

DEFENCE SCIENCE AND TECHNOLOGY AGENCY ACT 2000

(No. 9 of 2000)

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An Act to establish the Defence Science and Technology Agency, to provide for its functions and powers, and for matters connected therewith, and to make consequential amendments to certain other written laws.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

PART I
PRELIMINARY

Short title and commencement

1. This Act may be cited as the Defence Science and Technology Agency Act 2000 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Interpretation

2. In this Act, unless the context otherwise requires —

“Agency” means the Defence Science and Technology Agency established under section 3;

“appointed day” means the date of commencement of this Act;

“board” means the board of directors of the Agency;

“Chairman” means the Chairman of the board and includes any temporary Chairman of the board;

“Chief Executive” means the Chief Executive of the Agency appointed under section 10 and includes any person acting in that capacity;

“director” means a director of the board;

“incorporated Departments” means the following departments of the Ministry of Defence:

(a) Command, Control, Communications and Computer Systems Organisation;

(b) Defence Materiel Organisation;

(c) Defence Medical Research Institute;

(d) Defence Procurement Division;

(e) Directorate of Research and Development;

(f) Lands and Estates Organisation;

(g) Resource Planning Office; and

(h) Systems and Computer Organisation;

“Singapore Armed Forces” means the Singapore Armed Forces constituted under the Singapore Armed Forces Act (Cap. 295).

PART II

ESTABLISHMENT, INCORPORATION AND CONSTITUTION OF AGENCY

Establishment and incorporation of Agency

3. There is hereby established a body to be known as the Defence Science and Technology Agency which shall be a body corporate with perpetual succession and a common seal and shall, by that name, be capable of —

- (a) suing and being sued;
- (b) acquiring, owning, holding and developing or disposing of property, both movable and immovable; and
- (c) doing and suffering all such other acts or things as a body corporate may lawfully do or suffer.

Common seal

4.—(1) All deeds and other documents requiring the seal of the Agency shall be sealed with the common seal of the Agency and such instruments to which the common seal is affixed shall be signed by any 2 directors generally or specially authorised by the Agency for the purpose or by one director and the Chief Executive.

(2) All courts, judges and persons acting judicially shall take judicial notice of the common seal of the Agency affixed to any document and shall presume that it was duly affixed.

Board of directors of Agency

5.—(1) There shall be a board of directors of the Agency which shall be responsible for the policy and general administration of the affairs and business of the Agency.

- (2) The board shall consist of —
- (a) a Chairman; and
 - (b) not less than 8 and not more than 20 other directors as the Minister may from time to time determine.
- (3) The First Schedule shall have effect with respect to the board, its directors and its proceedings.

PART III

MISSION, FUNCTIONS AND POWERS OF AGENCY

Mission and functions of Agency

6.—(1) The Agency shall harness and exploit science and technology, and provide technological and engineering support, to meet the defence and national security needs of Singapore.

- (2) The functions of the Agency shall be —
- (a) to advise the Ministry of Defence on all matters relating to defence science and technology;
 - (b) to provide defence science and technology services and facilities to the Ministry of Defence;
 - (c) to promote and facilitate the development of the defence science and technological capability in Singapore;
 - (d) to manage the acquisition of defence systems, provide engineering support for such systems, provide quality assurance and systems engineering services, and forecast and assess future defence systems, for the Ministry of Defence;
 - (e) to manage the acquisition of command, control, communications, computer and simulation systems, develop software and provide engineering support for such systems, and forecast and assess such future systems, for the Ministry of Defence;
 - (f) to manage the design and development of defence buildings and infrastructure, and manage the maintenance of such

buildings, infrastructure, and defence estates, for the Ministry of Defence;

- (g) to manage the acquisition of management information systems and information technology infrastructure, and develop, maintain and support such systems and infrastructure, and forecast and assess future developments in information technology and formulate standards, for the Ministry of Defence;
- (h) to conduct research on military medicine and perform human factors engineering studies, for the Ministry of Defence;
- (i) to manage contracts for the purchase of defence systems, spares and services, maintain a catalogue of stocked items, and manage the disposal of old stocks and equipment, for the Ministry of Defence;
- (j) to manage technological co-operation with other persons, and conduct and manage research and development programmes, for the Ministry of Defence;
- (k) to undertake any other activity considered necessary or desirable to achieve a cost-effective defence science and technological capability in Singapore; and
- (l) to perform such other functions as are conferred on the Agency by any other written law.

