



Rainbow Education Multi-Academy Trust

Terms of Reference

Finance, Audit & Risk Committee

DOCUMENT CONTROL

Version Number	Author	Approved by	Date of Approval	Implementation Date	Next review Date	Summary of changes
v1	Executive Leadership Team	Trustees	Sept 2025	Sept 25/26	Summer 25/26	
v2	Governance Professional	Trustees	July 2026	Sept 26/27	Summer 26/27	• Document control table has been added • Introduction & Purpose sections added • Information on threshold for a separate Audit & Risk committee has been added to Constitution along with Governance Professional attendance in meetings • Member professional experience, rules around Chair limitations and LAC membership on the committee have been added to the Membership section • Further clarification on online meeting participation has been added to Proceedings of meetings • A new section on Governance support has been added • Any committee responsibilities around risk now have an independent Risk section • Page numbers added

INTRODUCTION

These Terms of Reference are established by the Trust Board under the overarching authority of the Rainbow Education Multi Academy Trust Articles of Association.

While this document uses operational language to reflect daily school life, all roles, tiers and entities defined herein correspond directly to the formal legal terms used within the Trust's constitutional Articles of Association. For the purposes of interpretation, the following operational terms map directly to their legal equivalents in the Articles:

"School(s)" refers directly to an "Academy" or "Academies" as established and defined within the Articles of Association.

"Trust Board" or "Trustees" refers directly to the "Directors" of the Multi-Academy Trust.

"Local Academy Council(s) (LAC(s))" refers directly to the local "Committees" appointed by the Directors under Article 105 to exercise delegated local governance functions.

In the event of any unintentional ambiguity or conflict between these Terms of Reference and the Articles of Association, the Articles of Association shall take absolute legal precedence.

PURPOSE

The Finance, Audit & Risk Committee is a committee of the Board of Trustees. Its purpose is to support the Trust Board in fulfilling its statutory duties and oversight responsibilities regarding financial health, operational controls, risk management and regulatory compliance.

1. CONSTITUTION

1.1 The Board of Trustees of Rainbow Education Multi Academy Trust (the Trust Board) hereby resolves to establish a committee of the Trust Board to be known as the Finance and Audit Committee (the Committee).

1.2 The Trustees recognise the overriding principles of the Academies Trust Handbook (the ATH) and that the Audit Committee should be established in such a way as to achieve internal scrutiny which delivers objective and independent assurance for the Trust. In establishing the Committee, the Trustees will adhere to the principles of the ATH.

1.3 Staff members of the Committee will not participate as members when audit matters are discussed but may remain in attendance to provide information and participate in discussions.

1.4 The Accounting Officer, Chief Financial Officer and Governance Professional can routinely attend committee meetings in the capacity set out in paragraphs 1.3.

1.5 The ATH 2025 dictates that trusts with an annual revenue income over £50 million must maintain a dedicated, separate Audit and Risk Committee. Trusts under £50m are permitted to combine it with another committee (such as Finance).

2. MEMBERSHIP

2.1 The Committee shall have a minimum of three members. A majority of Committee members must be Trustees of the Trust Board, and the Trustees will ensure at least one member of the audit committee should have recent or relevant accountancy, or audit assurance, experience to properly fulfil the Committee functions.

2.2 The Committee's current members are set out in Schedule 2.

2.3 Subject to paragraph 2.4, the Committee shall at the first meeting of each academic year elect a Trustee to act as chair of the Committee (the Chair). The Committee will elect a temporary replacement from among those present at the meeting in the absence of the Chair.

2.4 No person may act as Chair under paragraph 2.3 unless they are also a member of the Trust Board.

2.5 The Chair of Trustees shall ensure that a clerk is provided to take minutes at meetings of the Committee.

2.6 The Committee may invite attendance at meetings from persons who are not Trustees or Committee members to assist or advise on a particular matter or range of issues. Such persons may speak with the permission of the Chair but shall not be entitled to vote.

2.7 The Chair of the Trust Board is cannot also serve as the Chair of the Finance and Audit Committee

2.8 The Committee may invite a Local Academy Council member to become a committee member to support the committee with additional skills and experience to properly fulfil the Committee functions. This committee member shall not be entitled to vote or hold the position of Chair or Vice Chair of the committee.

