

Schedule 1 — Provisions about the constitution and proceedings of the board

[r. 11]

1. Term of office

- (1) Subject to clause 2, a director holds office for such period, not exceeding 3 years, as is specified in the instrument of appointment, and is eligible for reappointment.
- (2) A director, unless he or she sooner resigns or is removed from office, continues in office until his or her successor comes into office, even if the period for which the director was appointed has expired.
- (3) A director's duties are not required to be performed on a full-time basis.

2. Resignation and removal

- (1) A director may resign from office by notice in writing delivered to the Minister.
- (2) The Minister may at any time remove a director from office and is not required to give any reason for doing so.

3. Chairperson and deputy chairperson

- (1) The Minister is to appoint a director to be chairperson and another to be deputy chairperson.
- (2) Where the chairperson is unable to act because of sickness, accident or other cause, the deputy chairperson is to act in the chairperson's place.
- (3) Where the deputy chairperson is acting in place of the chairperson at a meeting, clause 4(1) applies as if the deputy chairperson were absent from the meeting.

4. Alternate directors

- (1) The Minister may in writing appoint a person to act temporarily in place of a director who is unable to act because of sickness, absence or other cause.
- (2) A person appointed under subclause (1), while acting according to the tenor of the appointment —
 - (a) is to be taken to be a director; and
 - (b) is entitled to remuneration under regulation 9.
- (3) No act or omission of a person acting in place of another under this clause may be questioned on the ground that the occasion for the appointment or acting had not arisen or had ceased.

5. Meetings

- (1) The first meeting of the board is to be convened by the chairperson and, subject to subclause (2), subsequent meetings are to be held at such times and places as the board determines.
- (2) A special meeting of a board may at any time be convened by the chairperson or any 2 directors.
- (3) The chairperson, or the deputy chairperson acting under clause 3(2), is to preside at all meetings of a board at or in which he or she is present, or participating under clause 6.
- (4) At any meeting of a board —
 - (a) 2 directors constitute a quorum; and
 - (b) in the case of an equality of votes the person presiding has a casting vote in addition to a deliberative vote.

6. Telephone and video meetings

Despite anything in this Schedule, a communication between directors constituting a quorum under clause 5(4)(a) by telephone or audiovisual means is a valid meeting of directors, but only if each participating director is capable of communicating with every other participating director instantaneously at all times during the proceedings.

7. Resolution may be passed without meeting

- (1) If —
 - (a) a document containing a statement to the effect that an act, matter or thing has been done or a resolution has been passed is sent or given to all directors;
 - (b) the document is assented to by a majority of the directors who signify a response; and
 - (c) the majority comprises not less than 2 directors,

that act, matter, thing or resolution is to be taken as having been done at or passed by a meeting of the board.

- (2) For the purposes of subclause (1) —
 - (a) the meeting is to be taken as having been held —
 - (i) if the directors assented to the document on the same day, on the day on which the document was assented to and at the time at which the document was last assented to by a director; or
 - (ii) if the directors assented to the document on different days, on the day on which, and at the time at which, the document was last assented to by a director;

- (b) 2 or more separate documents in identical terms each of which is assented to by one or more directors are to be taken to constitute one document; and
 - (c) a director may signify assent to a document —
 - (i) by signing the document; or
 - (ii) by notifying the IMO of the director's assent in person or by post, facsimile transmission, telephone, email or other method of written, electronic, audio or audiovisual communication.
- (3) Where a director signifies assent to a document otherwise than by signing the document, the director must by way of confirmation sign the document at the next meeting of the board attended by that director, but failure to do so does not invalidate the act, matter, thing or resolution to which the document relates.
- (4) Where a document is assented to in accordance with subclause (1), the document is to be taken as a minute of a meeting of the board.

8. Minutes and records

The board is to ensure that an accurate record is kept and preserved of —

- (a) the proceedings at each meeting of the board; and
- (b) each resolution passed under clause 7.

9. Leave of absence

The board may, on such terms and conditions as it thinks fit, grant to a director leave of absence from a meeting, including the meeting at which it is intended to grant the leave.

