - y mathau o raglenni yr hoffai aelodau'r cyhoedd eu gweld yn cael eu darlledu ar S4C

I'r graddau sy'n rhesymol ymarferol, mae'n rhaid i unrhyw ymchwil felly gael ei wneud gan bobl nad ydynt yn aelodau o'r Awdurdod nac yn gyflogeion yr Awdurdod, ac mae'n rhaid i'r Awdurdod ystyried canfyddiadau'r ymchwil yn llawn

 - yn cael parhau â gweithgareddau – heblaw'r rheini sy'n cynnwys ei ddyletswydd statudol fel y'i nodir yn adran 204 o Ddeddf Cyfathrebu 2003 – drwy gwmnïau S4C
 - yn cael pennu ei drefniadau ei hun mewn perthynas â'i gyfarfodydd, ac yn cael darparu ar gyfer cyflawni unrhyw un o'i swyddogaethau, o dan ei gyfarwyddyd cyffredinol, gan bwyllgor neu un neu ragor o'i aelodau neu gyflogeion
 - yn penodi ysgrifennydd ac yn cael penodi cyflogeion eraill o'r fath fel y caiff ei bennu
 - yn cadw cyfrifon priodol a chofnodion priodol ac yn paratoi datganiad blynyddol o gyfrifon ar y ffurf y caiff yr Ysgrifennydd Gwladol ei chyfarwyddo gyda chymeradwyaeth y Trysorlys
 - yn paratoi adroddiad blynyddol o'i drafodion yn ystod y flwyddyn hon a'i drosglwyddo i'r Ysgrifennydd Gwladol a fydd yn gosod copïau ohono gerbron dau Dŷ'r Senedd.

Cod Ymarfer i Aelodau

9. Mae'r Awdurdod wedi sefydlu Cod Ymarfer i'w aelodau yn seiliedig ar fodel a awgrymwyd gan yr Adran sy'n ei noddi, sef yr Adran dros Ddiwylliant, y Cyfryngau a Chwaraeon (DCMS). Cafodd y fersiwn a fabwysiadwyd ei diwygio'n helaeth iawn yn 2006 adeg 'Arwahanrwydd'. Roedd pwyntiau allweddol yn y fersiwn wreiddiol yn cynnwys y canlynol:
 - Penodir aelodau o'r Awdurdod yn stiwardiaid i bob pwrpas ar ran y cyhoedd a'r trethdalwyr ac mae ganddynt ddyletswyddau arbennig i sicrhau bod perfformiad S4C yn ddarlledwr yn bodloni'r gofynion statudol
 - A hwythau'n gweithredu'n gorfforaethol, mae aelodau'r Awdurdod yn gyfrifol am sicrhau bod S4C yn cydymffurfio ag unrhyw ofynion statudol neu weinyddol ar gyfer defnyddio cyllid cyhoeddus, ac ymhlith pethau eraill:
 - Sicrhau bod safonau uchel o lywodraethu corfforaethol yn cael eu dilyn drwy'r amser
 - Sefydlu cyfeiriad strategol cyffredinol y sefydliad yn y fframwaith a osodwyd gan Ddeddfau Darlledu 1990 a 1996, a Deddf Cyfathrebu 2003
 - Goruchwylio'r gwaith o gyflenwi canlyniadau a gynlluniwyd drwy fonitro perfformiad mewn perthynas ag amcanion a thargedau strategol

- Sicrhau bod yr Awdurdod yn gweithredu'n unol â therfynau ei awdurdod statudol, ac yn unol ag unrhyw amodau eraill mewn cysylltiad â defnyddio cyllid cyhoeddus
 - Sicrhau, wrth wneud penderfyniadau, ei fod wedi ystyried unrhyw gyfarwyddyd a gyhoeddwyd gan yr Adran sy'n ei noddi
 - I'r graddau a ganiateir gan y Deddfau Darlledu, dylid dirprwyo cyfrifoldeb am faterion rheoli bob dydd i staff cyhyd ag sy'n ymarferol, mewn fframwaith o reoli strategol a ddeallir yn glir. Dylai fod cyfarwyddyd mewnol clir yn ymdrin â'r materion hynny sy'n cael eu dirprwyo i staff a'r rheini a gedwir i'w penderfynu gan yr Awdurdod. Dylai'r ail gynnwys: materion strategaeth gorfforaethol; amcanion a thargedau strategol allweddol; penderfyniadau pwysig sy'n cynnwys defnyddio adnoddau ariannol ac eraill; a materion personél gan gynnwys penodiadau allweddol a safonau ymddygiad.
 - Un o brif dasgau'r Awdurdod yw goruchwyllo'r gwaith o gynhyrchu cynllun corfforaethol sy'n disgrifio'r fframwaith polisi ac adnoddau a ddefnyddia'r Awdurdod i gyflawni ei ddyletswyddau, ac i bennu ei amcanion, ei dargedau a'i flaenoriaethau strategol allweddol.
 - Mae gan aelodau'r Awdurdod ddyletswydd i sicrhau bod cyllid cyhoeddus, sy'n cynnwys pob math o refeniw o unrhyw ffynhonnell, yn cael ei ddiogelu a bod asedau a gyllidwyd yn gyhoeddus yn cael eu gwarchod yn briodol. Mae'n rhaid iddynt gymryd camau priodol i sicrhau bod S4C, ar bob adeg, yn gweithredu mewn modd mor ddiwastraff, effeithlon ac effeithiol â phosibl.
 - Mae aelodau'r Awdurdod yn gyfrifol am sicrhau nad yw S4C yn mynd y tu hwnt i'w phwerau na'i swyddogaethau, ni waeth a'u diffiniwyd mewn statud neu fel arall, na thrwy unrhyw gyfyngiadau ar ei hawdurdod i fynd i wariant
10. Mae fersiwn ddiwygiedig y Cod yn hepgor yr holl bwyntiau hyn. Yn hytrach, mae'n canolbwyntio'n gyffredinol ar rolau'r Awdurdod, ei Gadeirydd a'r Prif Weithredwr. Mae hyn yn golygu, ymhlith pethau eraill, nad yw'r cyfarwyddyd manwl sydd yn y Cod blaenorol ynghylch ymddygiad aelodau'r Awdurdod ar gael yn ffurfiol iddynt rhagor. Mae rhywfaint ohono i'w weld – er yn fwy cyffredinol – yn y ddogfen 'Rolau Allweddol' ('Rolau Allweddol Awdurdod a Bwrdd S4C') a gynhyrchwyd adeg 'Arwahanwydd' ond sydd bellach wedi'i thynnu'n ôl.

Rheolau Sefydlog S4C 2006

11. Yr un pryd â diwygio'r Cod Ymarfer, cyhoeddwyd set newydd o reolau sefydlog. Mae hyn yn nodi'n weddol gyffredinol y trefniadau ar gyfer: dirprwyo pwerau'r Awdurdod, treuliau aelodau, gweithdrefnau'r Awdurdod, gwrthdaro buddiannau a gwerthuso aelodau. Yn arbennig, dywed y Rheolau Sefydlog:
- Y dylai cyfrifoldeb am faterion rheoli bob dydd gael ei ddirprwyo i staff os oes modd o gwbl, mewn fframwaith rheoli strategol sy'n glir ac yn bendant
 - Bydd yr Awdurdod yn sicrhau bod canllawiau mewnol clir ar waith ynghylch y materion a ddirprwyir i staff a materion sy'n cael eu penderfynu gan yr Awdurdod. Mae'r ail yn cynnwys cwestiynau strategaeth gorfforaethol, a gosod a monitro amcanion a thargedau strategol.

Atebolrwydd i'r Llywodraeth

12. Corfforaeth gyhoeddus yw S4C – nid corff cyhoeddus anadrannol. Serch hynny, mae'n cael rhyw £100m o gymorth grant bob blwyddyn gan yr Adran dros Ddiwylliant, y Cyfryngau a Chwaraeon, ac mae'n atebol felly i'w llywodraeth am reoli ei gwariant yn briodol. Y ddogfen reoli allweddol yma yw'r Memorandwm Cyd-ddealltwriaeth rhwng ysgrifennydd parhaol yr Adran dros Ddiwylliant, y Cyfryngau a Chwaraeon a phrif weithredwr S4C yn ei rôl yn swyddog cyfrifyddu. Ymhlith pethau eraill mae hyn yn gosod cyfrifoldeb ar y prif weithredwr i:
- Sicrhau bod arian yn cael ei reoli ac adnoddau'n cael eu defnyddio mewn modd priodol, diwastraff, effeithlon ac effeithiol yn unol â gofynion priodoldeb a chysondeb; a
 - Sicrhau nad yw cwmnïau S4C yn cael eu cymorthdaluo o gwbl o gronfa gwasanaeth cyhoeddus S4C

Atebolrwydd i'r Senedd a Chynulliad Cenedlaethol Cymru

13. Gan fod S4C yn cael ei chyllido'n gyhoeddus, mae'n atebol i'r Senedd yn ogystal â llywodraeth y DU. Yn ymarferol mae'r atebolrwydd hwn yn bennaf i'r Pwyllgor Dethol dros Ddiwylliant, y Cyfryngau a Chwaraeon, y Pwyllgor Dethol ar Faterion Cymreig, ac i'r Pwyllgor Cyfrifon Cyhoeddus (PAC). Prif Weithredwr S4C – yn swyddog cyfrifyddu – sy'n atebol i PAC. Ef sy'n gyfrifol am holl weithredu a diffyg gweithredu'r Awdurdod; am y rheswm hwn y gall geisio cyfarwyddyd gan yr Awdurdod os ystyria ei fod yn gofyn iddo weithredu mewn modd sydd, yn ei farn ef, yn afreolaidd, yn amhriodol neu heb fod yn darparu gwerth am arian.
14. Nid oes gan Awdurdod S4C atebolrwydd uniongyrchol i Gynulliad Cenedlaethol Cymru, ond gan fod y grym gan Lywodraeth y Cynulliad i 'wneud unrhyw beth yr ystyria'n briodol i gefnogi gweithgareddau a phrosiectau diwylliannol mewn perthynas â Chymru ... a'r iaith Gymraeg' mae'n anochel y bydd yn cymryd diddordeb agos yng ngweithrediad S4C, a hithau'r unig sianel deledu Gymraeg. Mae gan yr Awdurdod, felly, gyfrifoldeb i roi gwybod o hyd i Lywodraeth Cynulliad Cymru am ddatblygiadau perthnasol, a bod yn barod i ddarparu tystiolaeth, pan fydd gofyn, i Bwyllgorau'r Cynulliad.

Gweithrediadau Masnachol S4C

15. Mae deddfwriaeth sefydlol S4C yn ei chaniatáu i barhau â gweithgareddau – heblaw ei gweithgareddau darlledu cyhoeddus – drwy gwmnïau S4C. Ar hyn o bryd, mae 4 o gwmnïau felly'n bodoli (a elwir ar y cyd yn grŵp S4C Masnachol), a bwrdd masnachol S4C yn goruchwyllo eu gweithgareddau. Dros y blynyddoedd, mae rhai o'r cwmnïau hyn wedi masnachu'n llwyddiannus iawn ac, o ganlyniad, wedi cronni rhyw £30m o gyllid buddsoddi gyda'i gilydd.
16. O dan drefniadau 'Arwahanrwydd' roedd y bwrdd masnachol, fel y bwrdd cyfarwyddwyr, yn gweithredu'n bennaf yn annibynnol ar yr Awdurdod. Roedd yn cael ei gadeirio gan brif weithredwr S4C ac nid oedd yn adrodd yn rheolaidd am ei weithgareddau yng nghyfarfodydd yr Awdurdod.

Atebolrwydd i Ofcom

17. Mae Deddf Cyfathrebu 2003 yn rhoi cyfrifoldebau rheoleiddio helaeth i Ofcom mewn perthynas ag S4C. Mae'r pwysicaf o'r rhain yn cynnwys:
 - Cydymffurfio â holl Godau Ofcom sy'n gysylltiedig â phethau fel safonau, tegwch a didueddrwydd, gweithdrefnau cwyno a chyfle cyfartal.
 - Cydymffurfio â chwotâu a sefydlwyd gan Ofcom ar gyfer pethau fel cynrychiadau annibynnol, cynrychiadau gwreiddiol, a newyddion a materion cyfoes.
 - Cydymffurfio â'r 'cyloch gwaith gwasanaeth cyhoeddus ansoddol' fel y'i nodwyd, er enghraifft, yn Natganiad o Bolisi Rhaglenni S4C.
18. Yn ymarferol mae Ofcom yn arfer y cyfrifoldebau hyn drwy:
 - fynd i'r afael â'r holl gwynion a gyflwynir iddo gan wylwyr darllediadau S4C, ac
 - adolygu asesiad S4C ei hun o'i chydymffurfio â'r cwotâu y mae Ofcom ac Awdurdod S4C wedi'u gosod arni.

S4C yn Rheolydd

19. Un o nodweddion pwysig iawn Awdurdod S4C sy'n ei neilltuo oddi wrth y rhan fwyaf o gyrff cyhoeddus eraill – er nid y cyfan ohonynt o gwbl – yw bod ganddo ddyletswyddau rheoleiddio pwysig ei hun. Yn fyr, y rhain yw:
 - Asesu'r cydymffurfio â chwotâu a gofynion Ofcom, yn ogystal â'r rheini mae'n eu gosod ei hun ar bethau fel rhaglenni newyddion dyddiol a rhaglenni plant
 - Ystyried cwynion am raglenni teledu yn llawn ac yn briodolEr mwyn bodloni'r cyfrifoldebau hyn mae'n hanfodol nad yw aelodau'r Awdurdod, naill ai'n unigol neu'n gorfforaethol, yn dechrau ymwneud yn uniongyrchol neu'n anuniongyrchol â chynllunio neu gomisiynu rhaglenni unigol cyn eu darlledu. Fodd bynnag, nid yw hyn yn golygu o reidrwydd ei bod yn rhaid i gangen rheoli a chomisiynu S4C weithredu'n annibynnol ar yr Awdurdod i raddau helaeth fel sydd wedi digwydd yn ddiweddar. I'r gwrthwyneb, er mwyn bodloni ei gyfrifoldebau statudol eraill, mae'n hanfodol y dylai'r Awdurdod osod y cyfeiriad i S4C a sefydlu'r fframwaith ar gyfer

datblygu rhaglenni S4C, ac y dylai gael deialog agored â'i changen ddarledu a'i gwylwyr a'i chyflenwyr ynghylch llwyddiant rhaglenni cyfredol a'r blaenoriaethau i'r dyfodol.

Rhyddid Golygyddol

20. Mae'n hanfodol bod y bobl yn S4C sy'n gyfrifol am gomisiynu a chynhyrchu rhaglenni'n gallu gwneud hynny heb ymyrraeth o unrhyw fath gan aelodau o'r Awdurdod yn gorff rheoleiddio. Nid gofyniad statudol mo hwn, ond confensiwn sydd wedi'i hen sefydlu ym maes darledu cyhoeddus y mae angen yn briodol ei ddiogelu'n frwd. Ond yn debyg i swyddogaeth reoleiddio'r Awdurdod, nid yw hyn yn mynnu'r math o annibyniaeth i gangen rheoli a chomisiynu S4C ar yr Awdurdod a ddaeth i'r amlwg yn dilyn 'Arwahanrwydd'. Yn wir, mae'n amlwg bod dyletswyddau rheoleiddio'r Awdurdod a rhyddid golygyddol ei staff yn mynd law yn llaw. Ar y ddau beth, mae angen gwahanu clir rhwng rhai cyfrifoldebau mewn perthynas â darledu, ond nid yw'r un ohonynt yn mynnu bod rhaniad yn cael ei greu yn y corff corfforaethol. Ni effeithir ar brif rôl Awdurdod S4C i arwain a chyfarwyddo swyddogaethau darledu S4C.

Casgliadau

21. Dyma fy nghasgliadau o'r archwiliad hwn o'r tirlun mae S4C yn gweithredu ynddo:
- Mae S4C yn gorfforaeth gyhoeddus wedi'i chreu gan statud a chanddi'r cyfrifoldeb deul o ddarparu rhaglenni teledu Cymraeg yng Nghymru a rheoleiddio ei chynnyrch a sicrhau ei fod yn cydymffurfio.
 - Am ei bod mor bwysig atal gwleidyddiaeth rhag ymyrryd mewn darledu, mae'n gweithredu'n briodol yn annibynnol ar lywodraeth, ac am y rheswm hwn nid yw'n cael ei dynodi'n gorff cyhoeddus anadrannol.
 - Ar y llaw arall, mae'r llywodraeth yn ddealladwy'n disgwyl iddi gael ei rhedeg mewn modd sy'n cynnal y safonau uchaf o ran priodoldeb a rheolaeth ariannol, a gweithredu yn y cyd-destun llywodraethu ehangach y mae'r llywodraeth a'r Senedd wedi'i bennu
 - Mae S4C wedi defnyddio ei phwerau i barhau gweithgareddau masnachol yn ogystal â'i gweithgareddau darledu cyhoeddus yn llwyddiannus iawn yn y gorffennol. Yn y cyfnod presennol o gyfyngu ar wariant cyhoeddus, mae ei gallu i fasnachu yn y modd hwn am fod yn llawer pwysicach, ac mae angen i'r Awdurdod reoli a goruchwyllo'r gweithgareddau hyn yn llawer mwy gofalus nag y bu'n ddiweddar.
 - Mae ei rôl ddeul yn ddarparwr ac yn rheolydd yn anarferol, ond nid yw'n unigryw. Er enghraifft, sefydlwyd Awdurdod Ystadegau'r DU i weithredu mewn modd tebyg.
 - Yn yr un modd, nid yw'r gofyniad i sefydlu trefniadau i ddiogelu rhyddid golygyddol darlledwyr yn unigryw chwaith. Mae amrywiaeth o gyrff eraill yn gorfod diogelu rhyddid y staff proffesiynol y maent yn gyfrifol amdanynt. Felly, er enghraifft, mae awdurdodau heddlu'n parchu hawl swyddogion yr heddlu i reoli eu hymchwiliadau eu hunain; nid yw Ymddiriedolaethau'r GIG yn ymyrryd mewn materion barn glinigol; ac nid yw Awdurdod Ystadegau'r DU yn ymgymryd â chynhyrchu ystadegau.
22. Rwy'n fodlon felly nad oes dim yng nghyfansoddiad na chyfrifoldebau Awdurdod S4C i'w atal rhag sefydlu trefniadau llywodraethu i'w hun sy'n seiliedig ar arfer gorau cyfredol – ac yn wir mae'n rhaid iddo wneud hynny. Rwyf wedi ystyried a ddylid newid ei gyfansoddiad sylfaenol i gyflwyno'r math o wahanu cyfrifoldebau a sefydlwyd i'r BBC pan grëwyd Ymddiriedolaeth y BBC – ac wedi dod i'r casgliad na ddylid. Yn syml, ni ellir cymharu S4C â'r BBC o ran ei maint a'i chyrhaeddiad. A pheth arall, mae'n ymddangos imi nad yw trefniadau newydd y BBC yn sefydlog nac yn gynaliadwy, ac felly nid ydynt yn fodel y dylai S4C fod yn ei fabwysiadu o gwbl.
23. Wedi dweud hynny, mae bron yn sicr y bydd angen i'r model y bydd yn ei fabwysiadu ystyried dyletswyddau rheoleiddio Awdurdod S4C a'r angen i ddiogelu rhyddid golygyddol. Fodd bynnag, gan fod y ddau beth hyn ar yr ochr arall i'r geiniog i'w gilydd i bob pwrpas, bydd yr hyn sy'n briodol i'r naill drwy ddiffiniad yn briodol hefyd i'r llall. Mae angen gwahanu eu dyletswyddau'n glir, ond gellir sefydlu hynny heb ddychwelyd i'r affwys rhwng yr Awdurdod a'r Rheolwyr a ddaeth i'r amlwg o ganlyniad i 'Arwahanrwydd'. Corff corfforaethol sengl yw S4C, a dyletswydd y rheini sy'n ei harwain yw sicrhau ei bod yn gweithredu mewn modd unedig ac integredig.

3. LLYWODRAETHIANT CORFFORAETHOL YN S4C: ASESIAID

24. Gofynnwyd imi gynghori ar fodelau arfer gorau a systemau/trefniadau ar gyfer llywodraethiant corfforaethol sy'n briodol i S4C ac, yn rhan o hyn, cynnal adolygiad o ddogfen Rolau Allweddol a'i gweithredu. O ran arfer gorau, rwyf wedi canolbwyntio'n arbennig ar God Llywodraethiant Corfforaethol y DU a gynhyrchwyd gan y Cyngor Adrodd Ariannol (1), ac ar y Safon Llywodraethiant Da ar gyfer Gwasanaethau Cyhoeddus a gynhyrchwyd gan y Comisiwn Annibynnol ar gyfer Llywodraethiant Da mewn Gwasanaethau Cyhoeddus sy'n cael ei gadeirio gan Syr Alan Langlands (2). O'r rhain, ystyriaf mai'r ail sy'n fwyaf perthnasol i S4C, ac am y rheswm hwn rwyf wedi ei defnyddio i ddarparu'r prif fframwaith i'r hyn sy'n dilyn. Cynlluniwyd y Cod Llywodraethiant Corfforaethol yn bennaf i gwmnïau cyhoeddus mawr, ond mae llawer o'r hyn sydd ganddo i'w ddweud yn drosglwyddadwy i S4C ac, am y rheswm hwn, credaf ei bod yn briodol tyngu sylw i rai o'r elfennau mwy strategol yn y cyfarwyddyd mae'n ei ddarparu. Mae ei orchymyn i 'gydymffurfio neu egluro' yn arbennig o berthnasol.

