

GOVERNANCE STANDARD 003

GS 003: MINUTES

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ICS is a membership professional body, established under the Certified Public Secretaries of Kenya Act, Cap. 534 of the Laws of Kenya, with its core mandate being promotion of good governance.

For any feedback or clarifications, please contact:

The Secretary/ CEO
Institute of Certified Secretaries
CPS Governance Centre, Kilimanjaro Road, Upper Hill,
P.O. Box 46935-00100, Nairobi, Kenya
Tel: 254 20 3597840; Mobile: 0734603173, 0770159631
E-mail: info@ics.ke Website: www.ics.ke

1. PURPOSE

This Standard describes the recommended governance practice for the preparation, recording and maintenance of Minutes.

2. SCOPE

Applies to Organisations generally.

3. LEGAL FRAMEWORK AND GOVERNANCE STANDARDS

The Standard takes into consideration the applicable laws, regulations and global best practices including but not limited to the following: (Or any other statutory re-enactment thereof)

- 3.1. Companies Act (No.17 of 2015)
- 3.2. Co-operative Societies Act (Cap. 490)
- 3.3. Data Protection Act (No.24 of 2019)
- 3.4. Societies Act (Cap. 108)
- 3.5. State Corporations Act (Cap. 446)
- 3.6. Universities Act (No.42 of 2012)
- 3.7. Trustee Act (Cap.167)
- 3.8. Insolvency Act (No.18 of 2015)
- 3.9. Mwongozo: The Code of Governance for State Corporations in Kenya, PSC 2014
- 3.10. Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015
- 3.11. Code of Governance for Private Organizations in Kenya, ICPSK 2014.
- 3.12. GS 001: General Meetings
- 3.13. GS 002: Meetings of the Board

4. DEFINITIONS

- 4.1. "Articles" means the Articles of Association of a company;
- 4.2. "Board" means the body or person, by whatever name called, carrying out or empowered to carry out functions relating to the overall direction and management of an Organisation;
- 4.3. "Board Member" means a Director, Trustee or Member of the Board of an Organisation
- 4.4. "Chairperson" means the chairperson of the Board or the chairperson appointed or elected to chair a meeting of the Board or of the Organisation, as the case may be;
- 4.5. "Constitutive Document" collectively means the Articles, By-laws, Constitution, Charter, Trust Deed or similar document of an Organisation
- 4.6. "Council" means the Council of the Institute of Certified Public Secretaries of Kenya;
- 4.7. "External Auditors" include financial auditors and governance auditors
- 4.8. "General Meeting" means annual general meeting or extra-ordinary meeting of Members, duly convened by the Board or on the requisition of Members;

- 4.9. Institute of Certified Secretaries “ICS” means Institute of Certified Public Secretaries of Kenya as established under the Certified Public Secretaries of Kenya Act, Cap. 534 of the Laws of Kenya.
- 4.10. “Member” means a shareholder having a right to attend and vote at a meeting, or a member of any other association or entity to which this Standard applies;
- 4.11. “Minute Book” means a permanent and detailed record of the deliberations of and resolutions adopted at a meeting, maintained either in hard or digital format.
- 4.12. “Organisation” means a Company ,Society , Cooperative Society, University, Trusts, Non-Governmental Organization, Government Owned Entities, Commissions, County Public Service Boards or other similar institution
- 4.13. “Secretary” means Certified Secretary as defined in the Certified Public Secretaries of Kenya Act

5. STANDARD GUIDELINES

5.1. Definition of Minutes

These are permanent, formal, true records of the proceedings of a meeting and resolutions passed at Board Meetings, Board Committee Meetings or the Organisation’s General Meeting, prepared by secretary from the notes taken during the meeting.