(3) The Agency may undertake such other functions as the Minister may assign to the Agency and in so doing, the Agency shall be deemed to be fulfilling the purposes of this Act and the provisions of this Act shall apply to the Agency in respect of such functions.

(4) Nothing in this section shall be construed as imposing on the Agency, directly or indirectly, any form of duty or liability enforceable by proceedings before any court.

Powers of Agency

7.—(1) The Agency shall have power to do anything for the purpose of discharging its functions under this Act or under any other written law, or which it may consider advantageous, necessary or convenient to the discharge of those functions and, in particular, may —

- (a) enter into contracts for itself or the Government for defence systems, facilities, technology, equipment, materials or services or for the execution of works or any other contract as may be necessary for the discharge of its duties and functions;
- (b) engage alone or in conjunction with other persons in the design and development of defence systems and the provision of systems design services;
- (c) form or participate in the formation of any company or enter into any joint venture or partnership for the purposes of this Act;
- (d) provide technical advice, training and assistance to any Government body or statutory board and to defence authorities of other countries;
- (e) levy such charges and fees as may be reasonable for services and facilities provided by the Agency;
- (f) provide financial loans, advances, grants, aid or assistance to any person for all or any of the purposes of this Act;
- (g) collect, compile, analyse and disseminate by any convenient means information of a statistical nature or otherwise concerning matters relating to its functions;
- (h) provide scholarships and training grants in the fields of defence science and technology;
- (i) receive donations, grants, gifts, subsidies and contributions from any source and raise funds by all lawful means;
- (j) make provision for gratuities, pensions, allowances or other benefits for employees or former employees of the Agency;
- (k) grant or guarantee loans to officers or employees of the Agency for any purpose specifically approved by the Agency;
- (l) provide recreational facilities and promote recreational activities for, and activities conducive to, the welfare of officers and employees of the Agency and members of their families; and

(m) do such other acts as are incidental to any of its functions or powers.

(2) The Agency may, in addition to the powers vested in it by subsection (1), exercise such other powers as the Minister may in writing authorise the Agency to exercise.

(3) This section shall not be construed as limiting any power of the Agency conferred by or under any other written law.

Directions by Minister

8.—(1) The Minister may give to the Agency such directions, not inconsistent with the provisions of this Act, as he thinks fit as to the performance of its functions and the exercise of its powers, and the Agency shall give effect to such directions.

(2) The Agency shall furnish the Minister with such information in respect of its property and activities in such manner and at such times as the Minister may require.

Appointment of committees and delegation of powers

9.—(1) The board may, in its discretion, appoint from among its own directors or from among other persons such number of committees as it thinks fit for purposes which, in the opinion of the board, would be better regulated and managed by means of such committees.

(2) The board may, subject to such conditions or restrictions as it thinks fit, delegate to any committee appointed under subsection (1) or to the Chairman or any director, or to any officer or employee of the Agency or to any other person as the board thinks fit, any of the functions or powers of the Agency administered by the board under this Act or any other written law.

(3) Any function or power delegated under subsection (2) to any committee or person may be performed or exercised by the committee or the person to whom it has been delegated, as the case may be, in the name and on behalf of the Agency.

(4) The board may continue to administer any function or to exercise any power of the Agency notwithstanding the delegation of such function or power under this section.

PART IV

PROVISIONS RELATING TO STAFF

Appointment of Chief Executive

10.—(1) The Agency shall, with the approval of the Minister, appoint a Chief Executive of the Agency on such terms and conditions as the Agency may determine.

(2) The Chief Executive shall —

- (a) be known by such designation as the Agency may determine;
- (b) be responsible to the Agency for the proper administration and management of the functions and affairs of the Agency in accordance with the policy laid down by the Agency; and
- (c) not be removed from office without the consent of the Minister.

(3) If the Chief Executive is unable to perform his duties for any period, by reason of absence from Singapore, illness or for any other reason, another person may be appointed by the Agency to act in the place of the Chief Executive during such period.

Appointment of officers, employees, other persons, etc., and prohibition of strikes

11.—(1) The Agency may, from time to time, appoint and employ on such terms and conditions as the Agency may determine such other officers, employees, consultants, agents and other persons as the Agency considers necessary for the performance of its functions.