Cod Llywodraethiant Corfforaethol y DU

25. Mae Cod Llywodraethiant Corfforaethol y Cyngor Adrodd Ariannol yn cynnwys llawer sy'n berthnasol i gyfarwyddwyr bwrdd a byrddau sector cyhoeddus, a dylai holl aelodau'r Awdurdod ymgyfarwyddo â'r hyn a ddywed. Nodaf isod rai o'r egwyddorion neu bwyntiau pwysicach mae'n eu cynnwys:
- Diben llywodraethiant corfforaethol yw hwyluso rheolaeth entrepreneuriaidd a phwylog effeithiol sy'n gallu cyflenwi llwyddiant tymor hir y cwmni
 - Mae llywodraethiant corfforaethol yn ymwneud felly â'r hyn a wna bwrdd cwmni a sut mae'n gosod gwerthoedd y cwmni, a dylid gwahaniaethu rhwng hyn a rheoli gweithredol bob dydd y cwmni gan weithredwyr amser llawn
 - Dylai pob cwmni gael ei reoli gan fwrdd effeithiol sy'n gyfrifol ar y cyd am lwyddiant tymor hir y cwmni. Rôl y bwrdd yw arwain y cwmni yn y fframwaith o reolaethau pwylog ac effeithiol er mwyn asesu a rheoli risg. Dylai'r bwrdd osod nodau strategol y cwmni, sicrhau bod yr adnoddau ariannol a dynol angenrheidiol yn eu lle i'r cwmni fodloni ei amcanion, ac adolygu perfformiad y rheolwyr. Dylai'r bwrdd osod gwerthoedd a safonau'r cwmni a sicrhau bod ei rwymedigaethau i'w gyfranddalwyr ac eraill yn cael eu deall a'u bodloni
 - Dylai fod atodlen ffurfiol o faterion sy'n cael eu cadw'n benodol i'r bwrdd benderfynu yn eu cylch. Dylai'r adroddiad blynyddol ddatgan sut mae'r bwrdd yn gweithredu, gan gynnwys datganiad lefel uchel o'r mathau o benderfyniadau sy'n cael eu gwneud gan y bwrdd ac sy'n cael eu dirprwyo i'r rheolwyr.
 - Dylid rhannu cyfrifoldebau'n glir ar frig y cwmni rhwng rhedeg y bwrdd a'r cyfrifoldeb gweithredol am redeg busnes y cwmni. Ni ddylai fod pwerau penderfynu diymatal gan unrhyw unigolyn.
 - Dylai cyfarwyddwyr anweithredol graffu ar berfformiad rheolwyr o ran cyrraedd nodau ac amcanion y cytunwyd arnynt a monitro adroddiadau am berfformiad. Dylent fodloni eu hunain ar gyfanrwydd gwybodaeth ariannol a bod rheolaeth ariannol a systemau rheoli risg yn gadarn ac yn amddiffynadwy.
 - Dylid cyflenwi gwybodaeth i'r bwrdd mewn modd amserol, ar ffurf ac o ansawdd sy'n briodol iddo gyflawni ei ddyletswyddau. Mae gan y rheolwyr rwymedigaeth i ddarparu gwybodaeth gywir, amserol a chlr, ond dylai cyfarwyddwyr geisio eglurhad neu helaethiad os oes angen
 - Mae'r bwrdd yn gyfrifol am bennu natur a maint y risgiau arwyddocaol mae'n barod i'w cymryd i gyflawni ei amcanion strategol. Dylai'r bwrdd gynnal systemau rheoli mewnol a rheoli risg cadarn

(1) Cod Llywodraethiant Corfforaethol y DU, Cyngor Adrodd Ariannol, Mehefin 2010

(2) Y Safon Llywodraethiant Da ar gyfer Gwasanaethau Cyhoeddus, y Comisiwn Annibynnol ar gyfer Llywodraethiant Da mewn Gwasanaethau Cyhoeddus, 2004

Y Safon Llywodraethiant Da ar gyfer Gwasanaethau Cyhoeddus

26. Paratowyd y Safon Llywodraethiant Da yn ganllaw i helpu pawb sy'n ymwneud â llywodraethiant gwasanaethau cyhoeddus i ddeall a chymhwysu egwyddorion cyffredin llywodraethiant da, ac asesu cryfderau a gwendidau arfer llywodraethiant cyfredol a'i wella. Mae'r Safon yn canolbwyntio ar y ffyrdd y gall gwahanol swyddogaethau llywodraethiant gefnogi ei gilydd. Fel y dywed y Canllaw: 'mae llywodraethiant yn ddynamig; mae llywodraethiant da'n annog ffydd a chyfranogiad y cyhoedd sy'n galluogi gwasanaethau i wella; mae llywodraethiant gwael yn meithrin y morâl isel a'r perthnasoedd gwrthwynebol sy'n arwain at berfformiad gwael neu hyd yn oed, yn y pen draw, at sefydliadau camweithredol.'
27. Mae'r Safon yn cynnwys y chwe egwyddor graidd ganlynol, a phob un â'i hegwyddorion ategol ei hun:
- Mae llywodraethiant da'n golygu canolbwyntio ar ddiben y sefydliad ac ar ganlyniadau i ddinasyddion a defnyddwyr gwasanaeth
 - Mae llywodraethiant da'n golygu perfformio'n effeithiol mewn swyddogaethau a rolau pendant
 - Mae llywodraethiant da'n golygu hyrwyddo gwerthoedd i'r sefydliad cyfan ac arddangos gwerthoedd llywodraethu da drwy ymddygiad
 - Mae llywodraethiant da'n golygu gwneud penderfyniadau gwybodus, tryloyw a rheoli risg
 - Mae llywodraethiant da'n golygu datblygu gallu a chymhwyster y corff llywodraethu i fod yn effeithiol
 - Mae llywodraethiant da'n golygu ymgysylltu â rhanddeiliaid a gwneud atebolrwydd yn rhywbeth real

Cymhwyso'r Safon Llywodraethiant Da i S4C

28. Rwyf wedi defnyddio'r Safon yn arf diagnostig er mwyn asesu effeithiolrwydd y trefniadau llywodraethiant presennol yn S4C a llywio fy argymhellion ar gyfer newid. Yn yr amser a oedd ar gael, nid oeddwn yn gallu cynnal archwiliad manwl, er efallai yr hoffai'r Awdurdod ystyried comisiynu archwiliad felly ymhen, dyweder, 2 flynedd er mwyn rhoi rhyw dystiolaeth i ddangos pa mor dda mae ei drefniadau newydd yn cael eu hymgorffori. Yr hyn sy'n dilyn, felly, yw'r argraff a gefais i, yn seiliedig yn bennaf ar y sgysiau a gefais a'r papurau a ddarllenais, o'r ffordd mae angen gwella'r trefniadau llywodraethiant presennol. Rwyf wedi canolbwyntio'n arbennig ar y materion strategol y mae angen mynd i'r afael â hwy yn hytrach nag ymdrechu i ymdrin â'r holl agweddau manwl ar arfer gorau. Mewn manau, rwyf wedi dyfynnu'n helaeth o'r Canllaw, ond yn yr un modd â'r Cod Llywodraethiant Corfforaethol, dylai holl aelodau'r Awdurdod ymgyfarwyddo â phopeth a ddywed beth bynnag.

Egwyddor 1

Mae Llywodraethiant Da'n golygu canolbwyntio ar ddiben y sefydliad ac ar ganlyniadau i ddinasyddion a defnyddwyr gwasanaeth

29. Mae'r Safon yn nodi mai swyddogaeth llywodraethiant yw sicrhau bod sefydliad neu bartneriaeth yn bodloni eu diben cyffredinol, yn cyflawni'r canlyniadau a fwriadwyd ganddynt i ddinasyddion a defnyddwyr gwasanaeth, ac yn gweithredu mewn modd effeithiol, effeithlon a moesegol. Dylai'r egwyddor hon arwain pob gwaith llywodraethu.
- ***Bod yn glir am ddiben y sefydliad a'r canlyniadau a fwriedir ganddo i ddinasyddion a defnyddwyr gwasanaeth***
30. Mae diben craidd S4C wedi'i gorffori mewn statud ac mae felly'n glir. Gellid gwneud mwy, fodd bynnag, i droi'r diben hwn yn set o amcanion gweithredol sy'n cael eu cyfleu'n effeithiol y tu mewn a'r tu allan i'r sefydliad. Yn yr un modd, prin oedd y dystiolaeth a ganfûm fod gan yr Awdurdod drefniadau digon effeithiol yn eu lle'n weithgar i adolygu ei benderfyniadau fel y gall fodloni ei hun, er enghraifft, fod ei raglenni'n hybu ei ddiben ac yn cyfrannu at y canlyniadau a fwriedir ganddo. Ar hyn o bryd, y brif ffordd mae'n gwneud hyn yw drwy'r Adolygiad Blynyddol o'r Datganiad o Bolisi Rhaglenni sy'n cael ei ystyried ar hyn o bryd gan y Pwyllgor Cynnwys a'i gymeradwyo wedyn gan yr Awdurdod.

- **Sicrhau bod defnyddwyr yn cael gwasanaeth o ansawdd uchel**
31. Mae ansawdd gwasanaeth yn fesur pwysig o effeithiolrwydd sefydliad, ac felly mae'n arbennig o bwysig i lywodraethiant. Mae S4C yn gwneud ei hymchwil ei hun i gynulleidfa ac mae'r Awdurdod yn cael adroddiadau ymchwil misol sy'n cynnwys gwybodaeth mewn perthynas â ffigurau gwyllo, adroddiad ymchwil 'olrhain delwedd' blynyddol, ac adroddiadau eraill unswydd fel sy'n briodol. Serch hynny, dywedwyd wrthym y gellid gwneud mwy i roi gwybod i'r Awdurdod am ansawdd ei raglenni ac i ba raddau mae'r rhain yn bodloni angen y gynulleidfa, ac y gellid defnyddio ei ddata gwyllo'n llawer gwell. Yn yr un modd, tan yn gymharol ddiweddar, mae fel petai aelodau'r Awdurdod wedi'u hannog i beidio ag ymgysylltu'n ffurfiol eu hunain â'r cyhoedd sy'n gwyllo yng Nghymru, ac ni fuont yn creu digon o gyfleoedd i drafod ansawdd profiad y gwylwyr a chyfeiriad ei raglenni yn y dyfodol â'i gynhyrchwyr annibynnol. Pe byddai gan yr Awdurdod ragor o wybodaeth a deallusrwydd o'r math hwn, byddai mewn gwell sefyllfa i wneud penderfyniadau am flaenoriaethau darlledu'r dyfodol.
- **Sicrhau bod trethdalwyr yn cael gwerth am arian**
32. Darperir tua £100m o gyllideb £105m S4C yn gymorth grant gan yr Adran dros Ddiwylliant, y Cyfryngau a Chwaraeon. Mae gan ddinasyddion a threthdalwyr ddiddordeb dilys yn y ffordd y caiff yr arian hwn ei wario, ac mae gan yr Awdurdod ddyletswydd i anelu at gynildeb, effeithlonrwydd ac effeithiolrwydd ym mhopeth a wna S4C. Ar hyn o bryd, prin yw'r hyn sy'n cael ei wneud i gomisiynu astudiaethau o werth am arian. Nid oes gan y Pwyllgor Archwilio a Rheoli Risg na'r Pwyllgor Cynnwys gyfrifoldeb penodol am hyn. Oni bai bod trefniadau craffu priodol yn cael eu gosod yn strwythurau llywodraethiant yr Awdurdod, mae perygl na fydd ystyriaethau gwerth am arian yn cael eu hystyried yn rheolaidd pan fydd rhaglenni'n cael eu comisiynu neu contractau'n cael eu gosod. Mae angen i'r Awdurdod benderfynu felly sut mae arno eisiau mesur ac asesu gwerth am arian fel y gellir defnyddio'r wybodaeth hon pan fydd yn cynllunio ac yn adolygu perfformiad S4C.

Egwyddor 2

Mae Llywodraethiant Da'n golygu perfformio'n effeithiol mewn swyddogaethau a rolau pendant

33. Mae llywodraethiant da'n mynnu bod pawb dan sylw'n deall swyddogaethau llywodraethiant a'u rolau a'u cyfrifoldebau eu hunain ac eraill, ac yn ymddwyn mewn modd sy'n gyson â'r rolau hynny.
- **Bod yn glir am swyddogaethau'r corff llywodraethu**
34. Mae'r Safon yn nodi mai prif swyddogaethau'r corff llywodraethu yw:
- Sefydlu cyfeiriad a nodau strategol y sefydliad, ar y cyd â'r gweithredwr
 - Sicrhau atebolrwydd i'r cyhoedd am berfformiad y sefydliad
 - Sicrhau bod y sefydliad yn cael ei reoli ag uniondeb a gonestrwydd
 - Dyrannu adnoddau a monitro perfformiad sefydliadol a gweithredol
 - Dirprwyo i reolwyr
 - Goruchwylio penodiad uwch weithredwyr a'r trefniadau cytundebol ar eu cyfer, a sicrhau bod trefniadau rheoli effeithiol yn eu lle
 - Deall a rheoli risg
 - Herio a chraffu ar y gweithredwr yn adeiladol
 - Sicrhau bod llais y cyhoedd yn cael ei glywed wrth wneud penderfyniadau
 - Magu partneriaethau strategol â sefydliadau eraill
35. Yn y meysydd hyn yn arbennig, ni fu polisi 'Arwahanrwydd' o fudd i'r Awdurdod nac S4C. Yn arbennig, dywedwyd wrthym mai prin, oherwydd yr ymreolaeth y sefydlodd y Bwrdd Rheoli i'w hun, y byddai'r Awdurdod yn cael y wybodaeth roedd ei hangen arno i wneud ei waith craffu a herio. Ni allwn ychwaith ganfod set ddigon clir o ddirprwyaethau sy'n sefydlu pa benderfyniadau mae'r Awdurdod yn eu cadw i'w hun ac ar ba delerau mae'n dirprwyo pob mater arall i'r Bwrdd Cyfarwyddwyr. Mae'n ymddangos hefyd na fu'r Awdurdod yn gallu cael at y wybodaeth sydd ei hangen arno i fodloni ei hun fod trefniadau rheoli effeithiol ar waith. Dywedwyd wrthym hefyd, gan ei fod wedi dod yn fwyfwy anweledig i gynhyrchwyr a gwylwyr fel ei gilydd, nad oedd yn gallu ystyried eu barn yn ddigonol wrth wneud penderfyniadau. Yn y misoedd diwethaf mae'r sefyllfa hon wedi dechrau gwella.

- ***Bod yn glir am gyfrifoldebau aelodau anweithredol a'r gweithredwr, a sicrhau bod y cyfrifoldebau hynny'n cael eu cyflawni***
36. Dylai pob corff llywodraethu osod datganiad clir o rolau a chyfrifoldebau priodol ei aelodau anweithredol a'r gweithredwr, a'i ymagwedd at roi hwn ar waith. Mewn enw, darperir datganiad felly ar hyn o bryd gan ddogfen Rolau Allweddol y gofynnwyd yn benodol imi ei hadolygu. Yn fyr, fy marn i am y ddogfen hon yw, er ei bod yn dweud llawer o'r pethau cywir, ei bod wedi methu sefydlu set briodol o ymddygiadau a pherthnasoedd, ac am y rheswm hwn mae angen ei disodli. Mae Adran 2.3, sy'n dweud y bydd yr Awdurdod yn 'gweithredu'n *annibynnol* ar Fwrdd S4C', yn arbennig o amhriodol. O ystyried cyfrifoldeb cyffredinol yr Awdurdod am arwain a rheoli'r corff corfforaethol, ni all y gofyniad hwn fod yn gywir, ac mae o leiaf yn bosibl y gall fod ei gynnwys wedi annog y rheini sy'n gyfrifol i ddehongli bod y ddogfen yn cefnogi'r affwys cwbl amhriodol a ddaeth i'r amlwg wedyn rhwng yr Awdurdod a'r Bwrdd Rheoli.
37. Mae angen i'r cadeirydd a'r prif weithredwr gyd-drafod eu rolau priodol mewn fframwaith lle mae'r cadeirydd yn arwain y corff llywodraethu a'r prif weithredwr yn arwain ac yn rheoli'r sefydliad. Mae angen egluro'r rolau hyn yn glir wedyn i'r Awdurdod ac S4C yn eu cyfanrwydd. Fel y parhaf i egluro, mae angen hefyd rhoi set o ddirprwyaethau ar waith sy'n sefydlu pa benderfyniadau mae'r Awdurdod yn eu cadw i'w hun a pha rai mae'n eu dirprwyo i'r Prif Weithredwr. Yn fy marn i, dylai'r dirprwyaethau hyn ddisodli'r ddogfen Rolau sy'n rhy agos gysylltiedig â'r trefniadau sydd wedi achosi cynifer o'r methiannau llywodraethiant y gofynnodd yr Awdurdod imi roi sylw iddynt.
38. Yn yr amser ar gael, ni fûm yn gallu arsylwi'r ffordd y mae aelodau'r Awdurdod yn ymgymryd â'u cyfrifoldebau, ond serch hynny mae'n werth nodi'r hyn a ddywed y Safon am natur eu rôl, sef:
- Cyfrannu at strategaeth drwy gyfrannu ystod o safbwyntiau at y broses o ddatblygu strategaeth a gwneud penderfyniadau
 - Sicrhau bod trefniadau rheoli effeithiol a thîm effeithiol yn eu lle ar frig y sefydliad
 - Dirprwyo: mae aelodau anweithredol yn helpu i egluro pa benderfyniadau sy'n cael eu cadw i'r corff llywodraethu, ac wedyn yn dirprwyo'r gweddill yn glir
 - Gwneud y gweithredwr yn atebol: mae'r corff llywodraethu'n dirprwyo cyfrifoldebau i'r gweithredwr. Mae gan aelodau anweithredol ran hanfodol mewn gwneud y gweithredwr yn atebol – gan gynnwys drwy herio a chraffu bwriadol
 - Bod yn graff iawn ynghylch ymwneud â materion manylder gweithredol y dirprwyir cyfrifoldeb amdanynt i'r gweithredwr – ac, yn achos S4C, peidio â chynnwys eu hunain yn uniongyrchol mewn materion golygyddol neu gomisiynu
- ***Bod yn glir am y berthynas rhwng llywodraethwyr a'r cyhoedd***
39. Mae angen i'r Awdurdod sicrhau ei fod ef ac S4C yn ymgysylltu'n fwy cyffredinol â'r cyhoedd a defnyddwyr gwasanaeth yn effeithiol i ddeall eu barn. Caniatawyd i'r berthynas hon waethygu o dan 'Arwahanrwydd'. Serch hynny, yr argraff a gefais i yw bod aelodau'r Awdurdod yn llwyr ymwybodol o bwysigrwydd y gofyniad hwn, a'r angen i ddod o hyd i ffordd arloesol a chymesur o'i fodloni'n fwy effeithiol.

Egwyddor 3

Mae Llywodraethiant Da'n golygu hyrwyddo gwerthoedd i'r sefydliad cyfan ac arddangos gwerthoedd llywodraethiant da drwy ymddygiad

40. Yng ngeiriau'r Canllaw, gellir mynegi llywodraethiant da yn werthoedd a'i arddangos mewn ymddygiad. Mae'n adeiladu ar egwyddorion Nolan sef: anhunanoldeb, uniondeb, gwrthrychedd, atebolrwydd, didwylledd, gonestrwydd ac arweinyddiaeth. Yn benodol, mae angen i'r Awdurdod fodloni ei hun ei fod ef, a'r arweinwyr yn S4C yn fwy cyffredinol, yn arddangos gwerthoedd y sefydliad drwy eu hymddygiad.
- ***Rhoi gwerthoedd sefydliadol ar waith***
41. Prin oedd y dystiolaeth a welais o werthoedd S4C yn ei swyddfa yng Nghaerdydd, sy'n gwneud ychydig iawn i gyfleu natur a diben y sefydliad. Mae angen i'r Awdurdod ystyried a ddylai fod yn gwneud mwy, ar y cyd â rheolwyr S4C, i sefydlu a hyrwyddo'r gwerthoedd

sy'n briodol i'r sefydliad a'i staff yn ei farn ef; i gadw'r gwerthoedd hyn ym mhen blaen ei ymddygiad ei hun a'u hymddygiad hwy; a'u defnyddio wrth wneud penderfyniadau.

- ***Llywodraethwyr unigol yn ymddwyn mewn ffyrdd sy'n cynnal ac yn amlygu llywodraethiant effeithiol***

42. Y peth allweddol yma yw y dylai aelodau unigol o'r Awdurdod arddangos drwy eu hymddygiad eu bod yn byw gwerthoedd y sefydliad, a'u bod wedi ymrwymo i'r sefydliad a'i randdeiliaid. Felly, er enghraifft, os yw'r Awdurdod am i S4C sefyll am ddidwyllledd a hygyrchedd, ymhlith pethau eraill, dylid gweld bod yr Awdurdod a'i aelodau unigol yn ddidwyll ac yn hygyrch eu hunain.

Egwyddor 4

Mae llywodraethiant da'n golygu gwneud penderfyniadau gwybodus, tryloyw a rheoli risg

43. Un o ganlyniadau mwyaf difrifol 'Arwahanrwydd' yw bod y broses o wneud penderfyniadau wedi dioddef. Gwnaeth y rheolwyr ormod o benderfyniadau y dylai'r Awdurdod fod wedi'u gwneud; nid oedd digon o dryloywder; pan wahoddwyd aelodau o'r Awdurdod i wneud penderfyniadau roeddent yn teimlo'n rhy aml nad oeddent wedi cael digon o amser na'r wybodaeth roedd ei hangen arnynt i lunio'r farn angenrheidiol; nid oeddent ychwaith yn cael y wybodaeth yr oedd ei hangen arnynt i asesu penderfyniadau a pherfformiad y rheolwyr.

- ***Bod yn drwyadl ac yn dryloyw ynghylch sut gwneir penderfyniadau***

44. Yng ngeiriau'r Canllaw, gwarant llywodraethiant da yw lefel bendant o ddirprwyo gan y corff llywodraethu i'r gweithredwr ar gyfer gwneud penderfyniadau. Mae'n rhaid i'r corff llywodraethu sefydlu fframwaith clir y gall y tîm rheoli weithredu'n rhan ohono. Dim ond materion strategol, nid manwl na gweithredol, y dylai eu cadw i'w hun gan sicrhau nad yw'n rhy bell i ffwrdd i oruchwyllo a chraffu'n effeithiol.
45. Roedd dogfen 'Rolau' yn llawer rhy generig i fodloni'r gofyniad hwn yn ddigon da, ac mae'n debygol mai diffyg set benodol o ddirprwyaethau gan yr Awdurdod i reolwyr oedd y prif reswm yr arweiniodd y polisi 'Arwahanrwydd' at rannu'r corff corfforaethol yn dri gweithrediad annibynnol i raddau helaeth. Bydd yn hanfodol felly y dylai'r Awdurdod, dan y trefniadau newydd, lunio datganiad ffurfiol sy'n enwi'r mathau o benderfyniadau a ddirprwyir i reolwyr (y prif weithredwr yn ymarferol) a'r rheini mae'n eu cadw i'w hun. Mae'n werth ychwanegu nad yw hyn yn rhywbeth y bydd yr Awdurdod yn ei gael yn gywir y tro cyntaf. Mae'n berffaith naturiol y bydd achosion caled yn profi priodoldeb dirprwyaethau. Pan fydd achosion caled felly'n codi, mae'n bwysig y dylai'r Awdurdod ystyried gyda'r prif weithredwr a ddylid newid y trefniadau dirprwyo o gwbl yn y dyfodol er mwyn rhoi ystyriaeth iddynt, ac mae'n bwysig beth bynnag y dylai adolygu ei ddirprwyaethau'n ffurfiol unwaith y flwyddyn.
46. Nid cael y system gywir o ddirprwyaethau yn unig sy'n bwysig wrth wneud penderfyniadau. Yr un mor bwysig yw'r angen i sicrhau bod y rhesymau am benderfyniadau'n cael eu cofnodi'n briodol, ac y cânt eu cyfleu'n glir ac yn ddidwyll i'r rheini maent yn effeithio arnynt.

- ***Cael a defnyddio gwybodaeth, cyngor a chymorth o ansawdd da***

47. Ymhlith y pryderon a fynegwyd yn fwyaf rheolaidd imi gan aelodau'r Awdurdod oedd nad oeddent, o dan 'Arwahanrwydd', yn cael y wybodaeth roedd ei hangen arnynt i wneud penderfyniadau'n briodol. Mae hyn yn awgrymu imi fod natur a chwmpas eu rôl wedi cael eu camddeall o ddirprwyo yn y pen draw. Trwy gyflwyno set briodol o ddirprwyaethau, dylid gwaredu unrhyw gamddealltwriaeth sy'n weddill yma. Fodd bynnag, uwchlaw hynny, mae angen i'r rheini sy'n cyflwyno materion am benderfyniad i'r Awdurdod ddeall natur y wybodaeth ategol sydd ei hangen ar unrhyw gorff llywodraethu. Efallai dylai'r Awdurdod lunio templed i'r tîm rheoli ei ddilyn. Ond ni waeth a wneir hyn, yr egwyddorion allweddol y mae angen eu dilyn yw y dylai'r wybodaeth fod: yn berthnasol i'r penderfyniad mae'n rhaid i'r Awdurdod ei wneud; yn amserol; yn wrthrychol; ac yn glir. Dylid cynnwys cyngor proffesiynol bob amser ar, er enghraifft, materion cyfreithiol, ariannol neu gyfathrebu. Dim ond ar achlysuron prin iawn y dylai fod yn angenrheidiol (neu'n dderbyniol) dod â

mater at yr Awdurdod am benderfyniad ar lafar neu ar sail papur a gyflwynwyd yn y cyfarfod.