10. Board to determine own procedures

Subject to these regulations, the board may determine its own procedures.

Schedule 2 — Provisions about duties of directors and related provisions

[r. 12]

1. Interpretation

A person who attempts (within the meaning of section 4 of *The Criminal Code*) to commit an offence against a provision of this Schedule commits an offence.

2. Disclosure of interest in contracts

- (1) A director who has a material personal interest in a matter involving the IMO must, as soon as possible after the relevant facts have come to the director's knowledge, disclose the nature of the interest at a meeting of the board.

Penalty: \$6 000.

- (2) A disclosure under subclause (1) is to be recorded in the minutes of the meeting.

3. Voting by interested directors

- (1) A director who has a material personal interest in a matter that is being considered by the board —

(a) must not vote whether at a meeting or otherwise —

- (i) on the matter; or
- (ii) in relation to a proposed resolution under subclause (3) in relation to the matter, whether in relation to that or a different director;

and

(b) must not be present while —

- (i) the matter; or
- (ii) a proposed resolution of the kind referred to in paragraph (a)(ii),

is being considered at a meeting.

- (2) For the purpose of subclause (1), a director does not have an interest in a matter relating to an existing or proposed contract of insurance merely because the contract insures, or would insure, the director against a liability incurred by the director in his or her capacity as a director of the IMO, but this subclause does not apply if the IMO is the insurer.

- (3) Subclause (1) does not apply if the board has at any time passed a resolution that —

(a) specifies the director, the interest and the matter; and

- (b) states that the directors voting for the resolution are satisfied that the interest should not disqualify the director from considering or voting on the matter.
- (4) Despite clause 5(4) of Schedule 1, if a director is disqualified under subclause (1) in relation to a matter, a quorum is present during the consideration of that matter if at least 2 directors are present who are entitled to vote on any motion that may be moved at the meeting in relation to that matter.
- (5) The Minister may deal with a matter in so far as the board cannot deal with it because of subclause (4).
- (6) The Minister may by writing declare that subclauses (1) and (4) do not apply in relation to a specified matter either generally or in voting on particular resolutions.
- (7) The Minister must within 14 days after a declaration under subclause (6) is made cause a copy of the declaration to be laid before each House of Parliament or to be dealt with under regulation 51.

4. Prohibition on loans to directors and related persons

- (1) In this clause —
“**relative**” means —
 - (a) a parent or remoter lineal ancestor;
 - (b) son, daughter or remoter issue; or
 - (c) a brother or sister.
- (2) The IMO must not, whether directly or indirectly —
 - (a) make a loan to a director, a spouse or de facto partner of a director or a relative of a director or spouse or de facto partner of a director; or
 - (b) give a guarantee or provide security in connection with a loan made to a director, a spouse or de facto partner of a director or a relative of a director or spouse or de facto partner of a director.
- (3) A director who is knowingly concerned in a contravention of subclause (2) by the IMO (whether or not in relation to the director) commits an offence.
Penalty:
 - (a) if the contravention was committed with intent to deceive or defraud the IMO or creditors of the IMO or creditors of any other person or for any other fraudulent purpose, \$20 000;
 - (b) otherwise, \$5 000.

5. Directors and auditors not to be indemnified for certain matters

- (1) The IMO must not —
 - (a) indemnify a person who is or has been a director or auditor of the IMO against a liability incurred by the person as a director or auditor; or
 - (b) exempt such a person from such a liability.
- (2) Any agreement or arrangement is void so far as it provides for the IMO to do anything that subclause (1) prohibits.
- (3) Subclause (1) does not prevent a person from being indemnified against a civil liability to a person, other than the IMO, unless the liability arises out of conduct involving a lack of good faith.
- (4) Subclause (1) does not prevent a person from being indemnified against a liability for costs and expenses incurred by the person —
 - (a) in defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or
 - (b) in obtaining relief under section 20 or 21 of the *Statutory Corporations (Liability of Directors) Act 1996*.
- (5) The IMO must not pay, or agree to pay, a premium, in respect of a contract insuring a person who is or has been a director or auditor of the IMO against a liability —
 - (a) incurred by the person as such a director or auditor; and
 - (b) arising out of conduct involving —
 - (i) a wilful breach of duty in relation to the IMO; or
 - (ii) without limiting subparagraph (i), a contravention of section 11 or 12 of the *Statutory Corporations (Liability of Directors) Act 1996*.
- (6) In subclause (5) —
“pay” includes pay indirectly through one or more interposed entities.
- (7) If subclause (5) is contravened, the contract is void so far as it insured the person against such a liability.
- (8) Subclauses (5) and (7) do not apply to a liability for costs and expenses incurred by a person in defending proceedings, whether civil or criminal and whatever their outcome.