(2) If it appears to the Minister to be necessary for the public safety, defence or security of Singapore, the Minister may require any employee of the Agency to continue in the employment of the Agency for such period as the Minister may determine, and the employee shall continue in the employment of the Agency for that period.

(3) Any decision or determination of the Minister under subsection (2) shall be final and shall not be subject to appeal or review in any court.

(4) No employee of the Agency shall go on strike or instigate or incite others to take part in or otherwise act in furtherance of any industrial action.

(5) Any employee who fails to comply with a requirement of the Minister under subsection (2) or who contravenes subsection (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000 or to imprisonment for a term not exceeding 3 years or to both.

(6) For the purpose of subsection (4) —

“industrial action” means any action or omission by a body of persons employed in any trade or industry, acting in combination or under a common understanding, which would result in any limitation or restriction on, or delay in, the performance of any duty connected with their employment;

“strike” means the cessation of work by a body of persons employed in any trade or industry acting in combination, or a concerted refusal, or a refusal under a common understanding of a number of persons who are, or who have been so employed, to continue to work or to accept employment.

Protection from personal liability

12. No suit or other legal proceedings shall lie personally against any director, officer or employee of the Agency or other person acting under the direction of the Agency for anything which is in good faith done or intended to be done in the execution or purported execution of this Act or any other written law.

Public servants and public officers

13. All directors, officers and employees of the Agency (including persons seconded to the Agency for any period) shall be deemed to be —

- (a) public servants for the purposes of the Penal Code (Cap. 224);
- (b) public officers for the purposes of the Government Contracts Act (Cap. 18); and
- (c) public officers for the purposes of the Financial Procedure Act (Cap. 109) in relation to all contracts entered into, administered, or managed by the Agency on behalf of the Ministry of Defence, and section 20 of that Act shall apply to such persons notwithstanding that they are not or were not in the employment of the Government.

PART V

FINANCIAL PROVISIONS

Funds and property of Agency

14. The funds and property of the Agency shall consist of —

- (a) all moneys paid to the Agency for the purposes of the Agency;
- (b) all moneys paid to the Agency by way of grants, subsidies, donations, gifts and contributions;
- (c) all moneys received by the Agency by way of charges and fees for services rendered by the Agency to any person;
- (d) all moneys, dividends, royalties, interest or income received from any transactions made pursuant to the powers conferred on the Agency under this Act;
- (e) all moneys borrowed by the Agency under this Act;
- (f) all other moneys and property lawfully received by the Agency for the purposes of the Agency; and
- (g) all accumulations of income derived from any such property or money.

Application of revenue

15.—(1) The revenue of the Agency in a financial year shall be applied in payment of the following charges:

- (a) sums required to be paid to the Government towards the repayment of any loan made by the Government to the Agency;
- (b) interest and principal on any loan payable by the Agency;
- (c) sums required to be transferred to a sinking fund or otherwise set aside for the purpose of making provision for the repayment of borrowed money;
- (d) the salaries, fees and allowances of the directors of the Agency;
- (e) the salaries, fees, remuneration, provident fund contributions, pensions, superannuation allowances and gratuities of the officers, employees, former employees, agents, consultants and other persons appointed or employed by the Agency;
- (f) working and establishment expenses and expenditure on, or provision for, the maintenance of any of the property of the Agency, and the discharge of the functions of the Agency properly chargeable to revenue account;
- (g) such sums as the Agency may consider appropriate to set aside in respect of depreciation or renewal of the property of the Agency;
- (h) the cost, or any portion thereof, of any new works, plant, vessels, vehicles, machinery, equipment or appliances not being a renewal of the property of the Agency, which the Agency may determine to charge to revenue;
- (i) expenses incurred or incidental to the investment or management of the Agency's moneys;
- (j) such sums by way of contribution to the public or for charities, for such purposes associated with the objects of this Act as the Agency may determine;

(k) any other expenditure authorised by the Agency and properly chargeable to revenue.

(2) The balance of the revenue of the Agency shall be applied for the creation of a general reserve or such other reserves or capital funds as the Agency may consider appropriate.

Bank accounts and application of moneys

16.—(1) The Agency may open and maintain an account or accounts with such bank or banks as the Agency thinks fit.