- **Sicrhau bod system effeithiol ar waith i reoli risg**
48. Yng ngeiriau'r Canllaw, dylai system rheoli risg ystyried amrywiaeth lawn gweithgareddau a chyfrifoldebau'r sefydliad, a sicrhau o hyd fod disgyblaethau rheoli da ar waith, gan gynnwys:
- Rhoi strategaethau a pholisïau ar waith ym mhob rhan o'r sefydliad
 - Cynllunio strategaethau a pholisïau'n dda a'u hadolygu'n rheolaidd
 - Cyflenwi gwasanaethau o ansawdd uchel yn effeithlon ac yn effeithiol
 - Monitro perfformiad yn rheolaidd ac yn drwyadl a rhoi mesurau effeithiol ar waith i fynd i'r afael â pherfformiad gwael
 - Cydymffurfio â chyfreithiau a rheoliadau
 - Bod y sefydliad yn defnyddio gwybodaeth sy'n berthnasol, yn gywir, yn ddiweddar, yn amserol ac yn ddibynadwy
 - Bod datganiadau ariannol a gwybodaeth arall a gyhoeddir gan y sefydliad yn gywir ac yn ddibynadwy
 - Bod adnoddau ariannol yn cael eu rheoli'n effeithlon ac yn effeithiol ac yn cael eu diogelu
 - Bod adnoddau dynol ac eraill yn cael eu rheoli a'u diogelu'n briodol
49. Dywedwyd wrthym fod y Pwyllgor Archwilio a Rheoli Risg yn gweithredu'n effeithiol ar y cyfan a bod y system rheoli risg newydd a gyflwynwyd ryw ddwy flynedd yn ôl wedi'u gwreiddio'n dda erbyn hyn. Fodd bynnag, byddai'n ymddangos nad yw'r Pwyllgor hwn ychwaith wedi cael yr holl wybodaeth y bu ei hangen arno'n rheolaidd. O ystyried hyn, ac o ystyried pwysigrwydd sylfaenol y rôl mae'r Pwyllgor hwn yn ei chyflawni, dylai'r Awdurdod ystyried comisiynu archwiliad o'i drefniadau rheoli risg – mewn perthynas â'r meini prawf a restrwyd uchod – ymhen y flwyddyn i 18 mis nesaf.

Egwyddor 5

Mae Llywodraethiant Da'n golygu datblygu gallu a chymhwyster y corff llywodraethu i fod yn effeithiol

50. Mae'n amlwg bod ansawdd ac amrywiaeth aelodau'r corff llywodraethu'n bwysig, ond rwyf wedi ystyried bod rhoi sylwadau ar y mater hwn y tu hwnt i'm cylch gwaith i raddau helaeth – nid lleiaf gan ei fod yn fater yn bennaf i'r Adran dros Ddiwylliant, y Cyfryngau a Chwaraeon, sy'n penodi aelodau'r Awdurdod, yn hytrach na'r Awdurdod ei hun. Serch hynny, mae'n briodol cyfeirio'n fyr at sylwadau'r Canllaw ar hyn.
- **Sicrhau bod gan lywodraethwyr a benodir y sgiliau, y wybodaeth a'r profiad sydd eu hangen arnynt i berfformio'n dda**
51. Y mater allweddol yma (i'r Adran dros Ddiwylliant, y Cyfryngau a Chwaraeon) yw recriwtio pobl â'r sgiliau sydd eu hangen, ac yn y set sgiliau sydd ei hangen i annog yr ystod ehangaf posibl o bobl i ymgeisio. Gall yr Awdurdod, a'r Cadeirydd yn fwy arbennig, gynorthwyo yn y broses hon drwy fynd ati i edrych am dalent a rhoi trefniadau cynllunio ar gyfer olyniaeth yn eu lle. Er enghraifft, os bydd yn penderfynu ar sail yr adolygiad hwn sefydlu paneli cynghori neu benodi aelodau anweithredol i rai o'i bwyllgorau, efallai y daw rhai o'r bobl dan sylw yn gymwys dros amser i'w penodi'n aelodau o'r Awdurdod.
- **Datblygu gallu pobl â chyfrifoldebau llywodraethiant a gwerthuso eu perfformiad, yn unigolion ac ar y cyd**
52. Mae angen ar unrhyw fwrdd llwyddiannus unigolion galluog ac uchel eu cymhelliad sy'n gallu cydweithio'n effeithiol yn ddim. I gyflawni hyn, mae angen i'r Awdurdod fuddsoddi amser i'w ddatblygu, yn unigol ac yn gorfforaethol. Mae rheolau sefydlog yr Awdurdod yn darparu ar gyfer ymsefydlu a gwerthuso aelodau, gan gynnwys y Cadeirydd. Nid yw'n glir imi pa mor effeithiol na thrwyadl y caiff y trefniadau hyn eu gweithredu. Yn un o'i gyfarfodydd yn y dyfodol, gallai'r Awdurdod yn ddefnyddiol gael trafodaeth fer ynghylch beth yn rhagor y dylai fod yn ei wneud i ddarparu cyfnod ymsefydlu trwyadl i aelodau newydd, ac i werthuso a gwella ei berfformiad ei hun. Yn arbennig dylai ystyried posiblrwydd adolygu ei berfformiad yn fwrdd unwaith y flwyddyn. Gellid gwneud y gwerthusiad hwn ar unwaith cyn yr adolygiad blynyddol o berfformiad aelodau unigol.

- **Cael cydbwysedd yn aelodaeth y corff llywodraethu rhwng parhad ac adnewyddu**
53. Er mai cyfrifoldeb yr Adran dros Ddiwylliant, y Cyfryngau a Chwaraeon yw gwneud penodiadau i'r Awdurdod, nid oes dim i atal y Cadeirydd rhag cyflwyno barn ei Awdurdod i'r Adran am y blaenoriaethau olyniaeth. Yn arbennig, dylai geisio barn ei Awdurdod ar yr hyn sydd, ar unrhyw adeg, yn gydbwysedd priodol rhwng parhad o ran gwybodaeth a pherthnasoedd ar y naill law ac adnewyddu meddwl a phrofiad ar y llall.

Egwyddor 6

Mae Llywodraethiant Da'n golygu ymgysylltu â rhanddeiliaid a gwneud atebolrwydd yn real

54. Mae gwir atebolrwydd yn golygu adrodd am gamau a gymerwyd eisoes neu eu trafod, ond hefyd ag ymgysylltu â rhanddeiliaid er mwyn deall eu barn ac ymateb iddi. Yn achos S4C sy'n gweithredu'n briodol hyd braich i ffwrdd o'r llywodraeth i raddau helaeth iawn, y rhanddeiliaid allweddol y mae'n rhaid iddi egluro iddynt yw ei chyhoedd sy'n gwylio'r teledu yng Nghymru. Os yw'n amlwg yn bodloni'r grŵp hwn, mae'n llawer mwy tebygol o fodloni ei rhanddeiliaid eraill yn y llywodraeth, y Senedd a Chynulliad Cenedlaethol Cymru.

- **Deall perthynas atebolrwydd ffurfiol ac anffurfiol**

55. Mae natur perthynas atebolrwydd yr Awdurdod yn glir, ond byddai'n ddefnyddiol petai pob perthynas felly'n cael eu cyfuno mewn un ddogfen sy'n disgrifio i bwy mae'r Awdurdod yn ystyried ei hun yn atebol, ac am beth. Mae angen eglurder felly oherwydd bydd yn helpu i lywio blaenoriaethau'r Awdurdod, a lywio ymddygiad staff.

- **Mynd ati i drafod â'r cyhoedd a bod yn atebol iddo mewn modd trefnus**

56. Dywedwyd wrthym yr anogwyd aelodau'r Awdurdod, tan yn ddiweddar, i beidio ag ymgysylltu'n rhy uniongyrchol â'r cyhoedd oherwydd tybiwyd y byddai hyn yn eu tynnu i mewn i drafodaeth amhriodol am faterion comisiynu a golygyddol. Mae unrhyw ganfyddiad felly'n amlwg yn gamsyniol. Mae angen i aelodau'r Awdurdod, a'r Cadeirydd yn enwedig, glywed yn uniongyrchol beth yw barn gwylwyr S4C am y gwasanaeth mae S4C yn ei ddarparu. Felly gorau po fwyaf y'u gwelir ledled Cymru ac y cymerant y cyfle i glywed barn. Mae angen hefyd i aelodau'r Awdurdod ymgysylltu â grwpiau cynrychiadol perthnasol o wylwyr a chynhyrchwyr er mwyn iddynt wneud penderfyniadau am gyfeiriad strategol S4C a'i chymysgedd o raglenni ar sail gwybodaeth briodol.

57. Mae angen i'r Awdurdod hefyd helpu i ffurfio'r ymchwil a wna S4C i dueddiadau gwyllo a diddordebau gwylwyr, a chymryd y cyfle i ystyried canlyniadau hyn yn rheolaidd.

- **Mynd ati i ystyried cyfrifoldeb i staff mewn modd trefnus**

58. Mae angen i'r Awdurdod ddarparu amgylchedd lle gall staff berfformio'n dda a chyflenwi gwasanaethau effeithiol drwy greu diwylliant sy'n croesawu syniadau ac awgrymiadau, yn ymateb i farn staff, ac yn egluro penderfyniadau. O dan 'Arwahanrwydd' mae'n amlwg i mi fod pellter afiach wedi'i greu rhwng yr Awdurdod a'i staff. Mae hwn yn cael ei gau bellach, ond bydd yn cymryd amser a llawer o ymdrech i greu'r diwylliant o ymddiriedaeth a didwylledd sydd ei angen. I hyrwyddo hyn, dylai'r Awdurdod ailwampio ei bolisi ar bryd a sut mae'n ymgynghori â staff a'u cynnwys yn ei benderfyniadau sy'n effeithio arnynt. Dylai ystyried hefyd paru aelodau unigol o'r Awdurdod ag adrannau unigol fel y gall aelodau ar y cyd ddod i ddeall y ffordd mae S4C yn gweithio yn llawer gwell. Dylai hefyd adolygu ei bolisi chwythu'r chwiban.

- **Ymgysylltu'n effeithiol â rhanddeiliaid sefydliadol**

59. Mae'r Canllaw'n argymhell y dylai cyrff llywodraethu gymryd yr awenau o ran ffurfio a chynnal perthynas ag arweinwyr sefydliadau eraill yn sail i berthynas waith effeithiol ar lefelau gweithredol. Gallai'r Awdurdod gymryd yr amser yn ddefnyddiol i adolygu natur ei berthnasoedd allweddol presennol a phenderfynu ym mha ffordd – os o gwbl – y mae angen cryfhau'r rhain. O ystyried yr amgylchiadau ariannol presennol, mae'n amlwg bod angen iddo fuddsoddi'n helaeth yn ei berthynas â'r Adran dros Ddiwylliant, y Cyfryngau a Chwaraeon, Llywodraeth Cynulliad Cymru a Chynulliad Cenedlaethol Cymru. Ymhlith y perthnasoedd pwysig eraill mae'r berthynas â'r BBC a'r cynhyrchwyr rhaglenni yng Nghymru.

4. FFRAMWAITH LLYWODRAETHIANT ARFAETHEDIG I S4C

60. Yn y bennod hon, rwyf yn awgrymu fframwaith llywodraethiant i'r dyfodol. Rwy'n ymwybodol iawn mai'r Awdurdod, wedi'i gynghori gan ei brif weithredwr a'i ysgrifennydd, fydd yn pennu'r trefniadau a fydd yn gweddu iddo orau, ac am y rheswm hwnnw yn bennaf nid wyf yn cyflwyno'r awgrymiadau hyn yn argymhellion cadarn. Canolbwyntiaf yn gyntaf ar Rolau a Chyfrifoldebau, cyn troi at Strwythurau. Yn y bennod olaf rwyf yn ymdrin â Materion Gweithredol.

Rolau a Chyfrifoldebau

Yr Awdurdod

61. Mae gan yr Awdurdod gyfrifoldeb cyffredinol am ddiogelu a chryfhau enw da S4C ac am ddarparu arweinyddiaeth a chyfeiriad iddi. Ac yntau'n gorff anweithredol, mae'n rhaid iddo ddibynnu'n llwyr bron ar ei brif weithredwr a'i dîm rheoli am y cymorth a'r cyngor sydd eu hangen arno. Mae angen felly iddo sefydlu set glir iawn o ddirprwyaethau ar sail ei rolau a'i gyfrifoldebau y cytunwyd arnynt. Dylai hyn ddisodli dogfen bresennol 'Rolau' yn llwyr, nad yw wedi bod o fudd i S4C. I bob pwrpas, mae angen i'r datganiad o ddirprwyaethau nodi'r materion mae'r Awdurdod yn eu cadw i'w hun benderfynu yn eu cylch a diffinio:

- Cylch gorchwyl ei holl is-bwyllgorau ynghyd â'u pwerau penderfynu, y mae angen i'r Awdurdod eu cymeradwyo'n ffurfiol
- Rhannu cyfrifoldebau rhwng y Cadeirydd a'r Prif Weithredwr, ac unrhyw newidiadau dilynol i'r rhain

Dylai hefyd fynnu bod y Cadeirydd a'r Prif Weithredwr yn cyfeirio ato bob mater gwahanol neu ddadleuol a allai effeithio ar enw da'r Awdurdod.

62. Rwyf wedi nodi yn Atodiad 1 fframwaith o Ddogfen Ddirprwyaethau yr hoffai'r Awdurdod ei meithrin ymhellach efallai. Mae'r paragraffau isod yn ymhelaethu ar yr hyn yr ystyriaf y cyfrifoldebau allweddol y mae angen i'r Awdurdod eu cadw i'w hun.

Gosod a chynnal gwerthoedd S4C

63. O dan 'Arwahanrwydd', rhannwyd S4C yn dri sefydliad i bob pwrpas. Mae'n rhaid mai un o dasgau sylfaenol y system lywodraethu newydd fydd dod â'r tair rhan hyn yn ôl at ei gilydd eto fel y gall S4C weithredu'n effeithiol yn sefydliad unedol ac unedig. Wrth wraidd hyn mae'r angen i sefydlu set o werthoedd ac ymddygiadau a rennir a fydd yn cymell staff ac yn apelio'n gryf at ei chynhyrchwyr a'r cyhoedd sy'n ei gwyllo. I sicrhau bod y sefydliad cyfan yn rhannu'r gwerthoedd hyn yn llwyr, mae angen eu datblygu gyda'r prif weithredwr a'r tîm rheoli a fydd yn cael y dasg o'u gweithredu yn y sefydliad. Wedi eu sefydlu, dylid eu hatgyfnerthu'n gyson ag ymddygiad a chyfathrebu effeithiol.

Strategaeth

64. Mae'n rhaid i'r Awdurdod sefydlu cyfeiriad cyffredinol S4C. Un ffordd allweddol o wneud hyn yw cynhyrchu cynllun busnes 5 mlynedd sy'n ymgorffori ei strategaeth raglenni. Dylid adnewyddu hwn yn flynyddol, a'i wthio ymlaen yn rhan o adolygiad sylfaenol bob 3 blynedd – neu'n amlach os oes angen mynd i'r afael â newid sylfaenol yn amgylchedd gweithredu S4C sydd wedi digwydd yn y cyfamser.

65. I wneud y cynllun busnes yn weithredol, mae angen cynllun corfforaethol sy'n nodi amcanion a thargedau S4C am y flwyddyn i ddod, ac sy'n dangos sut mae adnoddau am gael eu cymhwyso. Dylai hwn fod ymhlith cynnyrch allweddol y cylch gosod cyllideb flynyddol. Nid yw'r cynllun corfforaethol presennol yn ddogfen ddigon trwyadl, ac mae angen adolygu ei natur a'i drefniadau cynhyrchu.

Materion Ariannol

66. Yn gysylltiedig â chymeradwyo ei gynllun corfforaethol blynyddol, mae'r Awdurdod yn gyfrifol am:

- gymeradwyo cyllideb gwariant gweithredol blynyddol S4C ac unrhyw newidiadau perthnasol y mae angen eu gwneud i hon yn ystod y flwyddyn
- cymeradwyo adroddiad a chyfrifon blynyddol S4C a phob deunydd cyhoeddusrwydd cysylltiedig.

Mae angen hefyd iddo gadw cyfrifoldeb i'w hun am gymeradwyo pob contract ac atebolrwydd ariannol arall (heb ei gymeradwyo eisoes yn rhan o'r gyllideb flynyddol) dros drothwy i'w gytuno â'i brif weithredwr, ac am gaffael a gwaredu asedau busnes.

Stiwardiaeth

67. Mae S4C yn gorff cyhoeddus a ariennir i raddau helaeth o adnoddau cyhoeddus. Mae hyn yn golygu bod yr Awdurdod yn gorfod sicrhau ei bod yn cyflawni'r safonau uchaf o ran: rheoli ariannol, ymddygiad moesegol a pherfformiad cyflenwi.
68. Mae gan Brif Weithredwr S4C, ac yntau'n swyddog cyfrifyddu, gyfrifoldeb arbennig am stiwardiaeth ariannol, a dylai'r Awdurdod edrych ato ef yn briodol i sicrhau bod y systemau ariannol a chyfrifyddu angenrheidiol yn eu lle ac i roi cyngor cadarn iddo ar bob mater ariannol. I fodloni ei hun fod popeth yn dda, mae angen iddo gadw llygad ar ei system rheoli mewnol a rheoli risg drwy:
- Gael ac adolygu adroddiadau ar brosesau risg a rheoli S4C, a
 - Chynnal asesiad blynyddol o'r prosesau hyn.
69. I sicrhau bod S4C yn cyrraedd y safonau moesegol angenrheidiol mae angen i'r Awdurdod fodloni ei hun fod systemau digonol ar waith i sicrhau y cyflawnir saith egwyddor Nolan ar gyfer ymddygiad pobl mewn bywyd cyhoeddus sef: anhunanoldeb, uniondeb, gwrthrychedd, atebolrwydd, didwylledd, gonestrwydd ac arweinyddiaeth. Mae'r egwyddorion hyn yn berthnasol i aelodau'r Awdurdod yn unigol. Am resymau tryloywder, mae rhai'n mynnu bod ei ysgrifenyddiaeth yn rhoi trefniadau adrodd yn eu lle, er enghraifft, ar wrthdaro buddiannau posibl a chael lletygarwch. Mae angen i'r Awdurdod cyfan hefyd fodloni ei hun, lle bo camau'n cael eu cymryd yn ei enw gan S4C, bod y rhain yn gyffredinol hefyd yn cydymffurfio â'r safonau priodol. Yn rhannol gellir cyflawni hyn drwy:
- Sicrhau bod staff yn deall y safonau ymddygiad y mae'r Awdurdod yn eu disgwyl ganddynt,
 - Bod aelodau'r Awdurdod eu hunain yn arddangos bob amser y safonau ymddygiad a ddisgwylant gan eraill, a
 - Dod â safonau ymddygiad perthnasol i gwmpas ei drefn archwilio
70. Mae perfformiad cyflenwi hefyd yn ymwneud â safonau – er, yn achos S4C, mae hyn i bob pwrpas yn golygu safon y rhaglenni mae S4C yn eu darlledu. O ystyried pwysigrwydd diogelu rhyddid golygyddol, tasg yr Awdurdod yma i bob pwrpas yw gosod y safon o ran cynnwys ac ansawdd cyffredinol ac wedyn asesu i ba raddau mae hon yn cael ei chyflawni o leiaf bob blwyddyn.

Rheoleiddio ac Ymdrin â Chwynion

71. Mae rheoleiddio ac ymdrin â chwynion yn elfen ddigon pwysig o stiwardiaeth i'w hystyried ar wahân. Mae'r Awdurdod yn rhannu ei gyfrifoldebau rheoleiddio - sy'n canolbwyntio i bob pwrpas ar ymdrin â chwynion a chydymffurfio â Chod / cylch gwaith - gydag Ofcom. Yn achos cwynion, mae rheolwyr S4C, yr Awdurdod, ac Ofcom i gyd yn chwarae rhan. Yn anarferol, os bydd rhywun yn gwneud cwyn am raglen S4C i Ofcom, nid yw Ofcom yn credu y dylai gael ei chyfeirio at S4C i fynd i'r afael â hi yn y lle cyntaf. Yn hytrach bydd Ofcom ei hun yn ymdrin â hi fel arfer. Mae hyn yn golygu bod y sawl sy'n ymdrin â chwyn - S4C neu Ofcom - yn cael ei bennu yn ôl y sawl sy'n cael y gwyn, ac mae hyn yn golygu, mewn rhai achosion, bod S4C yn cael llai o gyfle nag y dylai efallai i ymdrin yn y lle cyntaf â'r holl gwynion a wneir am ei rhaglenni, a dysgu ohonynt. Fodd bynnag, mae'n agored i Awdurdod S4C sefydlu bod pob cwyn a gaiff yn cael sylw gan ei reolwyr yn y lle cyntaf, ac y dylai'r Awdurdod ei hun ymchwilio i'r mater os nad allant fodloni'r achwynydd.
72. Dim ond un agwedd ar reoleiddio yw ymdrin â chwynion, er ei bod yn agwedd arbennig o weladwy. Rôl allweddol arall yr Awdurdod yw bodloni ei hun (ac Ofcom) fod cynnyrch S4C yn bodloni'r gofynion y mae ef ac Ofcom wedi'u pennu. Yma, cefais yr argraff fod llawer mwy y gallai ac y dylai'r Awdurdod fod yn ei gadw i'w hun.

Ymchwil

73. Mae gan yr Awdurdod ddyletswydd statudol i wneud ymchwil a gynlluniwyd i ddarganfod barn y cyhoedd am raglenni S4C; effaith rhaglenni felly ar agweddau neu ymddygiad; a'r mathau o raglenni yr hoffai pobl yng Nghymru eu gwyllo. Mae ganddo ddyletswydd debyg i 'ystyried yn llawn' ganfyddiadau'r ymchwil hwn. Heb ystyried y gofyniad statudol hwn, mae comisiynu ac ystyried gwaith ymchwil – neu ddysgu am ganfyddiadau ei wylwyr, i'w fynegi'n fwy cyffredinol – yn amlwg yn sylfaenol i rôl yr Awdurdod am iddynt ei helpu i lywio datblygiad amcanion a strategaeth S4C a gweithredu ei rôl gyflenwi a rheoleiddio ei hun.

Penodiadau a Thâl

74. Ac yntau'n gorff llywodraethu strategol, mae'r Awdurdod bron yn gwbl ddibynol ar ansawdd staff S4C i sicrhau'r ansawdd sydd ei angen arno o ran cynnyrch a pherfformiad sefydliadol. Mae hyn yn golygu ei bod yn rhaid ei gynnwys yn agos iawn mewn penderfyniadau ynghylch penodiad a thâl yr holl staff allweddol. Man lleiaf, mae hyn yn golygu felly y dylai:

- Benodi ei brif weithredwr a'i ysgrifennydd, a rheoli eu perfformiad
- Pennu tâl ei brif weithredwr a'i ysgrifennydd, a chefnogi'r cynigion tâl a argymhellir gan y prif weithredwr ar gyfer aelodau eraill o'i dîm rheoli
- Cael ei gynrychioli ar y paneli penodi a sefydlir i recriwtio i swyddi gwag ar y tîm rheoli
- Cael ei holi gan y Prif Weithredwr am unrhyw gynigion i ailstrwythuro ei dîm rheoli neu waredu aelodau allweddol o staff
- Cadarnhau'r polisïau AD a fabwysiadir gan ei dîm rheoli

Rheoli Perfformiad

75. Wedi gosod y cyfeiriad a bodloni ei hun fod y trefniadau angenrheidiol yn eu lle i sicrhau cyflenwad, rôl allweddol arall yr Awdurdod yw rheoli perfformiad. I wneud hyn yn effeithiol mae angen iddo:

- sefydlu strwythur priodol o is-bwyllgorau,
- sicrhau y caiff y wybodaeth angenrheidiol mewn pryd,
- ac wedyn bod aelodau'r Awdurdod yn herio ac yn craffu ar y cyd ac yn unigol.

Os arferir y swyddogaeth herio a chraffu hon yn briodol ac yn dda, gall fod yn effeithiol iawn yn helpu i adeiladu sefydliad perfformiad uchel, ond os yw'r cyd-destun yn aneglur a'r wybodaeth yn annigonol mae perygl na fydd yr ymgysylltu canlyniadol yn gynhyrchiol o gwbl.