6. False or misleading information

- (1) A director must not make available or furnish information, or authorise or permit the making available or furnishing of information, to —
 - (a) the Treasurer or the Minister; or

- (b) a director, auditor, debenture holder or trustee for debenture holders of the IMO,

being information, whether in documentary or any other form, that relates to the affairs of the IMO and that, to the knowledge of the director —

- (c) is false or misleading in a material particular; or
- (d) has omitted from it a matter or thing the omission of which renders the information misleading in a material respect.

Penalty: \$10 000.

- (2) A director must not make available or furnish information, or authorise or permit the making available or furnishing of information, to —

- (a) the Treasurer or the Minister; or
- (b) a director, auditor, debenture holder or trustee for debenture holders of the IMO,

being information whether in documentary or any other form, relating to the affairs of the IMO that —

- (c) is false or misleading in a material particular; or
- (d) has omitted from it a matter or thing the omission of which renders the information misleading in a material respect,

without having taken reasonable steps to ensure that the information —

- (e) was not false or misleading in a material particular; and
- (f) did not have omitted from it a matter or thing the omission of which rendered the information misleading in a material respect.

Penalty: \$5 000.

- (3) The references in subclauses (1) and (2) to a director making available or furnishing, or authorising or permitting the making available or furnishing of, information relating to the affairs of the IMO include references to a director making available or furnishing, or authorising or permitting the making available or furnishing of, information as to the state of knowledge of that director with respect to the affairs of the IMO.
- (4) Where information is made available or furnished to a person referred to in subclauses (1)(a) or (b) or (2)(a) or (b) in response to a question asked by that person, the question and information are to be considered together in determining whether the information was false or misleading.

Schedule 3 — Financial administration and audit

[r. 50]

Division 1 — Preliminary

1. Interpretation

- (1) In this Schedule, unless the contrary intention appears —
“**financial year**” has the meaning given by clause 23(1);
“**regulations**” means regulations made under the Corporations Act.
- (2) In this Schedule, unless the contrary intention appears, expressions (including the expressions “**accounting standard**”, “**company**” and “**financial records**”) have the meanings given to those terms in Part 1.2 of the Corporations Act.

Division 2 — Financial records

2. Obligation to keep financial records

(cf. s. 286 Corporations Act)

- (1) The IMO must keep written financial records that —
 - (a) correctly record and explain its transactions and financial position and performance; and
 - (b) would enable true and fair financial statements to be prepared and audited.
- (2) The obligation to keep financial records of transactions extends to transactions undertaken as trustee.
- (3) The financial records must be retained for 7 years after the transaction covered by the records are completed.

3. Physical format

(cf. s. 288 Corporations Act)

If financial records are kept in electronic form, they must be convertible into hard copy. Hard copy must be made available within a reasonable time to a person who is entitled to inspect the records.

4. Place where records are kept

(cf. s. 289 Corporations Act)

- (1) The IMO may decide where to keep the financial records.
- (2) If financial records about particular matters are kept outside Australia, sufficient written information about those matters must be kept in Australia to enable true and fair financial statements to be prepared.
- (3) The IMO must give the Treasurer written notice of the place where the information is kept.

- (4) The Minister may direct the IMO to produce specified financial records that are kept outside Australia.
- (5) The direction must —
 - (a) be in writing;
 - (b) specify a place in Australia where the records are to be produced (the place must be reasonable in the circumstances); and
 - (c) specify a day (at least 14 days after the direction is given) by which the records are to be produced.