(2) The moneys of the Agency shall be applied only in payment or discharge of the expenses, obligations and liabilities of the Agency and in making any payment that the Agency is authorised or required to make.

Annual estimates

17.—(1) The Agency shall in every financial year prepare or cause to be prepared and shall adopt annual estimates of income and expenditure of the Agency for the ensuing financial year.

(2) Supplementary estimates may be adopted by the Agency at any of its meetings.

(3) A copy of all annual estimates and supplementary estimates shall, upon their adoption by the Agency, be sent forthwith to the Minister who may approve or disallow any item or portion of any item shown in the estimates, and shall return the estimates as amended by the Minister to the Agency, and the Agency shall be bound thereby.

Investments

18. The Agency may from time to time invest any of its funds in such manner or securities as trustees may by any written law be authorised to invest and, with the approval of the Minister, in any other securities or investments or in any other manner.

Grants

19. For the purpose of enabling the Agency to carry out its functions under this Act, the Minister may from time to time make grants to the

Agency of such sums of money as the Minister may determine out of moneys to be provided by Parliament.

Power to borrow

20. The Agency may for the purposes of discharging its functions raise loans from the Government or, with the approval of the Minister for Finance or such person as he may appoint, from any other source.

Other financial provisions

21. The financial provisions set out in the Second Schedule shall apply to the Agency.

PART VI

TRANSFER OF PROPERTY, ASSETS, LIABILITIES AND EMPLOYEES

Transfer to Agency of property, assets and liabilities

22.—(1) As from the appointed day, such movable and immovable property vested in the Government as may be determined by the Minister for Finance and used or managed by any of the incorporated Departments, and all assets, interests, rights, privileges, liabilities and obligations of the Government relating to the incorporated Departments shall be transferred to and shall vest in the Agency without further assurance, act or deed.

(2) If any question arises as to whether any particular property, asset, interest, right, privilege, liability or obligation has been transferred to or vested in the Agency under subsection (1), a certificate under the hand of the Minister for Finance shall be conclusive evidence that the property, asset, interest, right, privilege, liability or obligation was or was not so transferred or vested.

(3) Any immovable property to be transferred to and vested in the Agency under subsection (1) shall be held by the Agency upon such tenure and subject to such terms and conditions as the President may determine.

Transfer of employees

23.—(1) As from the appointed day, such persons or categories of persons as the Minister may determine who, immediately before that day, were employed by the Ministry of Defence or the Singapore Armed Forces in the incorporated Departments, or in any other department in the Ministry of Defence or the Singapore Armed Forces, or in the DSO National Laboratories incorporated under the Companies Act (Cap. 50), shall be transferred to the service of the Agency on terms no less favourable than those enjoyed by them immediately prior to their transfer.

(2) If any question arises as to whether any person or any category of persons has been transferred to the service of the Agency under subsection (1), a certificate under the hand of the Minister shall be conclusive evidence that the person or category of persons was or was not so transferred.

(3) Until such time as terms and conditions of service are drawn up by the Agency, the scheme and terms and conditions of service in the Government or the Singapore Armed Forces, as the case may be, shall continue to apply to every person transferred to the service of the Agency under subsection (1) as if he were still in the service of the Government or the Singapore Armed Forces.

(4) In the case of every person transferred to the service of the Agency under subsection (1) who, immediately before the appointed day, was in the regular service of the Singapore Armed Forces by virtue of the Enlistment Act (Cap. 93), such person shall, upon the transfer, be deemed to be released from regular service in accordance with section 26 of that Act.

Pension rights, etc., of Government employees to be preserved

24.—(1) The terms and conditions of service to be drawn up by the Agency shall take into account the terms and conditions of service (including salaries and accrued rights to leave) enjoyed by the persons transferred to the service of the Agency under section 23 while in the employment of the Government or the Singapore Armed Forces, as the case may be.

(2) Any term or condition relating to the length of service with the Agency shall recognise the length of service of the persons so transferred while in the employment of the Government or the Singapore Armed Forces, as the case may be, to be service with the Agency.

(3) Nothing in the terms and conditions of service to be drawn up by the Agency shall adversely affect the conditions that would have been applicable to persons transferred to the service of the Agency as regards any pension, gratuity or allowance payable under the Pensions Act (Cap. 225) or the Singapore Armed Forces Act (Cap. 295).