Materion Llywodraethiant Corfforaethol

76. Yn fater o arfer da, mae angen i'r Awdurdod adolygu bob blwyddyn ei brosesau a'i drefniadau llywodraethiant corfforaethol cyffredinol – gan gynnwys gwerthusiad blynyddol trwyadl o'i berfformiad ei hun a pherfformiad ei bwyllgorau a'i uwch reolwyr, a phriodoldeb ei ddirprwyaethau.

Polisïau

77. Mae polisïau cyffredinol penodol y mae angen i'r Awdurdod, fel mater o gyfraith neu arfer da, eu cymeradwyo a'u cadw dan sylw. Mae'r rhain yn cynnwys:

- Ei God Ymddygiad
- Iechyd a Diogelwch
- Cynaliadwyedd Amgylcheddol
- Cydraddoldeb ac Amrywiaeth
- Chwythu'r Chwiban

Materion Eraill

78. Dyma faterion eraill y dylai'r Awdurdod eu cadw i'w hun:

- Erlyn, amddiffyn neu setlo ymglyfreitha perthnasol
- Ymateb i unrhyw ymchwiliad i'w weithgareddau gan unrhyw awdurdod rheoliadol cymwys
- Unrhyw fater arall a allai niweidio hygyrdd neu enw da Awdurdod S4C yn sylweddol

STRWYTHURAU

79. I fod mor effeithiol â phosibl mae angen i'r Awdurdod ddirprwyo rhai o'i swyddogaethau i is-bwyllgorau, fel y mae wedi'i wneud. Mae ei faint yn cyfyngu ar y graddau y gall wneud hyn, ac felly ei effeithiolrwydd cyffredinol. Ac eithrio'r Cadeirydd, ni ellir disgwyl yn rhesymol i unrhyw un o'i 9 aelod eistedd ar fwy na 2 is-bwyllgor; ac fel arfer dylai is-bwyllgor gynnwys 3 – ac yn ddefnyddol 4 – aelod o'r Awdurdod. Yn achos pwyllgorau arbenigol penodol, gellir dewis recriwtio aelod ychwanegol, ac efallai yr hoffai'r Awdurdod ystyried hyn.

80. Ar hyn o bryd mae gan yr Awdurdod 4 is-bwyllgor a phob un ohonynt yn cynnwys tri aelod, sef:

- Archwilio a Rheoli Risg
- Cwynion a Chydymffurfiad
- Personél a Thâl
- Cynnwys

Rwyf yn nodi fy sylwadau ar bob un o'r pwyllgorau hyn isod. Ond, yn fyr, rwyf yn argymhell y dylai'r Awdurdod ail-ganolbwyntio rolau'r Pwyllgor Cwynion a Chydymffurfiad a'r Pwyllgor Cynnwys, ac ystyried sefydlu Pwyllgor newydd i oruchwyllo rheolaeth cangen weithredol S4C. Dylai hefyd reoli gweithgareddau masnachol S4C yn llawer cadarnach drwy drin y Bwrdd Masnachol yn ffurfiol fel un o'i is-bwyllgorau a chael un o aelodau'r Awdurdod yn ei gadeirio. Bydd angen diweddarau meysydd gorchwyl presennol yr holl bwyllgorau yng ngoleuni'r penderfyniadau a wneir gan yr Awdurdod yn dilyn yr adolygiad hwn. Rwyf wedi nodi fy argymhellion ar rôl, dyletswyddau a hawliau pob Pwyllgor yn Atodiad 2.

Archwilio a Rheoli Risg

81. Mae'r Pwyllgor Archwilio a Rheoli Risg yn cynnwys 3 aelod o'r Awdurdod ac mae gofyn iddo gyfarfod o leiaf 3 gwaith y flwyddyn. Mae ganddo ystod lawn o ddyletswyddau, a'r pwysicaf ohonynt yw:

- Pennu anghenion archwilio a'r cynllun archwilio cysylltiedig
- Adolygu'r datganiadau ariannol blynyddol a'r llythyr rheoli a'r adroddiad archwilio cysylltiedig
- Goruchwyllo gwaith rheoli risg yn S4C gan gynnwys gweithredu'r polisi risg a'r gofrestr risg gysylltiedig
- Ystyried adroddiadau archwilio mewnol unigol a gweithredu eu hargymhellion
- Adrodd yn rheolaidd i'r Awdurdod

82. Mae'r rhain oll yn swyddogaethau safonol i Bwyllgor felly. Cefais yr argraff bod y Pwyllgor yn gweithredu'n effeithiol ar hyn o bryd ac nid wyf felly'n argymhell llawer o newidiadau i'w rôl na'i ddull gweithredu. Fodd bynnag, rwyf yn argymhell y dylid rhoi cyfrifoldeb yn ffurfiol iddo am archwilio ac asesu gwerth am arian. O ystyried y rhyddid angenrheidiol mae'n rhaid i'r rheolwyr barhau i'w arfer wrth gomisiynu rhaglenni, dylai'r Pwyllgor a'r Awdurdod ystyried a ddylai'r Awdurdod gynyddu gallu ei hadran archwilio mewnol er mwyn iddo gael mwy o sicrhad am safonau cysondeb a chydymffurfio yn y sefydliad cyfan.

Cwynion a Chydymffurfio

83. Mae'n rhaid i'r Pwyllgor Cwynion a Chydymffurfiad gyfarfod o leiaf unwaith y flwyddyn. I bob pwrpas, ei rôl ar hyn o bryd yw:

- Monitro a goruchwyllo'r system gwyno a chydymffurfiad a weithredir gan reolwyr S4C
- Ystyried cwynion a gyfeirir ato, ac
- Os oes gofyn, adolygu penderfyniad gan reolwyr S4C i wrthod datgeliad o dan y Ddeddf Rhyddid Gwybodaeth.

84. Mae'r rhain yn gyfrifoldebau cul iawn eu diffiniad a gellir cyflawni llawer ohonynt drwy ohebiaeth, ac mae hyn yn golygu i bob pwrpas fod y Pwyllgor yn gweithredu mewn modd ymatebol i raddau helaeth. Deallaf, er enghraifft, mai dim ond un mater gwirioneddol y bu'n rhaid i'r Pwyllgor ei ystyried yn y flwyddyn ddiwethaf. Argymhellaf fod y Pwyllgor yn cael rôl reoleiddio llawer cryfach. Ymhlith pethau eraill, byddai hyn yn golygu y dylai:

- Ystyried i ba raddau mae rhaglenni S4C yn bodloni'r safonau a osodir gan God Darlledu Ofcom a chan yr Awdurdod ei hun yn ei Ddatganiad o Bolisi Rhaglenni blynyddol
- Ymchwilio i gwynion a gyfeiriwyd ato gan yr Awdurdod, a chadw golwg ar berfformiad y rheolwyr o ran ymdrin â chwynion.
- Adrodd yn rheolaidd i'r Awdurdod am gyflawni ei gyfrifoldebau.

Personél a Thâl

85. Mae'r Pwyllgor Personél a Thâl yn cyfarfod o leiaf unwaith y flwyddyn, ac yn ychwanegol pan fydd angen. Mae ganddo dri aelod, a bydd y Cadeirydd fel arfer yn mynychu ei gyfarfodydd ynghyd â'r Prif Weithredwr a'r Cyfarwyddwr Adnoddau Dynol. Ei brif ddyletswyddau yw:
- Goruchwylio holl systemau personél S4C
 - Gwneud argymhellion i'r Awdurdod am delerau ac amodau cyflogaeth y prif weithredwr a'r ysgrifennydd
 - Adrodd yn flynyddol i'r Awdurdod am ganlyniadau ymchwil mewnol i berfformiad AD S4C
 - Mynd i'r afael â phroblemau AD eithriadol wrth iddynt godi, gan gynnwys y rheini a gyfeirir ato gan yr Awdurdod
86. Nid yw'r dyletswyddau hyn mor glir ag y gallent fod, ac mae angen eu hailystyried beth bynnag gan fod 'Arwahanrwydd' wedi'i ddileu bellach er mwyn egluro natur atebolrwydd y Prif Weithredwr i'r Pwyllgor. Argymhellaf yn arbennig y dylid rhoi rôl ychwanegol benodol i'r Pwyllgor o ran penodi'r prif weithredwr a staff uwch eraill, ac o ran pennu eu tâl.

Pwyllgor Cynnwys

87. Mae'r Pwyllgor Cynnwys yn cyfarfod tair gwaith y flwyddyn ac yn ychwanegol os oes angen. Mae ganddo 3 aelod. Ei brif ddyletswyddau yw:
- Goruchwylio a monitro 'perfformiad cynnwys rhaglenni' a 'pherfformiad cynnwys gwasanaethau eraill S4C'
 - Os gofynnir iddo, cynorthwyo'r Awdurdod i fonitro llwyddiant ei strategaeth raglenni bob blwyddyn a pharatoi ei Strategaeth Raglenni bob 5 mlynedd o leiaf.
 - Adolygu'r Datganiad o Bolisi Rhaglenni blynyddol a'r Adolygiad o Bolisi Rhaglenni a'u rhoi gerbron yr Awdurdod i'w cymeradwyo
 - Adolygu ystod ac amrywiaeth rhaglenni S4C a gwasanaethau eraill S4C yn ôl y galw Ni wnaethpwyd y Pwyllgor yn gyfrifol yn benodol am faterion cydymffurfiad sy'n gysylltiedig â rhaglenni a gwasanaethau eraill.
88. Cefais yr argraff bod y Pwyllgor hwn, o dan 'Arwahanrwydd', fel arfer yn mabwysiadu cynigion a gyflwynir gan reolwyr S4C. Er bod angen yn briodol iddo osgoi cynnwys ei hun mewn materion golygyddol neu gomisiynu manwl, mae'n amlwg bod ganddo rôl holl bwysig mewn darparu cyfeiriad clir – i Brif Weithredwr S4C a chomisiynwyr rhaglenni S4C – am y strategaeth raglenni i'w mabwysiadu. Mae angen i'r Pwyllgor barhau i gael cyfrifoldeb am asesu perfformiad a chynnwys rhaglenni. Serch hynny, mae angen gwahaniaethu'n gliriach rhwng natur y rôl hon a'r rôl debyg y mae angen, yn fy marn i, i'r Pwyllgor Cwynion a Chydymffurfiad ei harfer yn y dyfodol. Byddai rhannu dyletswyddau'n glir yn y modd hwn yn helpu i roi mwy o wrthrychedd i'r asesiad cyffredinol o berfformiad ac yn golygu bod mwy o aelodau'r Awdurdod yn cael eu cynnwys, yn eu gwahanol ffyrdd, yn y dasg holl bwysig o bennu ac asesu cynnyrch rhaglenni S4C. Er mwyn i'r gwahanu dyletswyddau hyn weithio'n effeithiol, byddai angen i'r ddau Bwyllgor gyfarfod â'i gilydd o leiaf unwaith bob blwyddyn – a byddai angen ystyried argymhellion perthnasol y Pwyllgorau yn drwyadl yng nghyfarfodydd yr Awdurdod ei hun.

Y Bwrdd Masnachol

89. Ar hyn o bryd, nid un o is-bwyllgorau'r Awdurdod mo'r Bwrdd Masnachol o gwbl. Mae'n cael ei gadeirio gan y prif weithredwr, ac mae'r cyfarwyddwr cyllid yn mynychu bob tro. Ei ddyletswydd ganolog yw goruchwylio'r rheolaeth ar bedwar is-gwmni S4C. Ers ei sefydlu, bu gwasanaethau masnachol S4C yn llwyddiannus iawn ar y cyfan. O'u hystyried gyda'i gilydd, mae'r cwmnïau wedi cronni rhyw £30miliwn o gyllid buddsoddiad erbyn hyn; yn

yr amgylchiadau presennol, efallai bydd eu gallu i barhau i gynhyrchu refeniwiau a gweithredu'n fwy masnachol nag yn y gorffennol fod yn ffactor pwysig yn llwyddiant parhaus S4C. Am y rheswm hwn, mae'n rhyfedd iawn bod yr Awdurdod wedi caniatáu iddynt gael eu goruchwyllo hyd braich oddi wrtho. Argymhellaf y dylai dau aelod o'r Awdurdod sydd â phrofiad masnachol helaeth ddod yn aelodau o'r Bwrdd, ac y dylai un o'r rhain fod y cadeirydd; y dylai cofnodion y Bwrdd gael eu cylchredeg i'r Awdurdod yn rheolaidd; ac ar ôl pob cyfarfod Bwrdd y dylai'r Cadeirydd adrodd ar lafar i'r Awdurdod am ei drafodion. Ar wahân i unrhyw beth arall, byddai hyn yn gwneud gweithgareddau masnachol S4C yn amlycach, gan alluogi'r Awdurdod i fodloni ei hun yn fwy effeithiol nag yn awr ei fod yn cydymffurfio â'i ddyletswydd statudol i beidio â chymhwyso'r cyllid rhagnodedig a gaiff gan yr Ysgrifennydd Gwladol i unrhyw un o'i weithgareddau masnachol.

Sefydlu Pwyllgor Cyffredinol

90. Yn ôl ei gyfansoddiad presennol, nid oes gan yr Awdurdod bwyllgor sy'n gallu goruchwyllo'r rheolaeth ar faterion corfforaethol eraill – fel cyllid, ystadau a TG – yn yr un ffordd y mae'r Pwyllgor Personél a Thâl yn goruchwyllo materion AD. Rwyf felly wedi ystyried yn ofalus y posibilrwydd y dylai'r Awdurdod sefydlu Pwyllgor Cyffredinol a fyddai'n cael y dasg o oruchwyllo perfformiad rheolwyr S4C yn gyffredinol. Rhwng popeth, rwyf wedi dod i'r casgliad y byddai hyn yn gymhlethdod dianghenraid ar hyn o bryd. Cefais yr argraff bod gan yr Awdurdod y gallu i wneud y rôl rheoli perfformiad hon ei hun ar hyn o bryd (er nad oedd yn gymwys i'w gwneud o dan 'Arwahanrwydd'), nid lleiaf oherwydd bod lefel y craffu a'r arweiniad manwl gofynnol yn llawer llai i'r gwasanaethau corfforaethol eraill nag sy'n wir ar gyfer AD. Nid wyf felly'n argymhell newid o'r math hwn am y tro. Fodd bynnag, credaf y dylai'r Awdurdod gadw llygad ar bosibilrwydd ehangu rôl y Pwyllgor Personél a Thâl i oruchwyllo holl wasanaethau corfforaethol S4C. Byddai'r achos o blaid hyn yn dibynnu a oedd yr Awdurdod yn teimlo nad oedd ganddo'r amser neu'r gallu i gyflawni'r rôl oruchwyllo hon yn foddhaol ei hun, a/neu a oedd yn ystyried bod angen iddo fynd ati i ymgymryd yn llawer mwy â gwella perfformiad rheolwyr S4C.

5. GWNEUD IDDO WEITHIO

91. Er bod y trefniadau llywodraethiant cywir yn eu lle gan sefydliad, nid yw'n dilyn y byddant yn gweithio'n foddhaol. Mae'r ffordd y cânt eu cymhwyso yr un mor bwysig, ac yn wir a yw'r rheini sy'n gorfod eu gweithredu yn eu deall ac yn eu derbyn. Dyna pam mae mor bwysig y dylai'r Awdurdod, wedi'i gefnogi gan ei dîm rheoli, ddatblygu ac addasu'r fframwaith a gynigias er mwyn iddo fod yn berffaith sicr bod y trefniadau manwl mae'n eu gweithredu'n bodloni ei ofynion. Yn y rhan derfynol hon o'm hadroddiad rwy'n nodi'r hyn yr ystyriaf yn arfer da o ran sut dylai'r Awdurdod a'i aelodau weithredu'r trefniadau rwy'n eu cynnig.

Mynychu Cyfarfodydd yr Awdurdod

92. Yn ôl canllawiau Cod Llywodraethiant Corfforaethol y DU, dylai byrddau gynnwys cyfuniad o aelodau gweithredol ac anweithredol. Nid yw hyn yn bosibl yn achos S4C gan fod y ddeddfwriaeth yn amodi bwrdd cwbl anweithredol, ond nid yw hyn yn atal aelodau'r tîm rheoli rhag mynychu'n rheolaidd. Argymhellaf y dylai'r prif weithredwr, y cyfarwyddwr cyllid a'r cyfarwyddwr comisiynu, fan lleiaf, fynychu cyfarfodydd yr Awdurdod bob amser heblaw ar yr achlysuron hynny pan fydd yr Awdurdod yn penderfynu y dymuna drafod rhywbeth yn breifat. Argymhellaf hefyd y dylai'r cyfarwyddwr cyfathrebu fynychu bob amser fel sylwedydd. Fel hyn, bydd yn llawn gwybodaeth i gynorthwyo'r Awdurdod i ymdrin ag unrhyw sylw gan y cyfryngau sy'n codi o'i gyfarfodydd ac, yr un mor bwysig, i gyfleu i'r staff yr hyn a drafodwyd a'r hyn y cytunwyd arno gan helpu felly i wneud yr Awdurdod yn amlycach yn S4C.

93. Yn arbennig o ystyried bod angen adeiladu sefydliad unedig cryf yn yr amgylchiadau presennol, mae achos hefyd o blaid gwneud yr Awdurdod yn amlycach drwy agor o leiaf rhan o'i drafodion i aelodau o staff. Dros amser dylai hyn helpu i fagu gwell dealltwriaeth o'r materion sy'n bwysig i'r Awdurdod yn y sefydliad, a chwalu rhai o'r rhwystrau sydd wedi ymddangos yn y blynyddoedd diwethaf. Rwyf yn argymhell felly y dylai'r Awdurdod ystyried rhoi trefniadau ar waith lle gall hyd at bedwar aelod o staff fynychu'r cyfan neu ran o'i gyfarfodydd yn sylwedyddion.

Fformat Cyfarfodydd yr Awdurdod

94. Dylai'r agendâu ar gyfer cyfarfodydd yr Awdurdod ddilyn patrwm gosodedig. Oherwydd bydd ei is-bwyllgorau'n cynnal cymaint o fusnes yr Awdurdod, mae'n bwysig y dylai pob cyfarfod ddechrau ag adroddiad ar lafar gan gadeiryddion yr is-bwyllgorau hynny sydd wedi cyfarfod ers cyfarfod diwethaf yr Awdurdod. Dylid ychwanegu cofnodion y cyfarfodydd dan sylw at yr adroddiadau hyn, a dylid eu cylchredeg gyda'r papurau i'r cyfarfod fel 'papurau i'w nodi'.

95. Ar ôl ystyried y cofnodion hyn dylai fod adroddiad ar lafar i'r Awdurdod gan y Cadeirydd ac yna adroddiad misol y prif weithredwr i'r Awdurdod. Dylai hwn fod ar bapur bob amser. Byddai adroddiad misol y Cyfarwyddwr Cyllid wedyn ac, os nad yw wedi'i chynnwys yn rhywle arall, gwybodaeth am berfformiad S4C o ran cynnyrch a rheoli. Yn ddelfrydol dylid cynnwys y wybodaeth hon ar ffurf 'dangosfwrdd' sy'n darparu'r wybodaeth ddiweddaraf sydd ar gael am yr holl faterion hynny y nododd yr Awdurdod yr hoffai fonitro eu perfformiad. (Os bydd yr Awdurdod yn penderfynu sefydlu Pwyllgor Cyffredinol ar wahân, gallai fod yn fwy addas ystyried y wybodaeth hon yng nghyfarfodydd hwn). Ni ddylai fod angen i'r cyfarwyddwr comisiynu ddarparu adroddiad ar wahân ym mhob cyfarfod. Fel arfer dylai fod yn bosibl cynnwys ei hadroddiad yn adroddiad y Prif Weithredwr.

96. Dylai agenda'r cyfarfod ddilyn fformat safonol ac egluro'r hyn a ddisgwylir gan yr Awdurdod ar bob eitem – penderfyniad, trafod, nodi ac ati. Fodd bynnag, nid yw cyfarfodydd bwrdd confensiynol yn gymwys iawn i hyrwyddo meddwl creadigol nac archwilio syniadau, ac mae angen i'r Awdurdod neilltuo amser o leiaf ddwywaith y flwyddyn i ystyried materion strategol o'r math hwn mewn fformat gweithdy. Mae enghreifftiau o faterion y gallai fod yn ddefnyddiol eu hystyried fel hyn yn cynnwys:

- Yr adroddiad ymchwil blynyddol a'r hyn mae'n ei ddweud am briodoldeb cymysgedd bresennol S4C o raglenni.
- Y strategaeth raglenni i'r flwyddyn nesaf – wedi'i llywio gan berfformiad y gorffennol ond hefyd gan dueddiadau a syniadau o fannau eraill
- Y materion yr hoffai'r Awdurdod i'w dîm rheoli eu hystyried wrth adnewyddu ei strategaeth fusnes a'i gynllun corfforaethol

Yn ogystal ag eitemau felly, bydd materion penodol hefyd yn codi o bryd i'w gilydd y gall fod yn ddefnyddiol eu harchwilio 'all-lein' fel hyn.

Cylch blynyddol o gyfarfodydd

97. Gan amlaf, mae busnes yr Awdurdod yn syrthio i batrwm blynyddol naturiol. Rwyf wedi awgrymu yn Atodiad 3 gylch blynyddol o gyfarfodydd. Mae hyn yn helaeth iawn yn seiliedig ar gylch presennol yr Awdurdod ond wedi'i addasu i ystyried awgrymiadau sy'n cael eu cynnwys mewn manau eraill yn yr adolygiad hwn.

Rôl y Cadeirydd a'r Prif Weithredwr

98. Rôl sylfaenol y Cadeirydd a'r Prif Weithredwr yw darparu, yn eu gwahanol ffyrdd, arweinyddiaeth o ddydd i ddydd i S4C. I gyflawni'r rolau hyn yn effeithiol, mae'n rhaid i'r ddau ohonynt ddeall sut maent yn gysylltiedig â'i gilydd fel y gallant atgyferthu cyfraniad ei gilydd. Bydd cemeg bersonol yn pennu pa drefniadau'n union sy'n gweithio orau i'r unigolion dan sylw ond, yn fy mhrofiad i, mae'n well seilio'r berthynas hon ar ymagwedd 'dim byd annisgwyl', a chyfuno cyfarfodydd wythnosol a gofnodir â thrafodaethau anffurfiol mwy rheolaidd. Mae'n bwysig y dylai cadeiryddion pwyllgor a chyfarwyddwyr arweiniol geisio sefydlu perthynas debyg.

Rôl yr Ysgrifennydd

99. Mae gan ysgrifennydd yr Awdurdod ran allweddol i'w chwarae wrth wneud i'r trefniadau llywodraethiant weithio. Yn allweddol, mae angen ei fod yn llygadu'r gorwel yn gyson y tu mewn a'r tu allan i S4C i nodi materion a allai fynnu sylw'r Awdurdod. I gyflawni hyn dylai, o leiaf, sefydlu cysylltiadau agos ag ysgrifennydd y Bwrdd Rheoli, a mynychu holl gyfarfodydd y Bwrdd hwn fel sylwedydd. Un ateb gwell, fodd bynnag, fyddai petai hefyd yn dod yn ysgrifennydd i'r Bwrdd Rheoli (fel sydd wedi digwydd yn y gorffennol).

100. Mae gan yr ysgrifennydd ran bwysig i'w chwarae mewn cynorthwyo'r Awdurdod i weithredu'n effeithiol a chyflawni'r safonau llywodraethiant uchaf. Mae hyn yn golygu:

- Sierhau bod agendâu'r Awdurdod a'r Pwyllgor yn cynnwys yr holl faterion sy'n mynnu sylw'r Awdurdod yn ystod y flwyddyn
- Trefnu cyfarfodydd strategaeth yr Awdurdod o leiaf ddwywaith y flwyddyn
- Sierhau bod yr holl bapurau a chofnodion yn cynnal y safonau uchaf
- Helpu'r Awdurdod i adolygu ei drefniadau llywodraethiant unwaith y flwyddyn, gan gynnwys cadw cofrestr o ddiddordebau, cadw cofnodion o roddion a lletygarwch, a sierhau bod adolygiadau perfformiad aelodau wedi'u cwblhau.