5. Director access
(cf. s. 290 Corporations Act)

- (1) A director has a right of access to the financial records at all reasonable times.
- (2) On application by a director, the Supreme Court may authorise a person to inspect the financial records on the director's behalf.
- (3) A person authorised to inspect records may make copies of the records unless the Supreme Court orders otherwise.
- (4) The Supreme Court may make any other orders it considers appropriate, including either or both of the following —
 - (a) an order limiting the use that a person who inspects the records may make of information obtained during the inspection;
 - (b) an order limiting the right of a person who inspects the records to make copies in accordance with subclause (3).

Division 3 — Financial reporting

Subdivision 1 — Annual financial reports and directors' reports

6. Preparation of annual financial reports and directors' reports
(cf. s. 292 Corporations Act)

A financial report and a directors' report must be prepared for each financial year by the IMO before 30 September.

7. Contents of annual financial report
(cf. s. 295 Corporations Act)

- (1) The financial report for a financial year consists of —
 - (a) the financial statements for the year;
 - (b) the notes to the financial statements; and
 - (c) the directors' declaration about the statements and notes.
- (2) The financial statements for the year are —

- (a) a profit and loss statement for the year;
 - (b) a balance sheet as at the end of the year;
 - (c) a statement of cash flows for the year; and
 - (d) if required by the accounting standards — a consolidated profit and loss statement, balance sheet and statement of cash flows.
- (3) The notes to the financial statements are —
- (a) disclosures required by the regulations;
 - (b) notes required by the accounting standards; and
 - (c) any other information necessary to give a true and fair view.
- (4) The directors' declaration is a declaration by the directors —
- (a) that the financial statements, and the notes referred to in subclause (3)(b), comply with the accounting standards;
 - (b) that the financial statements and notes give a true and fair view;
 - (c) whether, in the directors' opinion, there are reasonable grounds to believe that the IMO will be able to pay its debts as and when they become due and payable; and
 - (d) whether, in the directors' opinion, the financial statements and notes are in accordance with this Schedule, including —
 - (i) clause 8 (compliance with accounting standards and regulations); and
 - (ii) clause 9 (true and fair view).
- (5) The declaration must —
- (a) be made in accordance with a resolution of the directors;
 - (b) specify the date on which the declaration is made; and
 - (c) be signed by at least 2 directors.

8. Compliance with accounting standards and regulations
(cf. s. 296 Corporations Act)

- (1) The financial report for a financial year must comply with the accounting standards.
- (2) The financial report must comply with any further requirements in the regulations.

9. True and fair view
(cf. s. 297 Corporations Act)

- (1) The financial statements and notes in respect of the IMO for a financial year must give a true and fair view of —
 - (a) the financial position and performance of the IMO; and

- (b) if consolidated financial statements are required — the financial position and performance of the consolidated entity.
- (2) This clause does not affect the obligation under clause 8 for a financial report to comply with accounting standards.

10. Annual directors' report
(cf. s. 298 Corporations Act)

- (1) The IMO must prepare a directors' report for each financial year.
- (2) The report must include —
 - (a) the general information required by clause 11; and
 - (b) the specific information required by clause 12.
- (3) The report must —
 - (a) be made in accordance with a resolution of the directors;
 - (b) specify the date on which the report is made; and
 - (c) be signed by at least 2 directors.

11. Annual directors' report — general information
(cf. s. 299 Corporations Act)

- (1) The directors' report for a financial year must —
 - (a) contain a review of operations during the year of the IMO and the results of those operations;
 - (b) give details of any significant changes in the IMO's state of affairs during the year;
 - (c) state the IMO's principal activities during the year and any significant changes in the nature of those activities during the year;
 - (d) give details of any matter or circumstance that has arisen since the end of the year that has significantly affected, or may significantly affect —
 - (i) the IMO's operations in future financial years;
 - (ii) the results of those operations in future financial years; or
 - (iii) the IMO's state of affairs in future financial years;
 - (e) refer to likely developments in the IMO's operations in future financial years and the expected results of those operations; and
 - (f) if the IMO's operations are subject to any particular and significant environmental regulation under a law of the State or of the Commonwealth or of another State or a Territory —give details of the IMO's performance in relation to environmental regulation.