(4) In every case where a person has been transferred to the service of the Agency under section 23, the Government shall be liable to pay to the Agency such portion of any pension, gratuity, pension or allowance payable to such person on his retirement as the same shall bear to the proportion which the aggregate amount of his pensionable emoluments during his service with the Government or the Singapore Armed Forces, as the case may be, bears to the aggregate amount of his pensionable emoluments during his service under both the Government or the Singapore Armed Forces, as the case may be, and the Agency.

(5) Where any person in the service of the Agency, whose case does not fall within the scope of any pension or other schemes established under this section, retires or dies in the service of the Agency or is discharged from such service, the Agency may grant to him or to such other person or persons wholly or partly dependent on him, as the Agency thinks fit, such allowance or gratuity as the Agency may determine.

No benefits in respect of abolition or reorganisation of office

25. Notwithstanding the provisions of the Pensions Act, no person who is transferred to the service of the Agency under section 23 shall be entitled to claim any benefit under that Act on the ground that he has been retired from the service of the Government on account of abolition or reorganisation of office in consequence of the establishment and incorporation of the Agency.

Existing contracts

26. All deeds, bonds, agreements, instruments and arrangements subsisting immediately before the appointed day to which the Government is a party and relating to the incorporated Departments or to any person transferred to the service of the Agency under section 23 shall continue in force on and after that day and shall be enforceable by or against the Agency as if the Agency had been named therein or had been a party thereto instead of the Government.

Pending legal proceedings

27. Any proceedings or cause of action relating to the portion of the property, assets, interests, rights, privileges, liabilities and obligations transferred to the Agency under section 22 or to any employee transferred to the service of the Agency under section 23 pending or existing immediately before the appointed day by or against the Government, or any person acting on its behalf, may be continued and shall be enforced by or against the Agency.

Continuation and completion of disciplinary proceedings

28.—(1) Where on the appointed day —

- (a) any disciplinary proceedings were pending against any employee of the Government or the Singapore Armed Forces, as the case may be, transferred to the service of the Agency under section 23, the proceedings shall be carried on and completed by the Agency; and
- (b) any matter was in the course of being heard or investigated or had been heard or investigated by a committee acting under due authority but no order, ruling or direction had been rendered thereon, the committee shall complete the hearing or investigation and make such order, ruling or direction as it could have made under the authority vested in it before the appointed day.

(2) Any order, ruling or direction made or given by a committee under this section shall be treated as an order, a ruling or a direction of the Agency and have the same force or effect as if it had been made or

given by the Agency pursuant to the authority vested in the Agency under this Act or any regulations made thereunder.

Misconduct or neglect of duty by employee before transfer

29. The Agency may reprimand, reduce in rank, retire, dismiss or punish in some other manner a person transferred to the service of the Agency under section 23 for any misconduct or neglect of duty committed prior to the appointed day which would have rendered him liable to be reprimanded, reduced in rank, retired, dismissed or punished in some other manner if he had continued to be in the employment of the Government or the Singapore Armed Forces, as the case may be, and if this Act had not been enacted.

PART VII

MISCELLANEOUS PROVISIONS

Annual report

30.—(1) The Agency shall, as soon as practicable after the end of each financial year, submit to the Minister an annual report on the activities of the Agency during that financial year.

(2) The Minister shall cause a copy of every such report to be presented to a committee appointed by the Prime Minister.

Symbol or representation of Agency

31.—(1) The Agency shall have the exclusive right to the use of such symbol or representation as it may select or devise and thereafter display or exhibit in connection with its activities or affairs.

(2) Any person who uses a symbol or representation identical with that of the Agency or which so resembles the Agency's symbol or representation as to deceive or cause confusion, or to be likely to deceive or to cause confusion, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 6 months or to both.

Preservation of secrecy

32.—(1) Except for the purpose of the performance of his duties or the exercise of his functions or when lawfully required to do so by any court or under the provisions of any written law, no person who is or has been a director, an officer, employee, former employee or agent of the Agency or a member of a committee of the Agency shall disclose any information or matter relating to the affairs of the Agency or of any other person which has been obtained by him in the performance of his duties or the exercise of his functions.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000 or to imprisonment for a term not exceeding 12 months or to both.