Ymgysylltu â Rhanddeiliaid

101. Mae dwy set o randdeiliaid y mae angen i'r Awdurdod ymgysylltu'n well â hwy – ei gynhyrchwyr annibynnol a'i wylwyr.

102. Yn achos cynhyrchwyr, mae'n allweddol rhoi iddynt y cyfle maent yn ei geisio i fynegi unrhyw bryderon sydd ganddynt efallai am y ffordd mae rheolwyr S4C yn eu trin, a chreu llwyfan y gallant ei ddefnyddio i ddadlau â'r Awdurdod am gyfeiriad rhaglenni S4C yn y dyfodol. Mae'r safbwyntiau hyn yn berthnasol dros ben i'r Awdurdod wrth arfer ei rôl oruchwylio ac yn ddarparwr rhaglenni teledu. Yr Awdurdod ei hun fydd yn penderfynu faint yn union o ymgysylltu a sefydlir. Fodd bynnag, fan lleiaf, byddai fel petai angen i'r Awdurdod cyfan, neu is-set o'i aelodau, gynnal seminar (neu weithdy) gyda'i gynhyrchwyr annibynnol o leiaf unwaith y flwyddyn fel y gellir gwyntyllu materion o'r natur hon yn llawn.

103. Yn achos gwylwyr, gofdir bod aelodau'r Awdurdod wedi'u canfod fel petaent yn rhy bell i ffordd o ddiddordebau rhai grwpiau (yn arbennig pobl ifanc) i allu diffinio a bodloni eu gofynion yn foddhaol. Eto mae angen i'r Awdurdod ystyried sut orau y gellir bodloni'r diffyg hwn. Y posibiladau mae angen iddo eu hystyried yw sefydlu grwpiau cynghori neu

ffocws a all gyfrannu at ystyriaethau'r Awdurdod bob blwyddyn – dyweder; a phenodi pobl o grwpiau gwyllo heb gynrychiolaeth ddigonol yn aelodau anweithredol o bwyllgorau arbennig – yn enwedig y Pwyllgor Cynnwys.

ATODIAD 1

FFRAMWAITH DIRPRWYO

Mae'r Atodiad hwn yn nodi'r swyddogaethau a'r penderfyniadau y dylai Awdurdod S4C eu cadw i'w hun. Dylai ddirprwyo'r holl fusnes arall i'w Bwyllgorau neu ei weithredwr.

Rolau Cyffredinol

- Gosod a chynnal gwerthoedd S4C
- Cynnal a gwella enw da S4C
- Goruchwylio effeithiolrwydd a chywirdeb ariannol S4C
- Cefnogi rheolwyr S4C i wella ansawdd a chyrraeddian cynnyrch darlledu S4C
- Defnyddio ei bwerau craffu i sicrhau safonau uchel a chyson drwy S4C i gyd

Strategaeth Osodedig

- Cymeradwyo gweledigaeth, strategaeth a blaenoriaethau S4C a gweledigaeth, strategaeth a blaenoriaethau'r cynllun busnes (5 mlynedd) cysylltiedig
- Cymeradwyo cynllun rhaglen / cynnwys blynyddol
- Cymeradwyo cynllun corfforaethol blynyddol sy'n cysylltu adnoddau â rhaglenni a chanlyniadau eraill

Materion Ariannol

- Cymeradwyo cyllideb flynyddol gan gynnwys dyrannu adnoddau ariannol i brif weithgareddau S4C gan gynnwys 'genres' rhaglen
- Cymeradwyo adroddiad a chyfrifon blynyddol S4C a chyhoeddusrwydd cysylltiedig
- Cymhwyso refeniwiau a gynhyrchir gan S4C Masnachol
- Cymhwyso cronfeydd wrth gefn
- Cymeradwyo gwyriadau sylweddol o ddyraniadau'r gyllideb flynyddol
- Yn ôl argymhelliad y Pwyllgor Archwilio a Rheoli Risg, penodi a diswyddo archwilwyr mewnl ac allanol S4C a'u tâl
- Unrhyw newid perthnasol i drefniadau pensiwn S4C, ac unrhyw newid i'r ymddiriedolwyr pensiwn neu gynghorwyr pensiwn.

Stiwardiaeth

- Cynnal asesiad blynyddol o brosesau rheoli, risg a rheoli ariannol S4C
- Sicrhau bod risgiau'n cael eu rheoli'n dda ac adolygu cofrestr risg S4C o leiaf bob blwyddyn
- Sefydlu ac adolygu Cod Ymddygiad i'w hun a'i aelodau unigol bob blwyddyn

Ymdrin â Chwynion a Chydymffurfiad

- Mynd i'r afael â'r holl gwynion nad ydynt wedi'u datrys gan reolwyr S4C er boddhad yr achwynydd
- Adolygu'n flynyddol i ba raddau mae rheolwyr S4C yn comisiynu ac yn cyflenwi rhaglenni sy'n cydymffurfio â safonau Ofcom a chylch gwaith yr Awdurdod

Ymchwil

- Comisiynu ymchwil yn unol â'i ddyletswydd statudol
- Asesu goblygiadau canfyddiadau ymchwil i'w bolisi a'i strategaeth raglenni

Penodiadau a Thâl

- Penodi ei brif weithredwr a'i ysgrifennydd, a rheoli eu perfformiad
- Pennu tâl ei brif weithredwr a'i ysgrifennydd

Rheoli Perfformiad

- Sefydlu strwythur priodol o is-bwyllgorau ar gyfer craffu ar berfformiad S4C a'i gweithredwyr a'i asesu
- Cael y wybodaeth sydd ei hangen arno mewn pryd i asesu ansawdd a chyrraethiad ei chynnyrch darlledu ac effeithiolrwydd ei rheolwyr

Llywodraethiant Corfforaethol

- Adolygu prosesau a threfniadau llywodraethiant corfforaethol S4C bob blwyddyn
- Cynnal adolygiad blynyddol trwyadl o'i berfformiad ei hun, a pherfformiad ei bwyllgorau a'i uwch reolwyr
- Adolygu priodoldeb ei ddirprwyaethau a'i rôl ei hun bob blwyddyn

Rhanddeiliaid

- Cynnal deialog cryf ac agored â'i randdeiliaid allweddol – yr Adran dros Ddiwylliant, y Cyfryngau a Chwaraeon, Llywodraeth Cynulliad Cymru, y BBC, Ofcom, a'i gwmnïau cynhyrchu yng Nghymru

Polisiâu

- Cymeradwyo'r polisiâu cyffredinol allweddol i S4C a chadw llygad arnynt, gan gynnwys:
 - Iechyd a Diogelwch
 - Cynaliadwyedd Amgylcheddol
 - Cydraddoldeb ac Amrywiaeth
 - Chwythu'r Chwiban
 - Defnydd o'r Iaith Saesneg

Trefniadau Dirprwyo

- Cymeradwyo maes gorchwyl ac aelodaeth holl bwyllgorau'r Awdurdod
- Cael adroddiadau rheolaidd gan bwyllgorau'r Awdurdod am eu gweithgareddau
- Dirprwyo penderfyniadau ar faterion brys i'r Cadeirydd, gan gadarnhau bod angen i'r Cadeirydd weithredu

Materion Eraill

- Erlyn, amddiffyn neu setlo ymglyfreitha perthnasol
- Ymateb i unrhyw ymchwiliad i weithgareddau S4C gan unrhyw awdurdod rheoliadol cymwys
- Materion yr ystyrir eu bod yn wahanol neu'n ddadleuol
- Unrhyw fater arall a allai niweidio hygyrdd neu enw da S4C yn sylweddol

ATODIAD 2

DYLETSWYDDAU A CHYFRIFOLDEBAU PWYLLGORAU

Mae'r Atodiad hwn yn awgrymu diwygiadau i ddyletswyddau a chyfrifoldebau pwyllgorau'r Awdurdod y gellir, os y'u mabwysiadir, eu hymgorffori yn eu meysydd gorchwyl. Gan fod y Bwrdd Masnachol yn is-gwmni, nid wyf yn argymhell y dylai hwn gael maes gorchwyl ar wahân.

PWYLLGOR ARCHWILIO A RHEOLI RISG

Rôl

- Ystyried a chymeradwyo Asesiad Anghenion Archwilio, Cynllun a Strategaeth Archwilio yr Awdurdod
- Sicrhau bod anghenion archwilio mewnol S4C yn cael eu bodloni
- Adolygu digonolrwydd holl gyfrifon a datganiadau ariannol S4C
- Adolygu systemau rheoli mewnol S4C
- Goruchwyllo'r rheolaeth ar risg yn S4C gan gynnwys gweithredu'r polisi risg a'r gofrestr risg gysylltiedig
- Sicrhau'r Awdurdod ynghylch gwerth am arian gweithgareddau S4C

Dyletswyddau

- **Adrodd Ariannol**
Adolygu'r datganiadau ariannol blynyddol cyn eu cyflwyno i'r Awdurdod gan ganolbwyntio ar:
 - Unrhyw newidiadau mewn polisiau ac arferion cyfrifyddu
 - Prif feysydd beirniadol
 - Addasiadau sy'n codi o archwilio
 - Y dybiaeth cwmni gweithredol
 - Cydymffurfiad â safonau cyfrifyddu
 - Cydymffurfiad â gofynion cyfreithiol
 - Y datganiad o reoli mewnol
- **Archwilio Mewnol**
 - Monitro ac adolygu effeithiolrwydd archwilwyr mewnol S4C
 - Cymeradwyo penodiad a diswyddiad archwilwyr mewnol S4C a'u tâl
 - Pennu cylch gwaith yr adran archwilio mewnol a sicrhau bod ganddi ddigon o adnoddau a gwybodaeth briodol er mwyn iddi berfformio'n effeithiol
 - Cymeradwyo'r asesiad anghenion archwilio a'r cynllun archwilio strategol ar gyfer y 3-5 mlynedd sydd i ddod
 - Cymeradwyo'r cynllun archwilio blynyddol, a chomisiynu archwiliadau ychwanegol yn ystod y flwyddyn fel mae'r angen yn codi
 - Ystyried adroddiadau archwilio mewnol unigol a digonolrwydd ymateb y rheolwyr
 - Ystyried a yw'r argymhellion mewn adroddiadau archwilio mewnol yn cael eu gweithredu'n foddhaol
 - Cyfarfod ag archwilwyr mewnol S4C o leiaf unwaith y flwyddyn, heb reolwyr, i drafod eu cylch gwaith ac unrhyw faterion sy'n codi o'r gwaith a wnaethant.
- **Archwilio Allanol**
 - Monitro ac adolygu effeithiolrwydd archwilwyr allanol S4C
 - Cymeradwyo penodiad a diswyddiad archwilwyr allanol S4C a'u tâl
 - Adolygu a chymeradwyo'r cynllun archwilio allanol blynyddol, a sicrhau ei fod yn gyson â chwmpas yr ymrwymiad archwilio
 - Adolygu canfyddiadau'r archwiliad allanol
 - Adolygu'r llythyr rheoli ac ymateb y rheolwyr i ganfyddiadau ac argymhellion yr archwiliwr
 - Adolygu perfformiad yr archwiliwr allanol bob blwyddyn
 - Cyfarfod yn rheolaidd â'r archwiliwr allanol, gan gynnwys un cyfarfod y flwyddyn heb reolwyr, i drafod eu cylch gwaith ac unrhyw faterion sy'n peri gofid iddynt efallai.

- **Rheolaethau Mewnol a Rheoli Risg**
 - Cadw llygad ar effeithiolrwydd systemau rheoli risg a rheolaethau mewnol S4C
 - Adolygu a chymeradwyo'r datganiadau i'w cynnwys yn yr adroddiad blynyddol ar reolaethau mewnol a rheoli risg
 - Adolygu cofrestr risg S4C ym mhob cyfarfod
- **Gwerth am Arian**
 - Comisiynu archwiliadau ac adolygiadau o'r gwerth am arian a geir o wariant S4C, yn enwedig ar gomisiynu rhaglenni
- **Chwythu'r Chwiban a Thwyll**
 - Cadw llygad ar gymhwyso polisi chwythu'r chwiban S4C
 - Adolygu gweithdrefnau S4C yn rheolaidd ar gyfer darganfod twyll
- **Materion Eraill**
 - Monitro ac adolygu'r gwahaniaeth rhwng y cronfeydd cyhoeddus a chyffredinol
 - Sicrhau bod S4C a'i chwmnïau masnachol yn masnachu'n deg yn unol â'r gyfraith
 - Adolygu ei berfformiad, ei gyfansoddiad a'i faes gorchwyl ei hun bob blwyddyn i sicrhau ei fod yn gweithredu mor effeithiol â phosibl ac argymell unrhyw newidiadau yr ystyria eu bod yn angenrheidiol i'r Awdurdod eu cymeradwyo

Hawliau

Caiff y Pwyllgor:

- Ymchwilio i unrhyw weithgarwch yn rhan o'i faes gorchwyl
- Cyfethol aelodau ychwanegol, gyda chymeradwyaeth yr Awdurdod, i ddarparu sgiliau, gwybodaeth a phrofiad arbenigol
- Caffael cyngor unswydd arbenigol

PWYLLGOR CWYNION A CHYDYMFFURFIAD

Rôl

- Goruchwylio'r trefniadau i ystyried cwynion sy'n perthyn i gyfrifoldeb Awdurdod S4C
- Adolygu cynnyrch rhaglenni S4C i sicrhau ei fod yn cydymffurfio â gofynion Ofcom a'r polisi cynnwys a sefydlwyd gan Awdurdod S4C
- Pan fydd gofyn, adolygu penderfyniad gan S4C i wrthod datgeliad o dan y Ddeddf Rhyddid Gwybodaeth.

Dyletswyddau

- **Cwynion**
 - Goruchwylio a monitro gweithdrefnau a systemau cwyno S4C i sicrhau eu bod yn gweithredu'n effeithlon ac yn effeithiol
 - Ystyried cwynion a wnaethpwyd yn gywir i'r Awdurdod neu a gyfeiriwyd yn gywir at yr Awdurdod, a gwneud argymhellion i'r Awdurdod ar y cam priodol ym mhob achos
- **Cydymffurfriad**
 - Goruchwylio a monitro systemau cydymffurfriad S4C i sicrhau eu bod yn gweithredu'n effeithlon ac yn effeithiol
 - Cynnal ei asesiad blynyddol ei hun o'r:
 - Graddau y mae rhaglenni a ddarlledir gan S4C yn cyfateb i'r cylch gwaith rhaglenni blynyddol a nodwyd gan Awdurdod S4C yn y Datganiad o Bolisi Rhaglenni blynyddol; a'r
 - Graddau y mae rhaglenni a ddarlledir gan S4C yn cydymffurfio â'r gofynion Ofcom a statudol perthnasol, gan gynnwys y rheini ar ddefnyddio cyllid cyhoeddus
- **Rhyddid Gwybodaeth**
 - Yn dilyn cais am adolygiad o benderfyniad gan S4C i wrthod datgeliad dan y Ddeddf Rhyddid Gwybodaeth, ystyried y mater ac argymhell i'r Awdurdod pa gam y dylai ei gymryd ym mhob achos

Materion Eraill

- Adrodd yn flynyddol i'r Awdurdod am effeithiolrwydd systemau cwyno a chydymffurfriad yr Awdurdod
- Adolygu ei berfformiad, ei gyfansoddiad a'i faes gorchwyl ei hun bob blwyddyn i sicrhau ei fod yn gweithredu mor effeithiol â phosibl, ac argymhell unrhyw newidiadau yr ystyria eu bod yn angenrheidiol i'r Awdurdod i'w cymeradwyo.

Hawliau

Caiff y Pwyllgor:

- Ymchwilio i unrhyw fater yn rhan o'i faes gorchwyl
- Cyfethol aelodau ychwanegol, gyda chymeradwyaeth yr Awdurdod, i ddarparu sgiliau, gwybodaeth a phrofiad arbenigol
- Caffael cyngor unswydd arbenigol

PWYLLGOR PERSONÉL A THÂL

Rôl

- Goruchwylio systemau personél S4C a monitro eu heffeithiolrwydd
- Cyngori'r Awdurdod ar uwch benodiadau, gan gynnwys telerau ac amodau
- Cyngori'r Awdurdod ar bob mater tâl

Dyletswyddau

• Systemau Personél

- Craffu ar holl systemau a pholisïau personél S4C, gan gynnwys y rheini ar gyfer: recriwtio; cyflogau a thelerau ac amodau cysylltiedig; hyfforddi a datblygu staff; ymddygiad a disgyblu; a chyfle cyfartal.
- Monitro effeithiolrwydd cymhwysio polisiau a systemau personél S4C.

• Penodiadau

- Goruchwylio'r broses ar gyfer penodi prif weithredwr ac ysgrifennydd S4C, argymhell yr ymgeiswyr a ffefrir i'r Awdurdod, a chynghori'r Awdurdod ar eu tâl a'u telerau ac amodau cyflogaeth cysylltiedig
- Cefnogi trefniadau arfaethedig y prif weithredwr i benodi a thalu cyfarwyddwyr bwrdd rheoli, a chael ei gynrychioli ar y paneli penodi cysylltiedig

• Tâl

- Cytuno ar bob cylch gwaith tâl, a chefnogi canlyniad cyd-drafodaethau tâl cysylltiedig
- Pennu'r taliadau llawn blynyddol i'r prif weithredwr, yr ysgrifennydd, a chyfarwyddwyr bwrdd rheoli

Materion Eraill

- Adolygu ei berfformiad, ei gyfansoddiad a'i faes gorchwyl ei hun bob blwyddyn i sicrhau ei fod yn gweithredu mor effeithiol â phosibl, ac argymhell unrhyw newidiadau yr ystyria eu bod yn angenrheidiol i'r Awdurdod i'w cymeradwyo.

Hawliau

Caiff y Pwyllgor:

- Ymchwilio i unrhyw fater yn rhan o'i faes gorchwyl
- Cyfethol aelodau ychwanegol, gyda chymeradwyaeth yr Awdurdod, i ddarparu sgiliau, gwybodaeth a phrofiad arbenigol
- Caffael cyngor unswydd arbenigol

PWYLLGOR CYNNWYS

Rôl

- Datblygu Strategaeth Raglenni 5 mlynedd S4C a pharhau i'w hadnewyddu
- Datblygu Datganiad o Bolisi Rhaglenni blynyddol S4C
- Monitro ansawdd a phoblogrwydd cynnyrch rhaglenni S4C

Dyletswyddau

• Strategaeth a Pholisi Rhaglenni

- Datblygu Strategaeth Raglenni 5 mlynedd S4C a'i chyflwyno i'r Awdurdod i'w chymeradwyo
- Cadw llygad ar y Strategaeth Raglenni, ac argymhell newidiadau i'r Awdurdod fel sy'n ofynnol
- Datblygu Datganiad o Bolisi Rhaglenni blynyddol S4C a'i gyflwyno i'r Awdurdod i'r gymeradwyo
- Cyflwyno asesiad o lwyddiant y Polisi a'r Strategaeth Raglenni i'r Awdurdod bob blwyddyn

• Monitro ac Adolygu

- Cael adroddiadau am ganfyddiadau ymchwil ym mhob cyfarfod
- Monitro ansawdd a phoblogrwydd rhaglenni S4C
- Cadw dan sylw ystod ac amrywiaeth rhaglenni S4C a'i gwasanaethau eraill yng ngoleuni tueddiadau, cyfleoedd a newidiadau mewn galw

• Materion Eraill

- Adolygu ei berfformiad, ei gyfansoddiad a'i faes gorchwyl ei hun bob blwyddyn i sicrhau ei fod yn gweithredu mor effeithiol â phosibl, ac argymhell unrhyw newidiadau yr ystyria eu bod yn angenrheidiol i'r Awdurdod i'w cymeradwyo.

• Hawliau

Caiff y Pwyllgor:

- Ymchwilio i unrhyw faterion sy'n rhan o'i faes gorchwyl
- Cyfethol aelodau ychwanegol, gyda chymeradwyaeth yr Awdurdod, i ddarparu sgiliau, gwybodaeth a phrofiad arbenigol
- Caffael cyngor unswydd arbenigol
- Comisiynu ymchwil

ATODIAD 3

CYLCH BLYNYDDOL O GYFARFODYDD

Mae'r Atodiad hwn yn adeiladu ar gylch blynyddol presennol yr Awdurdod o agendâu cyfarfod drwy ymgorffori'r cynigion strategol sydd mewn manau eraill yn yr adroddiad hwn. Yn ymarferol, bydd yn rhaid i'r agendâu ar gyfer pob cyfarfod adlewyrchu natur y materion eraill sydd wedi dod i'r amlwg ac y mae angen eu hystyried. Gallai hyn olygu y bydd angen, weithiau, ohirio un neu ragor o'r eitemau 'blynyddol' tan y cyfarfod nesaf.