- (2) If consolidated financial statements are required, the report must be on the consolidated entity of which the IMO is part.
- (3) The report may omit material that would otherwise be included under subclause (1)(e) if it is likely to result in unreasonable prejudice to —
 - (a) the IMO; or
 - (b) if consolidated financial statements are required — the consolidated entity or any entity (including the IMO) that is part of the consolidated entity.
- (4) If material is omitted from the report, the report must say so.

12. Annual directors' report — specific information
(cf. s. 300 Corporations Act)

- (1) The directors' report for a financial year must include details of —
 - (a) dividends or distributions paid during the year;
 - (b) dividends or distributions recommended or declared for payment, but not paid, during the year; and
 - (c) the name of each person who has been a director of the IMO at any time during or since the end of the year and the period for which they were a director.
- (2) If —
 - (a) during or since the financial year, the IMO has indemnified against a liability a person who is or has been a director or auditor of the IMO or of a related body corporate; and
 - (b) but for Schedule 2 clause 5(3) or (4), subclause (1) of that clause would have prohibited the IMO from indemnifying the person against that liability,

the report must set out —

- (c) the person's name;
 - (d) the nature of the liability; and
 - (e) how much the IMO paid, and what else the IMO did, by way of indemnifying the person against the liability.
- (3) If —
 - (a) during or since the financial year, the IMO has made a relevant agreement (as defined in section 9 of the Corporations Act) for indemnifying against a liability a person who is or has been a director or auditor of the IMO or of a related body corporate; and
 - (b) but for Schedule 2 clause 5(3) or (4), subclause (1) of that clause would prohibit the IMO from indemnifying the person against that liability,

the report must set out particulars of the relevant agreement, including —

- (c) the person's name;
 - (d) the nature of the liability; and
 - (e) how much the relevant agreement provides for the IMO to pay, and what else it provides for the IMO to do, by way of indemnifying the person against the liability.
- (4) If —
- (a) during or since the financial year, the IMO has paid, or agreed to pay, a premium in respect of a contract insuring against a liability a person who is or has been a director or auditor of the IMO or of a related body corporate; and
 - (b) but for Schedule 2 clause 5(8), subclause (5) of that clause would have prohibited the IMO from paying, or agreeing to pay, the premium,

the report must —

- (c) name the person and state that the IMO has paid, or agreed to pay, a premium in respect of a contract insuring the person against a liability; and
 - (d) set out, except so far as prohibited by the contract itself, the nature of the liability and the amount of the premium.
- (5) The report must also include details of —
- (a) each director's qualifications, experience and special responsibilities;
 - (b) the number of meetings of the board held during the year and each director's attendance at those meetings; and
 - (c) the number of meetings of each board committee held during the year and each director's attendance at those meetings.

13. Annual directors' report — other specific information
(*cf. s. 300A Corporations Act*)

The directors' report for a financial year must also include —

- (a) discussion of board policy for determining the nature and amount of emoluments of directors and senior executives of the IMO;
- (b) discussion of the relationship between such policy and the IMO's performance; and
- (c) details of the nature and amount of each element of the emolument of each director and each of the 5 named officers of the IMO receiving the highest emolument.

14. Audit of annual financial report
(*cf. s. 301 Corporations Act*)

The IMO must have the financial report for a financial year audited by the Auditor General in accordance with Subdivision 2 and clauses 32 and 33 and obtain an auditor's report.

Subdivision 2 — Audit and auditor's report

15. Audit opinion
(*cf. s. 307 Corporations Act*)

The Auditor General must form an opinion about —

- (a) whether the financial report is in accordance with this Schedule, including —
 - (i) clause 8 (compliance with accounting standards and regulations); and
 - (ii) clause 9 (true and fair view);
- (b) whether he or she has been given all information, explanation and assistance necessary for the conduct of the audit;
- (c) whether the IMO has kept financial records sufficient to enable a financial report to be prepared and audited; and
- (d) whether the IMO has kept other records and registers as required by this Schedule.