(3) Notwithstanding subsection (1) and the provisions of any other written law, if any information pertaining to the Agency or to any matter connected with the Agency is certified by the Minister to be of a secret nature, such information or matter shall not be required to be disclosed to Parliament or any other person; and any such certificate under the hand of the Minister shall be conclusive evidence of the matters specified therein.

Regulations

33.—(1) The Agency may, with the approval of the Minister, make regulations for carrying out the purposes and provisions of this Act.

(2) Without prejudice to the generality of subsection (1), the Agency may, with the approval of the Minister, make regulations for or with respect to all or any of the following matters:

- (a) duties of the officers and employees of the Agency;
- (b) the manner of appointment, conduct and discipline and the terms and conditions of service of the officers and employees of the Agency;
- (c) the payment of gratuities and other benefits to officers and employees of the Agency.

Consequential amendments

34. The provisions of the Acts specified in the first column of the Third Schedule are amended in the manner set out in the second column thereof.

FIRST SCHEDULE

Section 5(3)

CONSTITUTION AND PROCEEDINGS OF BOARD OF DIRECTORS OF AGENCY**Appointment of Chairman and other directors**

1.—(1) The Chairman and other directors of the board shall be appointed by the Minister from among persons who have had experience in public administration or in the field of defence science or technology.

(2) The Minister may appoint the Chief Executive to be a director of the board.

Tenure of office of Chairman and directors

2. The Chairman and every director shall hold office on such terms and conditions and for such period as the Minister may determine, and shall be eligible for reappointment.

Temporary Chairman

3. The Minister may appoint any director to be a temporary Chairman if the Chairman is unable to perform his duties for any period, by reason of absence from Singapore, illness or for any other reason.

Temporary director

4. The Minister may appoint any person to be a temporary director if any director is unable to perform his duties for any period, by reason of absence from Singapore, illness or for any other reason.

Revocation of appointment

5. The Minister may, at any time, revoke the appointment of the Chairman or any director without assigning any reason.

Resignation

6. Any director may resign from his appointment at any time by giving notice in writing to the Minister.

FIRST SCHEDULE — *continued*

Chairman may delegate functions

7. The Chairman may, by instrument in writing, authorise any director to exercise any power or perform any function conferred on the Chairman by or under this Act.

Vacation of office

8. The office of a director shall become vacant —

- (a) if he becomes in any manner disqualified from directorship of the board;
- (b) if he, without sufficient cause (the sufficiency thereof to be decided by the board), fails to attend 3 consecutive meetings of the board;
- (c) if he resigns from his office; or
- (d) on his death.

Filling of vacancies

9. If a director dies, resigns or has his appointment revoked or otherwise vacates his office before the expiry of the term for which he has been appointed, the Minister may appoint a person to fill the vacancy for the residue of the term for which the vacating director was appointed.

Disqualification from directorship

10. No person shall be appointed or shall continue to hold office as a director if he —

- (a) is of unsound mind;
- (b) is an undischarged bankrupt or has made any arrangement or composition with his creditors;
- (c) is convicted of an offence involving dishonesty, fraud or moral turpitude and has not received a free pardon; or
- (d) has been sentenced to imprisonment for a term of 6 months or more and has not received a free pardon.

Salaries, fees and allowances payable to Chairman and directors

11. There shall be paid to the Chairman and directors out of the funds of the Agency such salaries, fees and allowances as the Minister may, from time to time, determine.

FIRST SCHEDULE — *continued***Meetings and proceedings of board**

12.—(1) The board shall meet for the despatch of business at such times and places as the Chairman may from time to time appoint.

(2) At every meeting of the board, 3 directors shall form a quorum.

(3) The Chairman shall preside at all meetings of the board; and where the Chairman is absent at a meeting, such director as the directors present may elect shall preside at that meeting.

(4) Decisions at meetings of the board shall be adopted by a simple majority of the votes of the directors present and voting; and in the case of an equality of votes, the Chairman or in his absence the director presiding shall have a casting vote.

(5) The validity of any proceedings of the board shall not be affected by any vacancy amongst its directors or by any defect in the appointment of any director.

(6) Subject to the provisions of this Act, the board may regulate its own proceedings.

SECOND SCHEDULE

Section 21

FINANCIAL PROVISIONS

Financial year

1. The financial year of the Agency shall begin on 1st April of each year and end on 31st March of the succeeding year, except that the first financial year of the Agency shall begin on the appointed day and shall end on 31st March 2001.