3. REMIT AND RESPONSIBILITIES OF THE COMMITTEE

3.1 The Committee shall be responsible for the matters set out in Schedule 1.

4. PROCEEDINGS OF COMMITTEE MEETINGS

4.1 The Committee will meet as often as is necessary to fulfil its responsibilities but at least three times a year.

4.2 Any two Committee members can request that the Chair convene a meeting by giving no less than 14 days prior notice.

4.3 The quorum for the transaction of the business of the Committee shall be three or more of the Committee members and no vote on any matter shall be taken at a meeting of the Committee unless the majority of members of the Committee present are Trustees of the Trust.

4.4 Every matter to be decided at a meeting of the Committee must be determined by a majority of the votes of the members present and voting on the matter.

4.5 Each member present in person shall be entitled to one vote.

4.6 Where there is an equal division of votes the Chair shall have a casting vote.

4.7 A register of attendance shall be kept for each Committee meeting and published annually.

4.8 Subject to the provisions of Article 126 of the Articles of Association, Committee members may participate in meetings by telephone or video conference. Such participation shall constitute presence in person for the purposes of establishing a quorum.

5. AUTHORITY

5.1 The Committee is authorised by the Trust Board to:

5.1.1 carry on any activity authorised by these terms of reference; and

5.1.2 seek any appropriate information that it requires from any officer of the Trust (and all officers shall be directed to co-operate with any request made)

6. REPORTING PROCEDURES

6.1 Within 28 days of each meeting the Committee will:

6.1.1 produce and agree minutes of its meetings;

6.1.2 provide an update summary (documented or verbally) identifying (i) decisions made, (ii) recommendations to the Trust Board, (iii) any items for the information of the Trust Board and (iv) items for further discussion by the Trust Board (together called the "Committee Reports").

6.2 The Committee Reports can be agreed by Committee members by email.

6.3 The Committee Reports will be sent to the Trust Board within 21 days following each Committee meeting.

6.4 The Committee shall arrange for the production and delivery of such other reports or updates as requested by the Trust Board from time to time.

6.5 The Committee shall conduct an annual review of its work and these terms of reference and shall report the outcome and make recommendations to the Trust Board.

7. GOVERNANCE SUPPORT

7.1 The Committee shall be supported by a Governance Professional.

7.2 The Governance Professional will provide independent advice on regulatory compliance, statutory duties, the Academy Trust Handbook, and the Trust's constitutional framework.

7.3 The Governance Professional will ensure that meetings are structured, legal framework requirements are met and minutes accurately reflect the challenge and assurances provided.

Schedule 1

Responsibilities of the Finance Audit and Risk Committee

FUNDING

- To consider each of the School's indicative funding, notified annually by the Department for Education (DfE) and to assess its implications for the Trust and the relevant school. This will be in consultation with the Accounting Officer, Headteachers and Chief Financial Officer of the Trust, in advance of the financial year, drawing any matters of significance or concern to the attention of the Trust Board.
- To consider and recommend acceptance or non-acceptance of the Trust's and the School's budgets each financial year.

BUDGETING

- To contribute to the formulation of the Trust's and the School's strategic plans, through the consideration of financial priorities and proposals, in consultation with the relevant officers and with the stated and agreed aims and objectives of the relevant school.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year. This will include the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in each of the School's strategic plans.
- To liaise with and receive reports from appropriate committees and make recommendations to those committees about the financial aspects of matters being considered by them.
- To consider the spending plans of other committees and report back and advise the Trust Board.
- To delegate the day to day management of the approved budget to relevant officers, within agreed authorisation limits.
- To consider requests for supplementary expenditure and make appropriate recommendations to the Trust Board.
- To review financial policy including consideration of long term planning and resourcing in accordance with the Trust's and the School's development plans.

EXPENDITURE

- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Schools and the Trust, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Trust Board.

FINANCIAL PROCEDURES

- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and where appropriate make recommendations for improvement.
- To ensure the preparation of the financial statement to form part of the annual report of the Trust Board to stakeholders and for filing in accordance with requirements of the Companies Act, Charity Commission and Funding Agreement (including the Academies Trust Handbook)

HEALTH & SAFETY

- To receive, when appropriate, the relevant Health and Safety reports (internal and external) and advise as necessary.

ASSET MANAGEMENT

- To receive, when appropriate, reports on the management of assets including premises and their security.
- To confirm that an asset recording system is in place, including an inventory and fixed asset register for each School.