16. Auditor General's report on annual financial report
(*cf. s. 308 Corporations Act*)

- (1) The Auditor General must report to the Minister on whether he or she is of the opinion that the financial report is in accordance with this Schedule, including —
 - (a) clause 8 (compliance with accounting standards and regulations); and
 - (b) clause 9 (true and fair view).
- (2) If not of that opinion, the Auditor General's report must say why.
- (3) If the Auditor General is of the opinion that the financial report does not comply with an accounting standard, his or her report must, to the extent it is practicable to do so, quantify the effect that non-compliance has on the financial report.
- (4) If it is not practicable to quantify the effect fully, the report must say why.
- (5) The Auditor General's report must describe —
 - (a) any defect or irregularity in the financial report; and
 - (b) any deficiency, failure or shortcoming in respect of the matters referred to in clause 15.

- (6) The report must specify the date on which it is made.
- (7) The Auditor General must give a copy of the report to the directors as soon as practicable after it has been given to the Minister.

17. Auditor General's power to obtain information
(*cf. s. 310 Corporations Act*)

The Auditor General —

- (a) has a right of access at all reasonable times to the books of the IMO; and
- (b) may require any officer of the IMO to give the Auditor General information, explanations or other assistance for the purposes of the audit or review.

18. Assisting Auditor General
(*cf. s. 312 Corporations Act*)

An officer of the IMO must —

- (a) allow the Auditor General access to the books of the IMO; and
- (b) give the Auditor General any information, explanation or assistance required under clause 17.

Subdivision 3 — Special provisions about consolidated financial statements

19. Directors and officers of controlled entity to give information
(*cf. s. 323 Corporations Act*)

If the IMO has to prepare consolidated financial statements, a director or officer of a controlled entity must give the IMO all information requested that is necessary to prepare the consolidated financial statements and the notes to those statements.

20. Auditor General's power to obtain information from controlled entity
(*cf. s. 323A Corporations Act*)

- (1) Where the financial report includes consolidated financial statements, the Auditor General —
 - (a) has a right of access at all reasonable times to the books of any controlled entity; and
 - (b) may require any officer of the entity to give the Auditor General information, explanations or other assistance for the purposes of the audit or review.
- (2) Any information, explanation or other assistance required under subclause (1)(b) is to be given at the expense of the IMO.

21. Controlled entity to assist the Auditor General
(cf. s. 323B Corporations Act)

If the IMO has to prepare a financial report that includes consolidated financial statements, an officer or auditor of a controlled entity must —

- (a) allow the Auditor General access to the controlled entity's books; and
- (b) give the Auditor General any information, explanation or assistance required under clause 20.

22. Application of subdivision to entity that has ceased to be controlled
(cf. s. 323C Corporations Act)

Clauses 19, 20 and 21 apply to the preparation or audit of a financial report that covers a controlled entity even if the entity is no longer controlled by the IMO when its financial report is being prepared or audited.

Subdivision 4 — Financial years of the IMO and the entities it controls

23. Financial years
(cf. s. 323D Corporations Act)

- (1) The financial year of the IMO is the 12 month period ending on 30 June.
- (2) Where the IMO has to prepare consolidated financial statements, it must do whatever is necessary to ensure that the financial years of the consolidated entities are synchronised with its own financial years.
- (3) It must achieve this synchronisation by the end of 12 months after the situation that calls for consolidation arises.

Division 4 — Accounting standards

24. Accounting standards
(cf. s. 334 Corporations Act)

- (1) An accounting standard applies to —
 - (a) periods ending after the commencement of the standard; or
 - (b) periods ending, or starting, on or after a later date specified in the standard.
- (2) The IMO may elect to apply the accounting standard to an earlier period unless the standard says otherwise.
- (3) The election must be made in writing by the directors.