Accounts of Agency

2. The Agency shall keep proper accounts and records of its transactions and affairs and shall do all things necessary to ensure that all payments out of its moneys are correctly made and properly authorised and that adequate control is maintained over the assets of, or in the custody of, the Agency and over the expenditure incurred by the Agency.

Financial statements

3. The Agency shall, as soon as practicable after the close of each financial year, prepare and submit the financial statements in respect of that financial year to the auditor who shall audit and report on them.

SECOND SCHEDULE — *continued*

Appointment of auditor

4. The accounts of the Agency shall be audited by such auditor as may be appointed by the Minister.

Remuneration of auditor

5. The remuneration of the auditor shall be paid out of the funds of the Agency.

Duties of auditor

6.—(1) The auditor shall in his report state —

- (a) whether the financial statements show fairly the financial transactions and the state of affairs of the Agency;
- (b) whether proper accounting and other records have been kept, including records of all assets of the Agency whether purchased, donated or otherwise;
- (c) whether the receipts, expenditure, investment of moneys, and the acquisition and disposal of assets by the Agency during the financial year have been in accordance with this Act; and
- (d) such other matters arising from the audit as he considers should be reported.

(2) The auditor shall, as soon as practicable after the accounts have been submitted for audit, send a report of his audit to the Minister.

(3) The auditor may at any other time report to the Minister upon any matter arising out of the performance of his audit.

Powers of auditor

7.—(1) The auditor or any person authorised by him is entitled at all reasonable times to full and free access to all accounting and other records relating, directly or indirectly, to the financial transactions of the Agency, except records pertaining to transactions that are declared by the Permanent Secretary to the Ministry of Defence to be of a secret nature and to which access is not granted.

(2) Any expenditure by the Agency on goods or services of a secret nature, whether for itself or for the Government, the purpose and particulars of which cannot be made public, shall be supported in the appropriate accounts by a certificate of payment from the Permanent Secretary to the Ministry of Defence and his declaration that he has satisfied himself that the money has been properly expended.

SECOND SCHEDULE — *continued*

(3) The Permanent Secretary to the Ministry of Defence shall forward a copy of the certificate of payment and the declaration to the auditor.

Failure to furnish information to auditor

8. The auditor or any person authorised by him may require any person to furnish him with such information in the possession of that person or to which that person has access as the auditor or any duly authorised person considers necessary for the performance of his duties under this Act, except where the information pertains to transactions that are declared by the Permanent Secretary to the Ministry of Defence to be of a secret nature.

Penalty for obstruction

9. Any person who fails, without reasonable excuse, to comply with any requirement of the auditor under paragraph 8 or who otherwise hinders, obstructs or delays the auditor in the performance of his duties or the exercise of his powers under this Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000 and, in the case of a continuing offence, to a further fine not exceeding \$100 for every day or part thereof during which the offence continues after conviction.

Presentation of audited financial statements and auditor's report

10.—(1) As soon as the accounts of the Agency and the financial statements have been audited in accordance with the provisions of this Act, a copy of the audited financial statements signed by the Chairman and certified by the auditor, together with a copy of any report made by the auditor, shall be submitted to the Minister.

(2) The Minister shall as soon as practicable cause a copy of the audited financial statements and of the auditor's report to be presented to the committee appointed by the Prime Minister under section 30.

THIRD SCHEDULE

Section 34

CONSEQUENTIAL AMENDMENTS

First column

Second column

(1) Central Provident Fund
Act
(Chapter 36)

Paragraph 6 of the Insert, immediately after item (6), the following
First Schedule item:

 THIRD SCHEDULE — *continued*

“(6A) Defence Science and Technology Agency.”.

(2) Evidence Act
(Chapter 97)

The Schedule Insert, immediately after item 5, the following item:

"5A. Defence Science and Technology Agency Defence Science and Technology Agency Act 2000."

(3) Income Tax Act
(Chapter 134)

Paragraph A of the First Schedule Insert, immediately after item 9, the following item:

"9A. Defence Science and Technology Agency."

(4) Statutory Bodies and Government Companies (Protection of Secrecy) Act
(Chapter 319)

The Schedule Insert, immediately after item 5, the following item:

"5A. Defence Science and Technology Agency Defence Science and Technology Agency Act 2000."