Eitemau Misol

- Cofnodion y cyfarfod blaenorol, a materion a gododd
- Adroddiadau gan gadeiryddion Pwyllgor y cyfarfu eu pwyllgorau ers cyfarfod diwethaf yr Awdurdod
- Adroddiad y Cadeirydd (ar lafar fel arfer)
- Adroddiad y Prif Weithredwr – yn ymgorffori adroddiad rheoli perfformiad neu 'ddangosfwrdd' ac adroddiad y Cyfarwyddwr Comisiynu
- Adroddiad y Cyfarwyddwr Cyllid

Ionawr

- Adolygu gweithrediad cynllun corfforaethol y flwyddyn flaenorol
- Pwyllgor Tâl: Telerau ac amodau staff i'r flwyddyn ariannol sydd i ddod
- Cymeradwyo Cynllun Rhaglenni'r BBC am y flwyddyn

Chwefror

- Cymeradwyo adolygiad o weithredu Polisi Rhaglenni'r flwyddyn flaenorol – Adroddiad ar y cyd gan y Pwyllgor Cynnwys a'r Pwyllgor Cwynion a Chydymffurfiad

Mawrth

- Cymeradwyo Cyfrifon y flwyddyn flaenorol
- Cymeradwyo'r Adroddiad Blynyddol
- Cymeradwyo adolygiad o raglenni'r BBC yn y flwyddyn flaenorol

Ebrill

- Adroddiad monitro cynllun corfforaethol Chwarter Cyntaf
- Adroddiad Blynyddol: Pwyllgor Personél a Thâl

Mai

- Adroddiad Blynyddol: Pwyllgor Archwilio a Rheoli Risg

Mehefin

- Adolygiad Blynyddol o Gofrestr Risg

Gorffennaf

- Adroddiad monitro cynllun corfforaethol Ail Chwarter
- Cymeradwyo adolygiad o berfformiad yr hanner blwyddyn cyntaf mewn perthynas â datganiad Polisi Rhaglenni

Awst

Dim cyfarfod

Medi

- Adroddiad blynyddol: Pwyllgor Cwynion a Chydymffurfiad

Hydref

- Adroddiad monitro cynllun corfforaethol Trydydd Chwarter
- Adroddiad Blynyddol: Pwyllgor Cynnwys

Tachwedd

- Cymeradwyo Cyllideb

Rhagfyr

- Cymeradwyo'r cynllun corfforaethol i'r flwyddyn ganlynol
- Cymeradwyo Datganiad Polisi Rhaglenni'r flwyddyn ganlynol

Cyfarfodydd Strategaeth (Dangosol)**Mehefin**

- Adolygiad canol blwyddyn o berfformiad
- Gweithdy gyda darparwyr annibynnol

Medi

- Strategaeth Rhaglenni'r Dyfodol
 - Adolygu'r wybodaeth a'r dystiolaeth ymchwil ddiweddaraf am berfformiad cyfredol S4C
 - Cynhyrchu ac adolygu syniadau o ffynonellau allanol a mewnol

ATODIAD 4

RHESTR O GYFWELEION

1. Aelodau Awdurdod S4C

- John Walter Jones – *Cadeirydd Awdurdod S4C*
- Bill Davies – *Cadeirydd y Pwyllgor Personél a Thâl*
- Cenwyn Edwards – *Cadeirydd y Pwyllgor Cynnwys*
- Rheon Tomos – *Cadeirydd y Pwyllgor Archwilio a Rheoli Risg*
- Winston Roddick QC – *Cadeirydd y Pwyllgor Cwynion a Chydymffurfriad*
- Dyfrig Jones
- Glenda Jones
- John Davies

2. Tîm Rheoli

- Arwel Ellis Owen – *Prif Weithredwr Dros Dro*
- Clive Jones – *Cyfarwyddwr Anweithredol*
- Elin Morris – *Cyfarwyddwr Polisi Corfforaethol a Masnachol*
- Rhian Gibson – *Cyfarwyddwr Comisiynu*
- Arshad Rasul – *Cyfarwyddwr Darlledu a Dosbarthu*
- Delyth Wynne Griffiths – *Cyfarwyddwr Materion Busnes*
- Garfield Lloyd Lewis – *Cyfarwyddwr Cyfathrebu*
- Kathryn Morris – *Cyfarwyddwr Cyllid ac Adnoddau Dynol*

3. Staff eraill S4C

- *Penaethiaid Adran*
 - Carys Evans
 - Eleri Twynog Davies
 - Emlyn Penny Jones
 - Jane Felix Richards
 - Jen Pappas
 - Jim Hennefer
 - Kay Walters
 - Lilian Llewelyn
 - Mansel Jones
 - Rhys Parry
 - Sara Griffiths
- David Sanders, Cyfarwyddwr Anweithredol, S4C Masnachol
- Phil Williams, Ysgrifennydd i Awdurdod S4C
- Tîm Hartley, Pennaeth Materion Corfforaethol
- Meirion Davies, Pennaeth Cynnwys

4. Rhanddeiliaid Eraill

- Y Gwir Anrhydeddus Cheryl Gillan AS, Ysgrifennydd Gwladol Cymru
- Jon Zeff, Cyfarwyddwr – y Cyfryngau, yr Adran dros Ddiwylliant, y Cyfryngau a Chwaraeon
- John Howells, Cyfarwyddwr Diwylliant, Llywodraeth Cynulliad Cymru (a chyn-Ysgrifennydd i Awdurdod S4C)
- Dafydd Rhys, cynrychiolydd - TAC
- Rhodri Williams, Cyfarwyddwr Cymru, Ofcom
- Geraint Davies, Partner ac Archwiliwr Allanol, Grant Thornton LLP
- Cafwyd cymorth i olygu fersiynau drafft o'r adroddiad gan Emyr Byron Hughes, cyn Ysgrifennydd i Awdurdod S4C

REVIEW OF THE CORPORATE GOVERNANCE OF S4C

Sir Jon Shortridge KCB
November 2010

TABLE OF CONTENTS

1. INTRODUCTION
2. THE STATUTORY AND ADMINISTRATIVE CONTEXT
3. CORPORATE GOVERNANCE IN S4C : AN ASSESSMENT
4. A PROPOSED CORPORATE GOVERNANCE FRAMEWORK FOR S4C
5. MAKING IT WORK

ANNEXES

1. DELEGATIONS FRAMEWORK
2. DUTIES AND RESPONSIBILITIES OF COMMITTEES
3. ANNUAL CYCLE OF MEETINGS
4. LIST OF INTERVIEWEES

PREFACE

This review was undertaken during September 2010, and the report itself had been written well before the Chancellor announced in his Comprehensive Spending Review that from April 2011 the funding for S4C should be provided by the BBC, and thus the TV licence payer.

I have not considered it necessary to make any changes to the report to take account of this. Whatever the source of S4C's funding it is essential that its independence and integrity should be preserved. That in turn means it should have in place the kind of robust governance arrangements I am recommending here.

Jon Shortridge
November 2010

1. INTRODUCTION

1. In 2006 the S4C Authority voluntarily agreed to put in place a new system of corporate governance known as 'Arwahanrwydd' ('Separation'). These new arrangements were set out in a document entitled 'Key Roles of S4C Authority and the S4C Board'. Their intention was to provide a clear division of responsibilities between the regulatory and strategic role of the Authority and the management, commissioning and editorial role of the Board of Management. In the event their effect was to create, within the corporate body, three distinct decision making entities – the S4C Authority, the Board of Management, and the Commercial Board.
2. The Authority became increasingly concerned and dissatisfied with the way the new arrangements were evolving. It eventually came to the view that they were not conducive to the effective discharge of its statutory duties, and in July 2010, following several months of consideration and assessment, announced that they were to be abolished. It subsequently invited me to undertake a review of the current arrangements for S4C's corporate governance, including a review of the Key Roles document and its implementation.
3. Specifically I have been asked to advise on 'models of best practice systems/arrangements for corporate governance and accountability appropriate for S4C as a public authority in order to:
 - Establish clear lines and protocols to ensure and protect the independence of the Authority as the body which is responsible for the regulation and compliance of certain aspects of S4C's public television services, and also sets the strategy for S4C, whilst also ensuring that an inappropriate divide is not created between the Authority and the Executive Team.
 - Ensure that the role and accountability of both the Authority and the Executive Team are understood by all relevant parties, to enable the effective provision of information to the Authority and its Committees
 - Ensure that proper safeguards are in place to promote confidence amongst S4C's key stakeholders: and
 - Ensure that the proposed corporate governance structures encompass all of S4C's wider activities, to include the 'public fund', the 'general fund' and S4C Masnachol (S4C's commercial and related interests), including a comparison with industry best practice.'
4. In practice, I have seen my role as
 - to advise the S4C Authority on how it can fulfil its statutory and other responsibilities most effectively
 - to focus on the key strategic roles, relationships and structures
 - to recommend a framework within which the Authority can itself develop its own detailed requirements, rather than seek to impose a very detailed set of governance proposals which the Authority will not necessarily feel it owns or understands.
 - To set out my conclusions clearly and concisely
5. These conclusions are based in part upon the contributions I received from the many people I consulted, and whose names are recorded in Annex 4. I should like to offer my special thanks to Emyr Byron Hughes whose insights into S4C and broadcasting more generally I found particularly valuable, and who provided me with very helpful comments on successive drafts of my report.
6. I should finally by way of introduction explain that I have sought to make my report 'gender neutral' by using wherever possible the gender of the relevant holders of the posts at the time I wrote the report. Thus I refer to the chief executive as 'he' and the Director of Finance as 'she'.

2. THE STATUTORY AND ADMINISTRATIVE CONTEXT

7. Governance structures cannot be established in a vacuum. They have to take account of the status and role of the organisation concerned, its accountability relationships, and the environment within which it operates. I set out below what I consider to be the most important of these requirements in the case of S4C. They provide the context for what follows, and they will – I hope - provide a useful reminder to members, management and staff alike of the nature of S4C and its responsibilities.

The Statutory Framework

8. The statutory duties of the S4C Authority are set out in the Broadcasting Acts 1990 and 1996, and the Communications Act 2003. In particular these Acts provide that the Welsh Authority:
 - shall be known as Sianel Pedwar Cymru (or S4C)
 - shall consist of a chairman appointed by the Secretary of State and such number of other members appointed by the Secretary of State, not being less than four or more than eight, as he may determine from time to time
 - must provide the Welsh language television broadcasting service known as S4C, and secure that the service fulfils its public service remit
 - must keep the ‘prescribed’ funding it receives from the Secretary of State in a separate fund (‘the public service fund’) which may be applied only for the purposes of the Authority’s functions in relation to its public services
 - shall make arrangements for ascertaining:
 - the state of public opinion concerning programmes broadcast on S4C
 - any effects of such programmes on the attitudes or behaviour of persons who watch them
 - the types of programme that members of the public would like to be broadcast on S4C

So far as reasonably practical any such research must be undertaken by people who are neither members nor employees of the Authority, and the Authority must give full consideration to the research findings

- may carry on activities – other than those that comprise its statutory duty as set out in section 204 of the Communications Act 2003 – through S4C companies
- may determine its own arrangements in relation to its meetings, and may provide for the discharge, under its general direction, of any of its functions by a committee or by one or more of its members or employees
- shall appoint a secretary and may appoint such other employees as it may determine
- shall keep proper accounts and proper records and shall prepare an annual statement of accounts in such form as the Secretary of State may direct with the approval of the Treasury
- shall prepare an annual report of its proceedings during that year and transmit it to the Secretary of State who will lay copies of it before each House of Parliament

Code of Practice for Members

9. The Authority has established a Code of Practice for its members based upon a model suggested by its sponsor Department, DCMS. This was revised very substantially in 2006 at the time of ‘Separation’. Key points in the pre-2006 version included:
 - Members of the Authority are appointed in effect as stewards on the public’s and taxpayers’ behalf and have special duties to ensure that the performance of S4C as a broadcaster meets the statutory requirements
 - Acting corporately, members of the Authority have a responsibility for ensuring that S4C complies with any statutory or administrative requirements for the use of public funds, and amongst other things to:
 - Ensure that high standards of corporate governance are observed at all times
 - Establish the overall strategic direction of the organisation within the framework set by the Broadcasting Acts 1990 and 1996, and the Communications Act 2003
 - Oversee the delivery of planned results by monitoring performance against strategic objectives and targets

- Ensure that the Authority operates within the limits of its statutory authority, and in accordance with any other conditions relating to the use of public funds
 - Ensure that, in reaching decisions, it has taken into account any guidance issued by the sponsor Department
 - To the extent permitted by the Broadcasting Acts, responsibility for day-to-day management matters should be delegated to staff so far as practicable, within a clearly understood framework of strategic control. There should be clear internal guidance covering those matters delegated to staff and those reserved for decision by the Authority. The latter should include: issues of corporate strategy; key strategic objectives and targets; major decisions involving the use of financial and other resources; and personnel issues including key appointments and standards of conduct.
 - One of the main tasks of the Authority is oversight of the production of a corporate plan describing the policy and resources framework within which the Authority will discharge its duties, and for determining its key strategic objectives, targets and priorities.
 - Members of the Authority have a duty to ensure the safeguarding of public funds which include all types of revenue from any source and the proper custody of assets which have been publicly funded. They must take appropriate measures to ensure that, at all times, S4C conducts its operations as economically, efficiently and effectively as possible
 - Members of the Authority are responsible for ensuring that S4C does not exceed its powers or functions, whether defined in statute or otherwise, or through any limitations on its authority to incur expenditure
10. The present version of the Code excludes all these points. Instead it focuses in general terms on the roles of the Authority, its Chair and the Chief Executive. One consequence of this is that the detailed guidance contained in the previous Code as to Authority members' conduct is no longer formally made available to them. Some of it is to be found – although in more general terms – in the 'Key Roles' document ('Key Roles of S4C Authority and the S4C Board') which was produced at the time of 'Separation' but which has now been withdrawn.

The S4C Standing Orders 2006

11. At the same time as the Code of Conduct was revised a new set of standing orders was issued. This sets out in fairly general terms the arrangements for: delegating the powers of the Authority, members expenses, the Authority's procedures, conflicts of interest and the evaluation of members. In particular the Standing Orders state that:
- Responsibility for every day management issues should be delegated to staff wherever possible, within a clear and distinct framework of strategic management
 - The Authority shall ensure that clear internal guidelines are in place regarding the issues delegated to staff and issues that are decided by the Authority. The latter includes questions of corporate strategy, and setting and monitoring strategic targets and objectives.

Accountability to Government

12. S4C is a public corporation – not a non-departmental public body. Nonetheless it receives some £100m grant-in-aid annually from the Department of Culture Media and Sport, and is therefore accountable to the government for the proper management of this expenditure. The key control document here is the Memorandum of Understanding between the DCMS permanent secretary and the S4C chief executive in his/her role as accounting officer. Amongst other things this places a responsibility on the chief executive to:
- Ensure proper, economic, efficient and effective financial management and use of resources in accordance with the requirements of propriety and regularity; and
 - Ensure that there is no subsidy of S4C companies from S4C's public service fund

Accountability to Parliament and the National Assembly for Wales

13. Because S4C is publicly-funded it is accountable to Parliament as well as to the UK government. In practice this accountability is primarily to the Culture, Media and Sports

Select Committee, the Welsh Affairs Select Committee, and to the Public Accounts Committee (PAC). It is S4C's chief executive – as accounting officer – who accounts to the PAC. He takes responsibility for all the actions and inactions of the Authority, and it is for this reason that he can seek a direction from the Authority if he considers that it is requiring him to act in a way which he regards as irregular, improper or not providing value for money.

14. The S4C Authority does not have a direct accountability to the National Assembly for Wales, but because the Assembly Government is empowered to 'do anything it considers appropriate to support cultural activities and projects relating to Wales.....and the Welsh language' it is inevitable that it will take a close interest in the operation of S4C as the only Welsh language television channel. The Authority does, therefore, have a responsibility to keep the Welsh Assembly Government informed of relevant developments, and to be prepared to provide evidence, when required, to Assembly Committees.

S4C's Commercial Operations

15. S4C's founding legislation allows it to carry on activities – other than its public broadcasting activities – through S4C companies. There are currently 4 such companies (known collectively as the S4C Masnachol group) in existence whose activities are overseen by S4C's commercial board. Over the years certain of these companies have traded very successfully with the result that together they have accrued investment funds of some £30m.
16. Under the 'Separation' arrangements the commercial board, like the board of directors, operated largely independently of the Authority. It was chaired by S4C's chief executive and did not routinely report on its activities at meetings of the Authority

Accountability to Ofcom

17. The Communications Act of 2003 gives Ofcom extensive regulatory responsibilities relating to S4C. The most important of these cover:
 - Compliance with all Ofcom Codes which relate to such things as standards, fairness and impartiality, complaints procedures and equal opportunities.
 - Compliance with quotas established by Ofcom for such things as independent productions, original productions, and news and current affairs.
 - Compliance with the 'qualitative public service remit' as set out, for example, in S4C's Statement of Programme Policy.
18. In practice Ofcom exercises these responsibilities by:
 - addressing all complaints that are submitted to it by viewers of S4C's broadcasts, and
 - reviewing S4C's own assessment of its compliance with the quotas which Ofcom and the S4C Authority have placed upon it.

S4C as a Regulator

19. One very important characteristic of the S4C Authority that sets it apart from most other – though by no means all – public bodies is that it has important regulatory duties of its own. In summary these are to:
 - Assess compliance with Ofcom quotas and requirements, as well as with those it establishes itself on such things as daily news programming and children's programmes
 - Give full and proper consideration to complaints about television programmesIn order to fulfil these responsibilities it is essential that members of the Authority do not, either individually or corporately, become directly or indirectly involved in the design or commissioning of individual programmes before they are broadcast. This does not mean, however, that the management and commissioning arm of S4C must necessarily operate largely independently of the Authority as has recently been the case. On the contrary, in order to fulfil its other statutory responsibilities, it is essential that the Authority should set the direction for S4C and establish the framework within which S4C's programmes are developed, and that it should have an open dialogue with both its broadcasting arm and its viewers and suppliers on the success of current programmes and the priorities for the future

Editorial Freedom

20. It is essential that those within S4C responsible for commissioning and producing programmes can do so without interference of any sort from members of the Authority as the regulatory body. This is not a statutory requirement, but a long established public broadcasting convention that rightly needs to be jealously safeguarded. But as with the Authority's regulatory function this does not require the kind of independence of the management and commissioning arm of S4C from the Authority that emerged following 'Separation'. Indeed it is evident that the regulatory duties of the Authority and the editorial freedom of its staff go hand in hand. Both require a clear separation of certain responsibilities in relation to broadcasting, but neither requires a division to be created within the corporate body. The primary role of the S4C Authority to lead and direct the broadcasting functions of S4C is not affected.

Conclusions

21. My conclusions from this examination of the landscape within which S4C operates are as follows:

- S4C is a public corporation created by statute with the dual responsibility of providing Welsh language television programmes within Wales and regulating and ensuring the compliance of its output
- Because of the importance of preventing political interference in broadcasting it rightly operates independently of government, and it is for this reason that it is not designated as a non-departmental public body.
- On the other hand government understandably expects it to be run in a way that upholds the highest standards of financial management and propriety, and to operate within the wider governance context that both it and Parliament have prescribed
- S4C has used its powers to carry on commercial activities in addition to its public broadcasting activities very successfully in the past. In the present period of public expenditure constraint its capacity to trade commercially in this way is going to assume a much greater importance, and the Authority needs to take much closer control and oversight of these activities than it has done recently.
- Its dual role as a provider and a regulator is unusual, but not unique. For example the UK Statistics Authority has been established to operate in a similar way
- Similarly, the requirement to establish arrangements to safeguard the editorial freedom of broadcasters is not unique either. There is a range of other bodies that have to safeguard the freedoms of the professional staff for whom they are responsible. So, for example, police authorities respect the right of police officers to manage their own investigations; NHS Trusts do not intervene in matters of clinical judgment; and the UK Statistics Authority does not involve itself in the production of statistics.

22. I am therefore satisfied that there is nothing in the constitution or responsibilities of the S4C Authority to prevent it from establishing for itself governance arrangements that are based upon current best practice – and indeed that it must. I have considered whether its basic constitution should be changed to introduce the kind of separation of responsibilities that were established for the BBC with the creation of the BBC Trust – and have concluded that it does not. S4C is simply not comparable with the BBC in terms of its scale and reach. And in any case the BBC's new arrangements seem to me to be neither stable nor sustainable, and are thus most certainly not a model that S4C should be adopting.

23. That said, the model that it does adopt will most certainly need to take account of the S4C Authority's regulatory duties and the need to safeguard editorial freedom. But as these two things are essentially opposite sides of the same coin, what is right for the one will by definition also be right for the other. They do require a clear separation of duties, but that can be established without returning to the gulf between the Authority and Management that emerged as a result of 'Arwahanrwydd'. S4C is a single corporate body, and it is the duty of those responsible for leading it to ensure that it operates in a unified and integrated way.

3. CORPORATE GOVERNANCE IN S4C: AN ASSESSMENT

24. I have been asked to advise on models of best practice and systems/arrangements for corporate governance appropriate for S4C, and as part of this to review the Key Roles document and its implementation. In terms of best practice I have focused in particular on The UK Corporate Governance Code produced by the Financial Reporting Council (1), and on The Good Governance Standard for Public Services produced by the Independent Commission for Good Governance in Public Services chaired by Sir Alan Langlands (2). Of these I consider the latter to be of most relevance to S4C, and for this reason I have used it to provide the main framework for what follows. The Corporate Governance Code is primarily designed for major public companies, but much of what it has to say is transferable to S4C and for this reason I think it is appropriate to draw attention to some of the more strategic elements in the guidance it provides. Its injunction to 'comply or explain' is particularly relevant.

The UK Corporate Governance Code

25. The Financial Reporting Council's Corporate Governance Code contains much that is of relevance to public sector boards and board directors, and all Authority members should make themselves familiar with what it says. I set out below some of the more important principles or points that it contains:

- The purpose of corporate governance is to facilitate effective entrepreneurial and prudent management that can deliver the long term success of the company
- Corporate governance is therefore about what the board of a company does and how it sets the values of the company, and is to be distinguished from the day to day operational management of the company by full-time executives
- Every company should be headed by an effective board which is collectively responsible for the long term success of the company. The board's role is to provide leadership of the company within the framework of prudent and effective controls which enables risk to be assessed and managed. The board should set the company's strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives, and review management performance. The board should set the company's values and standards and ensure that its obligations to its shareholders and others are understood and met
- There should be a formal schedule of matters specifically reserved for the board's decision. The annual report should include a statement of how the board operates, including a high level statement of which types of decisions are taken by the board and which are to be delegated to management
- There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business. No one individual should have unfettered powers of decision
- Non-executive directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They should satisfy themselves on the integrity of financial information and that financial control and systems of risk management are robust and defensible
- The board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. Management has an obligation to provide accurate timely and clear information, but directors should seek clarification or amplification where necessary
- The board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The board should maintain sound risk management and internal control systems

(1) The UK Corporate Governance Code, Financial Reporting Council, June 2010

(2) The Good Governance Standard for Public Services, The Independent Commission for Good Governance in Public Services, 2004

The Good Governance Standard for Public Services

26. The Good Governance Standard was prepared as a guide to help everyone concerned with the governance of public services to understand and apply common principles of good governance, and to assess the strengths and weaknesses of current governance practice and improve it. The Standard focuses on the ways different functions of governance can support each other. As the Guide states: 'governance is dynamic: good governance encourages the public trust and participation that enables services to improve; bad governance fosters the low morale and adversarial relationships that lead to poor performance or even, ultimately, to dysfunctional organisations.'
27. The Standard consists of the following six core principles, each with its own supporting principles:
- Good governance means focusing on the organisation's purpose and on outcomes for citizens and service users
 - Good governance means performing effectively in clearly defined functions and roles
 - Good governance means promoting values for the whole organisation and demonstrating the values of good governance through behaviour
 - Good governance means taking informed, transparent decisions and managing risk
 - Good governance means developing the capacity and capability of the governing body to be effective
 - Good governance means engaging stakeholders and making accountability real

Applying the Good Governance Standard to S4C

28. I have used the Standard as a diagnostic tool to enable me to assess the effectiveness of the present governance arrangements in S4C and to inform my recommendations for change. In the time available I have not been able to conduct a detailed audit, though the Authority may like to consider commissioning such an audit in, say, 2 years time so as to provide some evidence on how well its new arrangements are being embedded. What follows, therefore, are my impressions, based primarily upon the conversations I have held and the papers I have read, of where the present governance arrangements need to be improved. I have focused in particular on the strategic issues that need to be addressed rather than attempt to deal with all the detailed aspects of best practice. In places I have quoted extensively from the Guide, but as with the Corporate Governance Code all Authority members should in any case familiarise themselves with everything it says

Principle 1

Good Governance means focusing on the organisation's purpose and on outcomes for citizens and service users

29. The Standard states that the function of governance is to ensure that an organisation or partnership fulfils its overall purpose, achieves its intended outcomes for citizens and service users, and operates in an effective, efficient and ethical manner. This principle should guide all governance activity.
- ***Being clear about the organisation's purpose and its intended outcomes for citizens and service users***
30. S4C's core purpose is enshrined in statute and is therefore clear. More could, however, be done to translate this purpose into a set of operational objectives which are communicated effectively both within and outside the organisation. Similarly I found little evidence that the Authority has sufficiently effective arrangements in place actively to review its decisions so that it can be satisfied that, for example, its programmes further its purpose and contribute to its intended outcomes. The main way in which it does this at present is by means of the Annual Review of the Statement of Programmes Policy, which is currently considered by the Content Committee and subsequently approved by the Authority
- ***Making sure that users receive a high quality service***
31. The quality of service is an important measure of how effective an organisation is, and so it is particularly important to governance. S4C undertakes its own audience research and the Authority receives monthly research reports that contain information relating to viewing figures, an annual 'image tracking' research report, and other ad hoc reports as

appropriate. But I was told that more could be done to report to the Authority on the quality of its programmes and the extent to which these meet audience need, and that much better use could be made of its viewing data. Similarly, until comparatively recently, Authority members appear to have been discouraged from themselves engaging formally with the viewing public in Wales, and have not been creating sufficient opportunities to discuss the quality of the viewers' experience and the future direction of its programming with its independent producers. If the Authority had more information and intelligence of this nature it would be in a better position to make decisions about future broadcasting priorities

- ***Making sure that taxpayers receive value for money***

32. About £100m of S4C's £105m budget is provided as grant-in-aid by the Department of Culture Media and Sport. Citizens and taxpayers have a legitimate interest in how this money is being spent, and the Authority has a duty to strive for economy, efficiency and effectiveness in all that S4C does. At present little is being done to commission studies of value for money. Neither the Risk Management and Audit Committee nor the Content Committee has an explicit responsibility for this. Unless appropriate scrutiny arrangements are embedded within the Authority's governance structures there is a risk that value for money considerations will not be routinely taken into account when programmes are commissioned or contracts are let. The Authority therefore needs to decide how it wants value for money to be measured and assessed so that this information can be used when it plans and reviews S4C's performance.