PROPERTY MANAGEMENT

- To determine the use of the Trust's premises and grounds outside Schools sessions with regard to the lettings and charging policy.
- To ensure that the Trust's premises are inspected on an annual basis and that a planned and costed statement of priorities is prepared and reviewed.
- To ensure the responsibilities of the Trust Board under the Environmental Protection Act are met.
- To advise the Trust Board when appropriate on environmental issues to ensure the Schools are acting as a responsible institution in its duty to conserve energy, materials and with regard to the local community.

EXTERNAL AUDIT

- To consider the appointment of the external auditor and assess independence of the external auditor, ensuring that key audit personnel are rotated at appropriate intervals.
- To recommend the audit fees to the Trust Board and pre-approve any fees in excess of £10,000 in respect of non-audit services provided by the external auditor and to ensure that the provision of non-audit services does not impair the external auditors' independence or objectivity.
- To oversee the process for selecting the external auditor and make appropriate recommendations through the Trust Board to the members of the Trust to consider at any general meeting where the accounts are laid before members.
- To discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor receives the fullest co-operation.
- To review the external auditor's annual management letter and all other reports and recommendations, together with the appropriateness of management's response.
- To review the performance of the external auditor on an annual basis.
- To recommend to the Trust Board the appointment / re-appointment of the external auditor.
- To review and consider the circumstances surrounding any resignation or dismissal of the external auditor.

INTERNAL AUDIT

- To consider the appointment of the internal auditor and assess independence of the internal auditor, including that there is rotation of key audit personnel at appropriate intervals.
- To recommend the internal audit fees to the Trust Board and pre-approve any fees in excess of £10,000 in respect of non-audit services provided by the internal auditor, ensuring that the provision of non-audit services does not impair the internal auditor's independence or objectivity.
- To oversee the process for selecting the internal auditor.
- To discuss with the internal auditor the nature and scope of each audit and to ensure that the internal auditor receives the fullest co-operation.
- To review the internal auditor's reports and recommendations, together with the appropriateness of management's response and action plan.

- To review the performance of the internal auditor on an annual basis.
- To recommend to the Trust Board the appointment / re-appointment of the internal auditor. To review and consider the circumstances surrounding any resignation or dismissal of the internal auditor.

FINANCIAL MANAGEMENT & POLICIES

- To keep under review the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Trust Board, paying particular attention to:
 - critical accounting policies and practices, and any changes in them
 - decisions requiring a major element of judgement
 - the extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed
 - the clarity and transparency of disclosures
 - significant adjustments resulting from the audit
 - the going concern assumption
 - compliance with accounting standards
 - compliance with DfE and legal requirements.
- To review the Trust's policy and procedures for handling allegations from whistleblowers.
- To review the Trust's policies and procedures for handling allegations of fraud, bribery and corruption. –
- To receive reports on the outcome of investigations of suspected or alleged impropriety.
- To review the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
- To ensure that any significant losses are investigated and reported to the DfE where required.

RISK

- To review the Trust's risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management and reporting of risks.
- To review the adequacy and robustness of risk registers.

- To keep under review the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements, as well as its arrangements for securing value for money, through reports and assurances received from management, the external auditor and any other relevant independent assurances or reports (eg from the National Audit Office).
- To review all risk and control related disclosure statements, in particular the Trust's annual "Statement on Internal Control", together with any associated reports and opinions from management, the external auditor and internal auditor, prior to endorsement by the Trust Board.
- To review any recommendations made by the Secretary of State for Education or the DfE for improving the financial management of the schools.

GENERAL

- To review or investigate any other matters referred to the Committee by the Trust Board.
- To draw any significant recommendations and matters of concern to the attention of the Trust Board.

GUIDANCE

Articles of Association

Scheme of Delegation

DfE Academy Trust Handbook

REMAT Master Funding Agreement

DfE Academy Trust Governance Guide

Trust Financial Handbook

Schedule 2

Membership of the Finance, Audit & Risk Committee

2026/2027

- Dave Cadwallader (Member & Chair of Trustees)
- Jon Everard (Trustee)
- Robert Wyn Jones (Trustee)
- Gina Donaldson (CEO)
- Duncan Jacques (Trustee & Chair of Committee)
- Maria McMahon (Local Academy Councillor)
- Robyn Middleton (Trustee)
- Rob Langman (Trustee)