25. Equity accounting
(cf. s. 335 Corporations Act)

This Schedule (and, in particular, the provisions on consolidation of financial statements) does not prevent accounting standards from incorporating equity accounting principles.

26. Interpretation of accounting standards
(cf. s. 337 Corporations Act)

In interpreting an accounting standard —

- (a) unless the contrary intention appears, expressions used in the standard have the same meaning as they have in Chapter 2M of the Corporations Act; and
- (b) the provisions of Part 1.2 of the Corporations Act apply as if the standard's provisions were provisions of that Chapter.

27. Evidence of text of accounting standard
(cf. s. 339 Corporations Act)

- (1) This clause applies to a document that purports to be published by or on behalf of the AASB or ASIC and to set out the text of —
 - (a) a specified standard as in force at a specified time under section 334 of the Corporations Act; or
 - (b) a specified provision of a standard of that kind.
- (2) It also applies to a copy of a document of that kind.
- (3) In the absence of evidence to the contrary, a document to which this clause applies is proof in proceedings under these regulations that —
 - (a) the specified standard was in force at that time under that section; and
 - (b) the text set out in the document is the text of the standard referred to in subclause (1)(a) or the provision referred to in subclause (1)(b).

Division 5 — Extensions

28. Extension of time

- (1) Where any provision of this Schedule requires any act or thing to be observed or performed by a certain date or within a specified time by a person, other than the Auditor General, the Minister may on application by that person extend the date of, or the time for observance or performance of such act or thing to such date or time as the Minister thinks appropriate.
- (2) The Minister must within 14 days after an extension of time is granted under subclause (1) cause the text of the memorandum evidencing the extension to be laid before each House of Parliament or dealt with under regulation 51.

Division 6 — Sanctions for contraventions of this Schedule

29. **Contravention of Divisions 2 and 3**

(*cf. s. 344 Corporations Act*)

- (1) A director contravenes this subclause if he or she fails to take all reasonable steps to comply with, or to secure compliance with, Division 2 or 3.
- (2) The penalty applicable to a contravention of subclause (1) is —
 - (a) in a case to which paragraph (b) does not apply, \$5 000; or
 - (b) if the offence was committed with intent to deceive or defraud the Minister or the Treasurer or creditors of the IMO, \$20 000.
- (3) Subclause (1) does not apply to clause 17, 18, 20 or 21.

Division 7 — Miscellaneous

30. **Deadline for reporting to the Minister**

(*cf. s. 315 Corporations Act*)

- (1) In subclause (2) —

“**prescribed day**” means the tenth working day after receipt by the directors under clause 16 of the Auditor General’s report.
- (2) The IMO must, as soon as practicable but not later than the close of business on the prescribed day in each year, send to the Minister a copy of the annual report required by regulation 35.

31. **Annual financial reporting to the Minister**

(*cf. s. 314 Corporations Act*)

The annual report of the IMO under regulation 35 is to contain the following documents —

- (a) the financial report for the year;
- (b) the directors’ report for the year;
- (c) the Auditor General’s report on the financial report.

32. **Audit**

- (1) If the Auditor General cannot complete the audit of the IMO by 30 September in any year he or she is to submit an interim report to the Minister setting out the reasons for his or her inability to complete the audit by that date, and the Minister is to cause copies of the report to be laid before both Houses of Parliament, within 7 sitting days of receiving that report.
- (2) Section 92 of the *Financial Administration and Audit Act 1985* applies to the audit of the IMO.

33. Powers and duties of the Auditor General

- (1) If the Auditor General in the course of the performance of duties as auditor of the IMO, is satisfied that —
- (a) there has been a contravention of any provision of this Schedule; and
 - (b) the circumstances are such that in the Auditor General's opinion the matter has not been or will not be adequately dealt with by comment in the Auditor General's report on the financial statements or by bringing the matter to the notice of the board,
- the Auditor General is to forthwith report the matter to the Minister in writing.
- (2) The provisions of sections 78 to 80 and 82 to 91 and section 95 of the *Financial Administration and Audit Act 1985* apply to the IMO as if it were a statutory authority named in Schedule 1 to that Act.