Principle 2

Good Governance means performing effectively in clearly defined functions and roles

33. Good governance requires all concerned to be clear about the functions of governance and their roles and responsibilities and those of others, and to behave in ways that are consistent with those roles.

- ***Being clear about the functions of the governing body***

34. The Standard identifies the primary functions of the governing body as to:
 - Establish the organisation's strategic direction and aims, in conjunction with the executive
 - Ensure accountability to the public for the organisation's performance
 - Assure that the organisation is managed with probity and integrity
 - Allocate resources and monitor organisational and executive performance
 - Delegate to management
 - Oversee the appointment of and the contractual arrangements for senior executives, and make sure that effective management arrangements are in place
 - Understand and manage risk
 - Constructively challenge and scrutinise the executive
 - Ensure that the voice of the public is heard in decision making
 - Forge strategic partnerships with other organisations
35. It is in these areas in particular that the policy of 'Separation' has not served the Authority or S4C well. In particular, I was told that because of the autonomy that the Board of Management had established for itself the Authority was often denied the information it required to undertake its scrutiny and challenge role. Furthermore I was unable to find a sufficiently clear set of delegations which establish the decisions that the Authority reserves to itself and the terms upon which it delegates all other matters to the Board of Directors. Nor would it appear that the Authority has had access to the information it needs to satisfy itself that effective management arrangements are in place. Moreover I was told that, because it had become increasingly invisible to producers and viewers alike, it was unable to take their views sufficiently into account in its decision making. In recent months this situation has begun to improve.

- ***Being clear about the responsibilities of non-executives and the executive, and making sure that those responsibilities are carried out***
36. All governing bodies should set out a clear statement of the respective roles and responsibilities of its non-executives members and the executive, and its approach to putting this into practice. Nominally such a statement is currently provided by the Key Roles document which I have been specifically asked to review. In summary my view of this document is that, although it says many of the right things, it has failed to establish an appropriate set of behaviours and relationships, and for this reason needs to be replaced. Section 2.3, which states that the Authority will ‘operate *independently* of the S4C Board’, is particularly inappropriate. Given the Authority’s overall responsibility for leading and controlling the corporate body this requirement cannot be right, and it is at least possible that its inclusion may have encouraged those responsible to interpret the document as sanctioning the wholly inappropriate gulf that subsequently emerged between the Authority and the Board of Management.
 37. The chair and chief executive need to negotiate their respective roles within a framework in which the chair leads the governing body and the chief executive leads and manages the organisation. These roles then need to be explained clearly to the Authority and S4C as a whole. As I go on to explain, there is also the need to put in place a set of delegations which establishes the decisions which the Authority is reserving for itself and those that it is delegating to the Chief Executive. In my view these delegations should replace the Roles document which is too closely associated with the arrangements which have caused so many of the governance failings that the Authority has asked me to address.
 38. In the time available I have not been able to observe the way in which the members of the Authority undertake their responsibilities, but it is nonetheless worth setting out what the Standard says about the nature of their role . This is to:
 - Contribute to strategy by bringing a range of perspectives to strategy development and decision making
 - Make sure that effective management arrangements and an effective team are in place at the top of the organisation
 - Delegate: non-executives help to clarify which decisions are reserved for the governing body, and then clearly delegate the rest
 - Hold the executive to account: the governing body delegates responsibilities to the executive. Non-executives have a vital role in holding the executive to account - including through purposeful challenge and scrutiny
 - Be extremely discriminating about getting involved in matters of operational detail for which responsibility is delegated to the executive – and in the case of S4C not involving themselves directly in editorial or commissioning matters
- ***Being clear about relationships between governors and the public***
39. The Authority needs to ensure that both it and S4C more generally engage effectively with the public and service users to understand their views. These relationships were allowed to deteriorate under ‘Separation’. Nonetheless the impression I have obtained is that the Authority’s members are acutely aware of the importance of this requirement, and the need to find innovative and proportionate ways of fulfilling it more effectively.

Principle 3

Good Governance means promoting values for the whole organisation and demonstrating the values of good governance through behaviour

40. In the words of the Guide, good governance can be expressed as values and demonstrated in behaviour. It builds on the Nolan principles of: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. There is a particular need for the Authority to satisfy itself that it, and the leadership in S4C more generally, exhibit the organisation’s values through their behaviour.
- ***Putting organisational values into practice***
41. I saw little evidence of S4C’s values in its Cardiff office which does very little to convey the nature and purpose of the organisation. The Authority needs to consider whether it should be doing more, in conjunction with S4C’s management, to establish and promote the values it considers to be appropriate for the organisation and its staff; to keep these

values at the forefront of its own and their behaviour; and to use them in its decision taking.

- ***Individual governors behaving in ways that uphold and exemplify effective governance***

42. The key thing here is that individual members of the Authority should through their behaviour demonstrate that they are living the values of the organisation, and that they are committed to the organisation and its stakeholders. So, for example, if the Authority wants S4C to stand, amongst other things, for openness and accessibility the Authority and its individual members should themselves be seen to be open and accessible.

Principle 4

Good governance means taking informed, transparent decisions and managing risk

43. One of the most serious consequences of 'Separation' was that decision making suffered. Too many decisions were taken by management which should have gone to the Authority; there was too little transparency; when members of the Authority were invited to take decisions they too often felt that they were not given sufficient time and that they were denied the information they needed to enable them to make the necessary judgements; and they also lacked the information they needed to assess the decision taking and performance of management.

- ***Being rigorous and transparent about how decisions are taken***

44. In the words of the Guide, a hallmark of good governance is a clearly defined level of delegation by the governing body to the executive for decision making. The governing body must establish a clear framework within which the management team can operate. It should only reserve strategic, not detailed or operational, matters to itself whilst ensuring that it is not too far removed to provide effective oversight and scrutiny.
45. The 'Roles' document was far too generic to fulfil this requirement adequately, and it is likely that the absence of an explicit set of delegations from the Authority to management was the primary reason why the 'Separation' policy led to the corporate body splitting into three largely independent operations. So it will be essential that under the new arrangements the Authority should draw up a formal statement that specifies the types of decisions that are delegated to management (in practice the chief executive) and those that it is reserving to itself. It is worth adding that this is not something that the Authority will get right first time. It is in the very nature of things that the appropriateness of delegations will be tested by hard cases. It is important that when such hard cases arise the Authority should consider with the chief executive what if any changes should be made to the delegation arrangements in future to take account of them, and that in any case it should formally review its delegations once a year.
46. Decision making is not all about having the right system of delegations. Of equal importance is the need to ensure that the reasons for decisions are appropriately recorded, and that they are communicated clearly and openly to those affected by them.

- ***Having and using good quality information, advice and support***

47. One of the concerns expressed most regularly to me by members of the Authority was that, under 'Separation', they did not have the information they needed to enable them to take decisions properly. This suggests to me that the nature and scope of their role had become seriously misunderstood. The introduction of an appropriate set of delegations should serve to remove any residual misunderstanding here. But over and above that there is a need for those who present matters for decision to the Authority to understand the nature of the supporting information that any governing body requires. It may be that the Authority should devise a template for the management team to adhere to. But whether this is done or not, the key principles that need to be followed are that the information should be: relevant to the decision that the Authority has to take; timely; objective; and clear. Professional advice should always be included on, for example, legal, financial, or communication matters. Only on very rare occasions should it be necessary (or acceptable) to bring a matter to the Authority for decision orally or on the basis of a paper that has been tabled at the meeting.

- ***Making sure that an effective risk management system is in operation***
48. In the words of the Guide, a risk management system should consider the full range of the organisation's activities and responsibilities, and continuously check that various good management disciplines are in place, including that:
- Strategies and policies are put into practice in all parts of the organisation
 - Strategies and policies are well designed and regularly reviewed
 - High quality services are delivered efficiently and effectively
 - Performance is regularly and rigorously monitored and effective measures are put in place to tackle poor performance
 - Laws and regulations are complied with
 - Information used by the organisation is relevant, accurate, up-to-date, timely and reliable
 - Financial statements and other information published by the organisation are accurate and reliable
 - Financial resources are managed efficiently and effectively and are safeguarded
 - Human and other resources are appropriately managed and safeguarded
49. I have been told that the Risk Management and Audit Committee is generally operating effectively and that the new risk management system introduced some two years ago is now bedding in well. But it would appear that this Committee too has in the past not been provided routinely with all the information it needs. Given this, and given the fundamental importance of the role that this Committee performs the Authority should consider commissioning an audit of its risk management arrangements – against the criteria listed above – within the next year to 18 months.

Principle 5

Good Governance means developing the capacity and capability of the governing body to be effective

50. The quality and diversity of the members of the governing body are clearly important, but I have regarded it as largely outside my remit to comment on this issue – not least because it is largely a matter for DCMS, which appoints the Authority's members, rather than the Authority itself. Nonetheless it is appropriate to refer briefly to the Guide's comments on this.
- ***Making sure that appointed governors have the skills, knowledge and experience they need to perform well***
51. The key issue here (for DCMS) is to recruit people with the necessary skills, and within the skill set required to encourage the widest range of people as possible to apply. The Authority, and more particularly the Chair, can assist in this process by actively looking out for talent and putting in place succession planning arrangements. If, for example, it decides on the basis of this review to establish advisory panels or appoint non-executive members to certain of its committees, some of the people involved may over time become qualified for appointment as members of the Authority.
- ***Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group***
52. Any successful board needs able and highly motivated individuals who can work together effectively as a team. To achieve this the Authority needs to invest time in its development both individually and corporately. The Authority's standing orders make provision for the induction and appraisal of members, including the Chair. It is not clear to me how effectively or rigorously these arrangements are implemented. The Authority could usefully at one of its future meetings have a short discussion about what more it should be doing to provide thorough induction for new members, and to evaluate and improve its own performance. In particular it should consider the possibility of reviewing its performance as a board once a year. This evaluation could be undertaken immediately before the annual review of individual members' performance

- ***Striking a balance in the membership of the governing body between continuity and renewal***
53. Although it is for DCMS to make appointments to the Authority there is nothing to prevent the Chair from submitting to the Department his Authority's views on the succession priorities. In particular he should seek the views of his Authority on what at any one time is the appropriate balance between on the one hand continuity in knowledge and relationships and on the other hand renewal of thinking and experience.

Principle 6

Good Governance means engaging stakeholders and making accountability real

54. Real accountability is concerned not only with reporting on or discussing actions already completed, but also with engaging with stakeholders so as to understand and respond to their views. In the case of S4C which rightly operates very much at arm's length from government the key stakeholder to whom it has to account is its television viewing public in Wales. If it is demonstrably satisfying this group it is much more likely to satisfy its other stakeholders in government, Parliament, and the National Assembly for Wales.

- ***Understanding formal and informal accountability relationships***

55. The nature of the Authority's accountability relationships are clear, but it would be helpful if they were brought together in a single document which describes to whom the Authority considers itself accountable, and for what. Such clarity is necessary because it will help to inform the priorities of the Authority, and to inform the behaviour of staff.

- ***Taking an active and planned approach to dialogue with and accountability to the public***

56. I have been told that, until recently, Authority members were discouraged from engaging too directly with the public because there was a perception that this would result in their being drawn into an inappropriate discussion of commissioning and editorial matters. Any such perception is clearly misguided. Authority members, and the Chair especially, need to hear directly what S4C's viewers think of the service S4C provides. So the more that they are seen around Wales and take the opportunity to hear views the better. Authority members also need to engage with relevant representative groups both of viewers and producers so that they are able to take decisions about the strategic direction of S4C and its programme mix on a properly informed basis.

57. In addition the Authority needs to help shape the research that S4C undertakes into viewing trends and viewers' interests, and to take the opportunity to consider the results of this on a regular basis.

- ***Taking an active and planned approach to responsibility to staff***

58. The Authority needs to provide an environment in which staff can perform well and deliver effective services by creating a culture that welcomes ideas and suggestions, responds to staff views, and explains decisions. Under 'Separation' it is clear to me that an unhealthy distance was created between the Authority and its staff. This is now being closed, but it will take time and much effort to create the culture of trust and openness that is required. To promote this, the Authority should refresh its policy on when and how it consults and involves staff in its decisions that affect them. It should also consider matching individual Authority members to individual departments so that collectively members can obtain a much better understanding of the way in which S4C operates. It should also review its whistleblowing policy.

- ***Engaging effectively with institutional stakeholders***

59. The Guide recommends that governing bodies should take the lead in forming and maintaining relationships with the leaders of other organisations as the foundation for effective working relationships at operational levels. The Authority could usefully take the time to review the nature of its present key relationships and decide in what way – if at all – these need to be strengthened. Given the present financial circumstances, it clearly needs to be investing heavily in its relationship with DCMS, the Welsh Assembly Government and the National Assembly for Wales. Other important relationships include those with the BBC and the programme producers in Wales.

4. A PROPOSED GOVERNANCE FRAMEWORK FOR S4C

60. In this chapter I set out my suggested governance framework for the future. I am very conscious that it is for the Authority, advised by its chief executive and its secretary, to determine the arrangements that will suit it best, and it is for this reason that for the most part I am not putting forward these suggestions as firm recommendations. I focus first on Roles and Responsibilities, then turn to Structures. In the final chapter I deal with Operational Matters.

Roles and Responsibilities

The Authority

61. The Authority has overall responsibility for safeguarding and enhancing the reputation of S4C and for providing it with leadership and direction. As a non-executive body it must necessarily rely almost exclusively on its chief executive and management team for the support and advice it needs. It thus needs to establish a very clear set of delegations based upon its agreed roles and responsibilities. This should completely replace the existing 'Roles' document which has not served S4C well. Essentially the statement of delegations needs to identify the matters which the Authority reserves to itself for decision and define:

- The terms of reference of all its subcommittees together with their decision making powers, which the Authority needs formally to approve
- The division of responsibilities between the Chair and the Chief Executive, and any subsequent changes to these

It should also require both the Chair and the Chief Executive to refer to it all novel or contentious matters which might have reputational consequences for the Authority.

62. I have set out in Annex 1 a framework Delegations Document which the Authority may like to build upon. The paragraphs below provide an elaboration of what I consider to be the key responsibilities that the Authority needs to reserve to itself.

Set and uphold S4C's values

63. Under 'Separation', S4C had effectively fractured into three organisations. A fundamental task of the new governance system must be to bring these three parts back together again so that S4C can function effectively as a unitary and unified organisation. Central to this is the need to establish a set of shared values and behaviours which will motivate staff and appeal strongly to its producers and the viewing public. To ensure that these values are shared fully by the whole organisation, they need to be developed with the chief executive and the management team who will have the task of operationalising them within the organisation. Once established, they should be constantly reinforced by effective communication and behaviour.

Strategy

64. The Authority must establish the overall direction of S4C. A key way of doing this is to produce a 5 year business plan which incorporates its programming strategy. This should be refreshed annually, and rolled forward as part of a fundamental review every 3 years – or more frequently if there is a need to address a fundamental change in S4C's operating environment which has occurred in the meantime.

65. To operationalise the business plan there needs to be a corporate plan which sets out S4C's objectives and targets for the coming year, and shows how resources are to be applied. This should be a key product from the annual budget setting round. The present corporate plan is not a sufficiently rigorous document, and its nature and production arrangements need to be reviewed.

Financial Matters

66. Associated with its approval of its annual corporate plan, the Authority has responsibility for:

- approving S4C's annual operating expenditure budget and any material changes that need to be made to this in-year.
- approving S4C's annual report and accounts and all associated publicity material. It also needs to reserve to itself responsibility for approving all contracts and other financial liabilities (not already approved as part of the annual budget) over a threshold to be agreed with its chief executive, and for the acquisition and disposal of business assets

Stewardship

67. S4C is a public body largely funded from public resources. This places the Authority under an obligation to ensure that it achieves the highest standards in terms of: financial management, ethical behaviour and delivery performance.
68. S4C's Chief Executive, as accounting officer, has a particular responsibility for financial stewardship, and the Authority should rightly look to him to ensure that the necessary financial and accounting systems are in place and to provide it with sound advice on all financial matters. To satisfy itself that all is well it needs to retain oversight of its system of internal control and risk management by:
- Receiving and reviewing reports on S4C's risk and control processes, and
 - Undertaking an annual assessment of these processes.
69. To ensure that S4C is achieving the necessary ethical standards the Authority needs to be satisfied that sufficient systems are in place to secure the achievement of the seven Nolan principles for the conduct of people in public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. These principles apply to members of the Authority individually. Some for reasons of transparency require its secretariat to put in place reporting arrangements on, for example, potential conflicts of interest and the receipt of hospitality. Moreover the Authority as a whole needs to be satisfied that where actions are being taken in their name by S4C at large these too comply with the appropriate standards. In part this can be achieved by:
- Making sure that staff understand the standards of behaviour that the Authority expects of them,
 - Authority members themselves exemplifying at all times the standards of behaviour they expect of others, and
 - Bringing relevant standards of conduct into the ambit of its audit regime
70. Delivery performance is also about standards – although in the case of S4C this essentially means the standard of the programmes that S4C broadcasts. Given the importance of safeguarding editorial freedom, the Authority's task here is essentially to set the standard in terms of overall content and quality and then to assess the extent to which this is being achieved at least annually.

Regulation and Complaints Handling

71. Regulation and complaints handling are a sufficiently important element of stewardship to be considered separately. The Authority shares its regulatory responsibilities – which essentially focus on complaints handling and Code/remit compliance - with Ofcom. In the case of complaints, S4C management, the Authority, and Ofcom all have a role. Unusually, Ofcom do not take the view that if someone makes a complaint about an S4C programme to them it should be referred to S4C to address in the first instance. Instead they will normally deal with it themselves. This means that who deals with a complaint – S4C or Ofcom – is determined by to whom the complaint is sent, and this means that, in certain instances, S4C has less of an opportunity than perhaps it should have to deal in the first instance with, and learn from, all the complaints that are made about its programmes. It is open to the S4C Authority, however, to establish that all complaints that it receives are dealt with by its management in the first instance, and that where they are unable to satisfy the complainant the Authority should itself investigate the matter.
72. Complaints handling is just one aspect, albeit a particularly visible aspect, of regulation. The Authority's other key role is in satisfying itself (and Ofcom) that S4C's output fulfils the requirements that both it and Ofcom have prescribed. Here it is my impression that there is much more that the Authority, could and should be reserving to itself.

Research

73. The Authority has a statutory duty to undertake research designed to discover public opinion on S4C programmes; the effect of such programmes on attitudes or behaviour; and the types of programmes people in Wales would like to watch. It has a similar duty to 'give full consideration' to these research findings. Irrespective of this statutory

requirement, the commissioning and consideration of research – or to express it in more general terms, learning about the perceptions of its viewers - is clearly fundamental to the Authority's role in that it helps to inform both the development of S4C's strategy and objectives and the implementation of its own delivery and regulatory role.

Appointments and Remuneration

74. As a strategic governing body the Authority is almost totally dependent on the quality of S4C's staff to secure the quality of organisational performance and output that it requires. This means that it must be very closely involved in decisions relating to the appointment and remuneration of all key staff. At the very least this in turn means that it should:

- Appoint, and manage the performance of, its chief executive and its secretary
- Determine the remuneration of its chief executive and its secretary, and endorse the chief executive's recommended remuneration proposals for other members of his management team
- Be represented on the appointments panels established to recruit to vacancies on the management team.
- Be consulted by the Chief Executive on any proposals to restructure his management team or remove key members of staff
- Endorse the HR policies adopted by its management team

Manage Performance

75. Having set the direction and satisfied itself that the necessary arrangements are in place to secure delivery, the Authority's other key role is to manage performance. To do this effectively it needs:

- to establish an appropriate sub-committee structure,
- to ensure that it is provided with the necessary information in a timely manner,
- and then for Authority members both collectively and individually to challenge and scrutinise.

Where this challenge and scrutiny function is exercised appropriately and well it can be very effective in helping to build a high performing organisation, but if the context is unclear and the information inadequate there is a danger that the consequent engagement will be unproductive.

Corporate Governance Matters

76. As a matter of good practice the Authority needs annually to review its overall corporate governance arrangements and processes – including a rigorous annual evaluation of its own performance and that of its committees and senior managers, and the appropriateness of its delegations.

Policies

77. There are certain overarching policies that the Authority, as a matter of law or good practice, needs to approve and keep under review. These include:

- Its Code of Conduct
- Health and Safety
- Environmental Sustainability
- Equality and Diversity
- Whistleblowing

Other Matters

78. Other matters that the Authority should reserve to itself are:

- The prosecution, defence or settlement of material litigation
- Responding to any investigation into its activities by any competent regulatory authority
- Any other matter which might materially prejudice the credibility or reputation of the S4C Authority

STRUCTURES

79. To maximise its effectiveness the Authority needs to delegate, as it has done, certain of its functions to sub-committees. The extent to which it can do this, and thus its overall effectiveness, is constrained by its size. With the exception of the Chair, each of its 9

members cannot reasonably be expected to sit on more than 2 sub-committees; and normally a sub committee should comprise 3 – and ideally 4 – members of the Authority. In the case of certain specialist committees there is the option of recruiting an additional member, and the Authority may wish to consider this.

80. Currently the Authority has 4 sub-committees each comprising three members. These are:

- Risk Management and Audit
- Complaints and Compliance
- Personnel and Remuneration
- Content

I set out my comments on each of these committees below. But in summary I recommend that the Authority should refocus the roles of the Complaints and Compliance and the Content Committees, and consider establishing a new Committee to oversee the management of S4C's executive arm. It should also take much firmer control of S4C's commercial activities by formally treating the Commercial Board like one of its sub-committees and having it chaired by one of the Authority's members. All the Committees' present terms of reference will need to be updated in the light of decisions taken by the Authority following this review. I have set out my recommendations on the role, duties and rights of each Committee in Annex 2.

Risk Management and Audit

81. The Risk Management and Audit Committee comprises 3 members of the Authority and is required to meet at least 3 times a year. It has a full range of duties, the most important of which are to:

- Determine audit needs and the associated audit plan
- Review the annual financial statements and the associated audit report and management letter
- Oversee the management of risk within S4C including the operation of the risk policy and the associated risk register
- Consider individual internal audit reports and the implementation of their recommendations
- Report on a regular basis to the Authority

82. These are all standard functions of such a Committee. The impression I have obtained is that the Committee is currently operating effectively and I am therefore not recommending many changes to its role or manner of operation. I do, however, recommend that it should formally be given responsibility for auditing and assessing value for money. In addition both it and the Authority should consider whether, given the necessary freedom that management must continue to exercise in commissioning programmes, the Authority should increase the capacity of its internal audit function so that it can obtain greater assurance about the standards of regularity and compliance within the organisation as a whole.

Complaints and Compliance

83. The Complaints and Compliance Committee has to meet at least once a year. Its present role is essentially to:

- Monitor and oversee the complaints and compliance system operated by S4C management
- Consider complaints that are referred to it, and
- Where requested, review a decision by S4C management to refuse disclosure under the Freedom of Information Act.

