

Finance and Audit Committee**Terms of Reference***Effective: April 18, 2013*The Committee:

- The Committee consists of a minimum of three members of the Board. The Chair of the Board is an ex-officio and non-voting member of the Committee, unless appointed by the Board as a full member of the Committee. The CEO participates as an ex-officio and non-voting member. The Executive Financial Officer will assist the Committee.
- The term of the elected chair is a one (1) year term and, the election of the chair will take place at the first meeting of the new fiscal year.

Responsibilities:

- Review the annual audited Financial Statements and notes and satisfy itself that they are fairly presented in accordance with Public Sector Accounting standards and in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of BC. Recommend to the Board whether such Financial Statements should be approved.
- Review the Statement of Financial Information and Statement of Executive Compensation annually.
- Review the annual Management Discussion & Analysis included in the Annual Report.
- Review the current year financial statements on a quarterly basis.
- Review the current year forecast on a quarterly basis.
- Review the annual operating and capital budgets and recommend to the Board whether such budgets should be approved.
- Review the 3 year forecasts and budget projections annually unless significant events require additional review.
- Review other financial information as may be published in the Annual Service Plan and Annual Report.
- Review major capital programs and multiyear commitments.
- Review and monitor financial policies and practices and make recommendations to the Board if changes are required. Policies include:
 - Banking Resolution Policy (*Revised Jan 2013*);
 - Capital Assets Policy (*April 2012*);
 - Investment Policy (*December 2012*);
 - Deferred Exhibition Policy (*April 2012*);
 - Revenue Recognition and Contributions Policy (*April 2012*);
 - Signing Authorities Policy (*April 2012*);
 - Whistleblower Policy (*March 2012*); and
 - Travel Policy (*Revised Jan 2013*).
- Review the CEO's travel and hospitality expenses quarterly.
- Review the COO and VP's travel and hospitality expenses annually.

- Review and monitor risk management practices.
- Review and monitor any material litigation involving the Corporation.
- Satisfy itself that management of the Corporation has implemented appropriate systems of internal control over financial reporting and determine that these are operating effectively.
- Annually review funds held by the Royal BC Museum Foundation for information purposes.
- To review any new appointment to the position of executive financial officer or to any other key executive position with financial reporting responsibilities.
- Auditors:
 - Review and recommend appointment of the Auditors to the Board every 5 years subject to a request for proposal process.
 - Satisfy itself that the external audit function has been effectively carried out in a cost effective manner and that any matter which the external auditors wish to bring to the attention of the Board has been addressed.
 - Review the Auditor's Report on an annual basis and make recommendations to the Board.
- To review on an annual basis the Terms of Reference of the Committee.

External Auditor

The external auditor will report directly to the Committee.

The Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

The external auditors will be invited to attend Committee meetings when appropriate, particularly if they have been asked to provide any form of services with respect to specific agenda items.

Meetings:

The Committee will meet a minimum of four times per year and at the call of the Chair.

Calendar for Meetings:

A suggested program for regular meetings of the Committee is attached as Appendix A.

Reporting:

The minutes of all meetings of the Committee are to be provided to the Board. Oral reports by the Chair on recent matters not yet recorded in the minutes are to be provided to the Board at its next meeting.

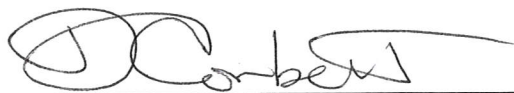
Quorum:

Quorum requires that up to two Committee members entitled to vote be present.

APPROVED on this 18th day of April, 2013.



Suromitra Sanatani
Chair, RBCM Board of Directors



Daphne Corbett
Chair, Finance and Audit Committee

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
BOARD OF DIRECTORS**

Finance and Audit Committee – Appendix A

Calendar for Meetings:

The following outlines a suggested program for regular meetings of the Committee.

First Meeting after Year- end (April)

- Election of the new Chair
- Review draft year-end financial statements excluding notes
- Review and motion to approve final operating and capital budget
- Review CEO travel and hospitality quarterly report
- Review Terms of Reference

Meeting to Review Audited Financial Statements (May)

- Audited financial statements
- Audit Findings Report presented by External Auditor
- Management Discussion and Analysis for the Annual Report
- Statement of Financial Information
- Statement of Executive Compensation
- CEO, COO and VP travel and hospitality report for previous fiscal year
- 3 year forecasts and budget projections included in Annual Report
- Review and assess status of any pending or threatened material litigation
- Report on risk management practices and external audits (if any)
- Report on significant changes in systems of internal control

Second Meeting after Year- end (July)

- First quarter financial statements and forecast
- Significant budget adjustments
- Policy reviews as required
- CEO travel and hospitality quarterly report
- Annual review of funds held by RBCM Foundation

Third Meeting after Year- end (October)

- Second quarter financial statements and forecast
- Significant budget adjustments
- Policy reviews as required
- CEO travel and hospitality quarterly report

Fourth Meeting after Year- end (January)

- Third quarter financial statements and forecast
- CEO travel and hospitality quarterly report
- Significant budget adjustments
- Financial Plan for annual Service plan
- Capital programs and multiyear commitments
- Auditors Planning Report