84. These are very narrowly defined responsibilities many of which can be performed through correspondence, and this means that the Committee effectively operates very largely in responsive mode. I understand, for example, that the Committee has only had to consider one substantive issue in the past year. I recommend that the Committee is given a much stronger regulatory role. Amongst other things this would mean that it should:

- Consider the extent to which S4C programmes are meeting the standards set by the Ofcom Broadcasting Code and by the Authority itself in its annual Statement of Programme Policy
- Investigate complaints referred to it by the Authority, and keep under review management's performance in handling complaints.
- Report upon the performance of its responsibilities to the Authority on a regular basis

Personnel and Remuneration

85. The Personnel and Remuneration Committee meets at least once a year, and additionally when a need arises. It has three members, and the Chair will usually attend its meetings together with the Chief Executive and Director of Human Resources. Its main duties are to:
- Supervise all S4C's personnel systems
 - Make recommendations to the Authority about the employment terms and conditions of the chief executive and the secretary
 - Report to the Authority annually on the results of internal research into S4C's HR performance
 - Address exceptional HR problems as they arise, including those referred to it by the Authority
86. These duties are not as clear as they could be, and in any case they need to be revisited now that 'Separation' has been abolished so that the nature of the Chief Executive's accountability to the Committee is clarified. In particular I recommend that the Committee should be given an explicit additional role in respect of appointing the chief executive and other senior staff, and in determining their remuneration.

Content Committee

87. The Content Committee meets three times a year and additionally if required. It has 3 members. Its main duties are to:
- Supervise and monitor the 'programme content performance' and 'other S4C service content performance'
 - If asked, assist the Authority to monitor the success of its programme strategy annually and prepare its Programme Strategy at least every 5 years.
 - Revise and put before the Authority for approval the yearly Statement of Programme Policy and the Review of Programme Policy
 - Revise the range and variety of S4C's programmes and other services according to demand
- The Committee is explicitly not charged with compliance matters relating to programmes and other services.
88. The impression I have obtained is that, under 'Separation', this Committee usually adopted proposals that came forward from S4C's management. Whilst it rightly needs to avoid involving itself in detailed editorial or commissioning matters, it clearly has a vitally important role in providing clear direction - to both S4C's Chief Executive and the commissioners of S4C programmes - about the programming strategy to be adopted. The Committee needs to continue to have responsibility for assessing programme performance and content. But the nature of this role needs to be differentiated more clearly from the similar role which I believe needs to be exercised by the Complaints and Compliance Committee in future. A clear separation of duties in this way would help to give the overall assessment of performance greater objectivity and mean that more Authority members are involved, in their different ways, in the centrally-important task of determining and assessing S4C's programme output. For this separation of duties to work effectively there would need to be at least one joint meeting of the two Committees each year - together with a thorough consideration of the Committees' relevant recommendations at meetings of the Authority itself.

The Commercial Board

89. The Commercial Board is currently not a subcommittee of the Authority at all. It is chaired by the chief executive, and the finance director is always in attendance. Its central duty is to oversee the management of S4C's four subsidiary companies. Since its inception the commercial activities of S4C have generally proved to be very successful. Taken

together these companies have currently built up investment funds of some £30million, and in present circumstances their ability to continue to generate revenues and to operate more commercially than in the past could be an important factor in S4C's continuing success. For this reason it is very strange that the Authority should have allowed their oversight to be undertaken at arm's length from it. I recommend that two members of the Authority who have extensive commercial experience should become members of the Board, and that one of these should become the chair; that the minutes of the Board should be circulated to the Authority on a regular basis; and that after each Board meeting the Chair should report orally to the Authority on its proceedings. Apart from anything else the greater visibility this would give to S4C's commercial activities would enable the Authority to satisfy itself more effectively than at present that it is complying with its statutory duty not to apply the prescribed funding it receives from the Secretary of State for any of its commercial activities.

Establishing a General Committee

90. As presently constituted the Authority does not have a committee that can oversee the management of other corporate issues – such as finance, estates and IT – in the same way that the Personnel and Remuneration Committee oversees HR matters. I have therefore given careful consideration to the possibility that the Authority should establish a General Committee which would be tasked with providing oversight of the performance of S4C management in the round. On balance I have concluded that this would be an unnecessary complication at present. It is my impression that the Authority currently has the capacity to perform this performance management role itself (although it was not equipped to do it under 'Separation'), not least because the level of detailed scrutiny and guidance required is much less for the other corporate services than is the case for HR. I am therefore not recommending a change of this nature for now. But I do think that the Authority should keep under review the possibility of expanding the role of the Personnel and Remuneration Committee to provide oversight of all S4C's corporate services. The case for doing this would rest on whether the Authority felt that it did not have the time or capacity to perform this oversight role satisfactorily itself, and/or if it considered that it needed to become much more actively engaged in improving the performance of S4C management.

5. MAKING IT WORK

91. It does not follow that just because an organisation has the right governance arrangements in place they will work satisfactorily. How they are applied, and indeed whether they are understood and accepted by those who have to operate them, are equally important. That is why it is so important that the Authority, supported by its management team, should develop and adapt the framework I am proposing so that it can be quite sure that the detailed arrangements it puts in place meet its requirements. In this final part of my report I set out what I consider to be good practice in terms of how the Authority and its members should operate the arrangements I am proposing.

Attendance at Authority Meetings

92. The UK Corporate Governance Code's guidance is that boards should comprise a combination of executives and non-executives. This is not possible in the case of S4C because the legislation stipulates a wholly non-executive board. But this does not prevent members of the management team being in attendance on a regular basis. I recommend that, at the very least, the chief executive, the director of finance and the director of commissioning should always attend Authority meetings except on those occasions where the Authority decides it wishes to discuss something in private. I also recommend that the director of communications should always attend as an observer. In this way he will be well informed both to assist the Authority in dealing with any media interest arising from its meetings, and equally importantly to communicate to staff what was discussed and agreed thereby helping to improve the visibility of the Authority within S4C.
93. Particularly given the need in present circumstances to build a strong unified organisation, there is also a case for enhancing the visibility of the Authority by opening up at least part of its proceedings to members of staff. Over time this should help to build up within the organisation a better understanding of the issues of concern to the Authority, and to break down some of the barriers that have emerged in recent years. I therefore recommend that the Authority should consider putting in place arrangements whereby up to four members of staff can attend all or part of its meetings as observers.

Format of Authority Meetings

94. The agendas for Authority meetings should follow a set pattern. Because so much of the Authority's business will be conducted by its subcommittees it is important that each meeting should begin with an oral report from the chairs of those subcommittees that have met since the last meeting of the Authority. These reports should be supplemented by the minutes of the meetings concerned, which should be circulated with the papers for the meeting as 'papers to note'.
95. Following a consideration of these minutes there should be an oral report to the Authority from the Chair followed by the chief executive's monthly report to the Authority. This should always be in the form of a paper. There would then be the Finance Director's monthly report, and if not included elsewhere information on S4C's performance in terms of both output and management. Ideally this should be presented in the form of a 'dashboard' providing the latest available information on all those matters that the Authority has indicated it wishes to monitor performance. (If the Authority decides to establish a separate General Committee, this information could more suitably be considered at the meetings of this). It should not be necessary for the director of commissioning to provide a separate report at every meeting. Normally it should be possible to subsume her report within that of the Chief Executive.
96. The meeting agenda should follow a standard format and make clear what is expected of the Authority on each item – decision, discuss, note and so on. But conventional board meetings are not well equipped for promoting creative thinking or for exploring ideas, and the Authority needs to set aside time at least twice a year to consider in a workshop format strategic issues of this nature. Examples of issues that could usefully be considered in this way include:
- The annual research report and what this is saying about the appropriateness of S4C's existing programme mix.

- The programming strategy for the next year – informed not just by past performance but by trends and ideas from elsewhere
- The matters that the Authority want its management team to take into account when refreshing its business strategy and corporate plan

In addition to such items as these there will also from time to time be specific issues that arise that can usefully be explored ‘off-line’ in this way.

Annual cycle of meetings

97. For the most part the business of the Authority falls into a natural annual pattern. I have set out in Annex 3 a suggested annual cycle of meetings. This is based very largely on the Authority’s existing cycle but adapted to take account of suggestions contained elsewhere in this review.

Role of the Chair and the Chief Executive

98. The fundamental role of both the Chair and the Chief executive is to provide, in their different ways, the day-to-day leadership of S4C. To perform these roles effectively they must each understand how they relate to the other so that they can reinforce each other’s contribution. Personal chemistry will determine precisely what arrangements work best for the individuals concerned, but in my experience it is best when these relationships are based upon a ‘no surprises’ approach, and combine weekly recorded meetings with more regular informal discussions. It is important that committee chairs and lead directors should seek to establish similar relationships.

Role of the Secretary

99. The Authority’s secretary has a key role to play in making the governance arrangements work. Critically he needs to be constantly scanning the horizon both within and outside S4C to identify issues which may require the Authority’s attention. To achieve this he should, as a minimum, establish close links with the secretary to the Management Board, and attend all this Board’s meetings as an observer. A better solution, however, would be for him also to become the secretary of the Management Board (as has happened in the past).

100. The secretary also has an important part to play in assisting the Authority to operate effectively and achieve the highest standards of governance. This involves:

- Ensuring that Authority and Committee agendas cover during the course of the year all matters which require the Authority’s attention
- Organising Authority strategy meetings at least twice a year
- Ensuring that all papers and minutes maintain the highest standards
- Helping the Authority to review its governance arrangements once a year, including maintaining registers of interests, maintaining records of gifts and hospitality, and checking that performance reviews of members have been completed.

Engaging with Stakeholders

101. There are two sets of stakeholders with whom the Authority needs to have an improved engagement – its independent producers and its viewers.

102. In the case of producers the key thing is to provide them with the opportunity they are seeking to express any concerns they may have about the way they are being treated by S4C management, and to create a platform that they can use to debate with the Authority the future direction of S4C’s programming. These perspectives are highly relevant to the Authority both in the exercise of its oversight role and as a provider of television programmes. Precisely how such an engagement is established will be for the Authority itself to decide. But at the very least it would seem necessary for the whole Authority, or a subset of its members, to hold a seminar (or workshop) with its independent producers at least once a year so that issues of this nature can be fully ventilated.

103. In the case of viewers, the concern is that Authority members have been perceived as being too remote from the interests of certain groups (especially young people) to be able to define and meet their requirements satisfactorily. Again the Authority needs to consider how this deficiency can best be met. Possibilities it needs to consider are the establishment of advisory or focus groups who can contribute to the Authority’s

deliberations on – say – an annual basis; and the appointment of people from under-represented viewing groups as non-executive members of particular committees – the Content Committee especially.

ANNEX 1

DELEGATIONS FRAMEWORK

This Annex sets out the functions and decisions that the S4C Authority should reserve to itself. It should delegate all other business to its Committees or its executive.

Overarching Roles

- To set and uphold S4C's values
- To maintain and enhance the reputation of S4C
- To oversee S4C's financial probity and effectiveness
- To support S4C management in improving the quality and reach of S4C's broadcast output
- To use its scrutiny powers to ensure high and consistent standards throughout S4C

Set Strategy

- Approval of vision, strategy and priorities of S4C and of the associated (5 year) business plan
- Approval of annual programme/content plan
- Approval of annual corporate plan linking resources to programme and other outcomes

Financial Matters

- Approval of annual budget including the allocation of financial resources to S4C's main activities including programme 'genres'
- Approval of S4C's annual report and accounts and associated publicity
- Application of revenues generated by S4C Masnachol
- Application of reserves
- Approval of material departures from the annual budget allocations
- On the recommendation of the Risk Management and Audit Committee, the appointment and dismissal of S4C's external and internal auditors and their remuneration
- Any material change to S4C's pension arrangements, and any change to the pension trustees or pension advisers.

Stewardship

- Undertake an annual assessment of S4C's financial management, risk and control processes
- Ensure risks are well managed and review the S4C risk register at least annually
- Establish and review annually a Code of Conduct for itself and its individual members

Complaint Handling and Compliance

- Addressing all complaints which have not been resolved by S4C management to the satisfaction of the complainant
- Reviewing annually the extent to which S4C management are commissioning and delivering programmes which comply with Ofcom's standards and the Authority's remit

Research

- Commission research in accordance with its statutory duty
- Assess the implications of research findings for its programme policy and strategy

Appointments and Remuneration

- Appoint, and manage the performance of, its chief executive and secretary
- Determine the remuneration of its chief executive and secretary

Manage Performance

- Establish an appropriate subcommittee structure for scrutinising and assessing the performance of S4C and its executives
- Receive in a timely manner the information it needs to assess the quality and reach of its broadcast output and the effectiveness of its management

Corporate Governance

- Annually review S4C's corporate governance arrangements and processes
- Undertake a rigorous annual review of its own performance, and that of its committees and senior managers
- Annually review the appropriateness of its delegations and its own role

Stakeholders

- Maintain a strong and open dialogue with its key stakeholders – DCMS, the Welsh Assembly Government, the BBC, Ofcom, and its production companies in Wales

Policies

- Approve and keep under review the key overarching policies for S4C including:
 - Health and Safety
 - Environmental sustainability
 - Equality and Diversity
 - Whistleblowing
 - Use of the English Language

Delegation Arrangements

- Approve the terms of reference and membership of all the Authority's committees
- Receive regular reports from the Authority's committees on their activities
- Delegate decisions on urgent matters to the Chair, confirming the Chair's actions as necessary

Other Matters

- The prosecution, defence or settlement of material litigation
- Respond to any investigation into S4C's activities by any competent regulatory authority
- Matters deemed to be novel or contentious
- Any other matter which might materially prejudice the credibility or reputation of S4C

ANNEX 2

DUTIES AND RESPONSIBILITIES OF COMMITTEES

This Annex provides suggested revisions to the duties and responsibilities of the Authority's committees which, if adopted, can be incorporated into their terms of reference. Because the Commercial Board is a subsidiary company, I am not recommending that this should have separate terms of reference.

RISK MANAGEMENT AND AUDIT COMMITTEE

Role

- Consider and approve the Authority's Audit Needs Assessment, Audit Strategy and Plan
- Ensure that the internal audit needs of S4C are being met
- Review the adequacy of all S4C's financial statements and accounts
- Review S4C's systems of internal control
- Oversee the management of risk in S4C including the operation of the risk policy and the associated risk register
- Provide the Authority with assurance on the value for money of S4C's activities

Duties

- **Financial Reporting**
Review the annual financial statements before submission to the Authority focusing on:
 - Any changes in accounting policies and practices
 - Main judgmental areas
 - Adjustments arising from audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with legal requirements
 - The statement of internal control
- **Internal Audit**
 - Monitor and review the effectiveness of S4C's internal auditors
 - Approve the appointment and removal of S4C's internal auditors and their remuneration
 - Determine the remit of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform effectively
 - Approve the audit needs assessment and the strategic audit plan for the forthcoming 3-5 years
 - Approve the annual audit plan, and commission additional in-year audits as the need arises
 - Consider individual internal audit reports and the adequacy of the management response
 - Consider whether the recommendations in internal audit reports are being implemented satisfactorily
 - Meet S4C's internal auditors at least once a year, without management, to discuss their remit and any issues arising from the work they have carried out.
- **External Audit**
 - Monitor and review the effectiveness of S4C's external auditors
 - Approve the appointment and removal of S4C's external auditors and their remuneration
 - Review and approve the annual external audit plan, and ensure that it is consistent with the scope of the audit engagement
 - Review the findings of the external audit

- Review the management letter and management's response to the auditor's findings and recommendations
- Review the external auditor's performance annually
- Meet regularly with the external auditor, including one meeting a year without management, to discuss their remit and any issues of concern they may have.
- **Internal Controls and Risk Management**
 - Keep under review the effectiveness of S4C's internal controls and risk management systems
 - Review and approve the statements to be included in the annual report on internal controls and risk management
 - Review S4C's risk register at every meeting
- **Value for Money**
 - Commission audits and reviews of the value for money being obtained from S4C's expenditure, especially that on commissioning programmes
- **Whistleblowing and Fraud**
 - Keep under review the application of S4C's whistleblowing policy
 - Regularly review S4C's procedures for detecting fraud
- **Other Matters**
 - Monitor and review the differentiation between the public and general funds
 - Ensure S4C and its commercial companies are trading fairly according to the law
 - Review its own performance, constitution and terms of reference annually to ensure it is operating with maximum effectiveness and recommend any changes it considers necessary to the Authority for approval

Rights

The Committee may:

- Investigate any activity within its terms of reference
- Co-opt additional members, with the approval of the Authority, to provide specialist skills, knowledge and experience
- Procure specialist ad hoc advice

COMPLAINTS AND COMPLIANCE COMMITTEE

Role

- To oversee the arrangements for considering complaints that fall within the responsibility of the S4C Authority
- To review S4C's programme output to ensure that it complies with Ofcom's requirements and conforms with the content policy established by the S4C Authority
- Where requested, review a decision by S4C to refuse disclosure under the Freedom of Information Act

Duties

- **Complaints**
 - Oversee and monitor S4C's complaints systems and procedures to ensure that they operate efficiently and effectively
 - Consider complaints that have been correctly made or referred to the Authority, and make recommendations to the Authority on the appropriate action in each case
- **Compliance**
 - Oversee and monitor S4C's compliance systems to ensure that they operate efficiently and effectively
 - Undertake its own annual assessment of:
 - The extent to which programmes broadcast by S4C correspond with the annual programme remit specified by the S4C Authority in the annual Statement of Programme Policy; and
 - The extent to which programmes broadcast by S4C comply with the relevant statutory and Ofcom guidelines, including those on the use of public funds
- **Freedom of Information**
 - Following a request for a review of a decision by S4C to refuse disclosure under the Freedom of Information Act, to consider the matter and recommend to the Authority what action it should take in each case

Other Matters

- Report annually to the Authority on the effectiveness of the Authority's complaints and compliance systems.
- Review its own performance, constitution and terms of reference annually to ensure that it is operating with maximum effectiveness, and recommend any changes it considers necessary to the Authority for approval.

Rights

The Committee may:

- Investigate any matter within its terms of reference
- Co-opt additional members, with the approval of the Authority, to provide specialist skills, knowledge and experience
- Procure specialist ad hoc advice

PERSONNEL AND REMUNERATION COMMITTEE

Role

- To oversee S4C's personnel systems and monitor their effectiveness
- To advise the Authority on senior appointments, including terms and conditions
- To advise the Authority on all remuneration matters

Duties

- **Personnel Systems**
 - Scrutinise all S4C's personnel policies and systems, including those for: recruitment; wages and associated terms and conditions; training and developing staff; conduct and discipline; and equal opportunities.
 - Monitor the effectiveness with which S4C's personnel policies and systems are being applied
- **Appointments**
 - Oversee the process for appointing S4C's chief executive and secretary, recommend the preferred candidates to the Authority, and advise the Authority on their remuneration and associated terms and conditions of employment
 - Endorse the chief executive's proposed arrangements for appointing and remunerating management board directors, and be represented on the associated appointment panels
- **Remuneration**
 - Agree all pay remits, and endorse the outcome of associated pay negotiations
 - Determine the annual pay settlements for the chief executive, the secretary, and management board directors

Other Matters

- Review its own performance, constitution and terms of reference annually to ensure it is operating with maximum effectiveness, and recommend any changes it considers necessary to the Authority for approval

Rights

The Committee may:

- Investigate any matter within its terms of reference
- Co-opt additional members, with the approval of the Authority, to provide specialist skills, knowledge and experience
- Procure specialist ad hoc advice

CONTENT COMMITTEE

Role

- Develop, and keep refreshed, S4C's 5 year Programme Strategy
- Develop S4C's annual Statement of Programme Policy
- Monitor the quality and popularity of S4C's programme output

Duties

- **Programme Strategy and Policy**
 - Develop and submit to the Authority for approval S4C's 5 year Programme Strategy
 - Keep the Programme Strategy under review, and recommend changes to the Authority as required
 - Develop and submit to the Authority for approval S4C's annual Statement of Programme Policy
 - Submit to the Authority annually an assessment of the success of the Programme Strategy and Policy
- **Monitoring and Review**
 - Receive reports on research findings at every meeting
 - Monitor the quality and popularity of S4C's programmes
 - Keep under review the range and variety of S4C's programmes and other services in the light of trends, opportunities and changes in demand
- **Other Matters**
 - Review its own performance, constitution, and terms of reference annually to ensure it is operating with maximum effectiveness, and recommend any changes it considers necessary to the Authority for approval

- **Rights**

The Committee may:

- Investigate any matters within its terms of reference
- Co-opt additional members, with the approval of the Authority, to provide specialist skills, knowledge and experience.
- Procure specialist ad hoc advice
- Commission research

ANNEX 3

ANNUAL CYCLE OF MEETINGS

This Annex builds on the Authority's present annual cycle of meeting agendas by incorporating the strategic proposals contained elsewhere in this report. In practice the agendas for each meeting will have to reflect the nature of the other issues that have emerged and need to be considered. This may mean that, on occasion, one or more of the 'annual' items will need to be deferred until the next meeting

Monthly Items

- Minutes of the previous meeting, and matters arising
- Reports from Committee chairs whose committees have met since the Authority's last meeting
- Chair's report (usually oral)
- Chief Executive's report – incorporating a performance management report or 'dashboard' and the Director of Commissioning's report
- Finance Director's report

January

- Review implementation of the previous year's corporate plan
- Remuneration Committee: Staff terms and conditions for the forthcoming financial year
- Approve the BBC Programme Plan for the year

February

- Approve review of implementation of the previous year's Programme Policy – Joint report from the Content Committee and the Complaints and Compliance Committee

March

- Approve the previous year's Accounts
- Approve the Annual Report
- Approve review of BBC's programmes in previous year

April

- First Quarter corporate plan monitoring report
- Annual Report: Personnel and Remuneration Committee

May

- Annual Report: Risk Management and Audit Committee

June

- Annual Review of Risk Register

July

- Second Quarter corporate plan monitoring report
- Approve review of first half year performance against Programme Policy statement

August

No meeting

September

- Annual report: Complaints and Compliance Committee

October

- Third quarter corporate plan monitoring report
- Annual Report: Content Committee

November

- Approve Budget

December

- Approve corporate plan for the following year
- Approve the following year's Programme Policy Statement

Strategy Meetings (Illustrative)**June**

- Mid-year Review of performance
- Workshop with independent providers

September

- Future Programming Strategy
 - Review latest research evidence and intelligence about S4C's current performance
 - Generate and review ideas from external and internal sources

ANNEX 4

LIST OF INTERVIEWEES

1. S4C Authority Members

- John Walter Jones – *S4C Authority Chair*
- Bill Davies - *Personnel and Remuneration Committee Chair*
- Cenwyn Edwards – *Content Committee Chair*
- Rheon Tomos – *Audit and Risk Management Committee Chair*
- Winston Roddick QC – *Complaints and Compliance Committee Chair*
- Dyfrig Jones
- Glenda Jones
- John Davies

2. Management Team

- Arwel Ellis Owen – *Interim Chief Executive*
- Clive Jones - *Non-executive Director*
- Elin Morris – *Director of Corporate and Commercial Policy*
- Rhian Gibson – *Director of Commissioning*
- Arshad Rasul – *Director of Broadcast and Distribution*
- Delyth Wynne Griffiths – *Director of Business Affairs*
- Garffild Lloyd Lewis – *Director of Communications*
- Kathryn Morris – *Director of Finance and Human Resources*

3. Other S4C staff

- *Heads of Department*
 - Carys Evans
 - Eleri Twynog Davies
 - Emlyn Penny Jones
 - Jane Felix Richards
 - Jen Pappas
 - Jim Hennefer
 - Kay Walters
 - Lilian Llewelyn
 - Mansel Jones
 - Rhys Parry
 - Sara Griffiths
- David Sanders, Non-Executive Director, S4C Masnachol
- Phil Williams, Secretary to the S4C Authority
- Tim Hartley, Head of Corporate Affairs
- Meirion Davies, Head of Content

4. Other Stakeholders

- The Rt. Hon. Cheryl Gillan MP, Secretary of State for Wales
- Jon Zeff, Director - Media, DCMS
- John Howells, Director Culture, Welsh Assembly Government (and former Secretary to the S4C Authority)
- Dafydd Rhys, representative - TAC
- Rhodri Williams, Director Wales, Ofcom
- Geraint Davies, External Auditor & Partner, Grant Thornton LLP
- Assistance in relation to reviewing drafts of the report was provided by Emyr Byron Hughes, former Secretary to the S4C Authority.