5.2. Types of Minutes

- (a) Verbatim Minutes - Used to record word for word proceedings
- (b) Minutes of Resolution - Used for the minutes of AGMs and Statutory meetings. They only record the main conclusions and the resolutions that were reached in the meeting.
- (c) Minutes of Narration (Narrative Action) - A concise summary of all the discussions/debate that took place, reports received, decisions made, and actions to be taken.
- (d) Action Minutes (Action Items) - Prepared by the secretary as aide memoir to the chair and even members as to actions implementation

5.3. Extract Minutes

5.3.1 Extract Minutes is a record of deliberations and resolutions on certain agenda item.

5.3.2 The extract contains the following:

- (a) Name of the Organisation
- (b) Type of meeting such as General Meeting, Board Meeting or Committee Meeting
- (c) Date and time of the meeting
- (d) Place/venue of the meeting
- (e) The item number (this may vary from the agenda to the minutes);
- (f) The heading of the item;
- (g) The text of the agenda or minute item.
- (h) The resolution(s) made.
- (i) Signature of the members as appropriate.

5.4. Form of Minutes

Minutes shall state:

- 5.4.1. Name of the Organisation
- 5.4.2. Type of meeting such as General Meeting, Board Meeting or Committee Meeting
- 5.4.3. Date and time of the meeting
- 5.4.4. Place/venue of the meeting
- 5.4.5. Names of members present, absent with apologies, absent without apologies, persons in attendance including alternates and proxies.
- 5.4.6. Duration of meeting that is, the start time and end time.
- 5.4.7. Name of people responsible for action
- 5.4.8. Minutes chronologically numbered; that is Minute number and year
- 5.4.9. Signature section

5.5. Substance of Minutes

5.5.1. Preliminary Matters:

- a) Quorum of the Meeting shall be noted by the Secretary. Where the quorum threshold is not met, the Meeting should be adjourned.
- b) It shall be noted in the Minutes that the Notice and Agenda were sent and received by Members within the legally stipulated timelines.
- c) The Minutes of the previous Meeting shall be confirmed as a true record of the proceedings by the Members. **For example: “The Minutes of the Board Meeting held on March 10, 2015 be and are hereby approved and signed by the Chairperson as a true record of the proceedings of the Meeting.”**
- d) The confirmation of the Minutes shall be proposed and seconded by Members who were present at such previous meeting. Such Member shall neither be the Chairperson nor the Secretary. Provided that, where the Meeting has only two Members who were present one of whom was the Chairperson, in that case the Chairperson can only second.
- e) Where no Member was present at the previous meeting, the Minutes are noted and adopted, not confirmed.
- f) Matters arising from the Minutes of the previous meeting for follow up, must be discussed and finalized after Management input, and the relevant recommendations made as the case may be.

- g) Any matters arising from a previous meeting that remain unresolved should not be removed from the matters arising schedule, until they are fully resolved and closed out by Management and or/the Board as the case may be.
- h) Not every spoken word, contribution or alternative solutions that were not chosen should be recorded.

5.5.2. Matters for Discussion, Decision and Approval:

- a) Management Reports tabled to the Meeting must be discussed and all such discussions correctly reflected in the Minutes accordingly. **For Example “Noted that ...”, “Recommended that ...”, “Resolved that ...”, “Approved that...” , “Reported that ...”**
- b) Examples of matters for discussion and approval include:
 - Chairperson’s Report
 - Management Reports
 - Financial Statements and Reports
 - Capital Expenditure items
 - Annual Budgets
 - Strategic Plan
 - Human Resource issues
 - Organisation structure
 - Board and Committee structure
 - Bank Guarantees, Bank Operational Mandates
 - Appointment of External Auditors
 - Committee Reports
- c) The Secretary shall ensure that the decision-making outcomes are clearly stated in the Minutes and the persons assigned to specific tasks are indicated as well.
- d) The Board has collective responsibility for its decisions, therefore the naming of individuals should be avoided wherever possible however,

- e) Depending on the Organisation and/or its Constitutive Documents, Sector or matter at hand, there may be a need to further state the names of persons in the Minutes. These instances may include:
- Individuals presenting a paper or report;
 - Individuals charged with specific actions or to whom responsibility has been delegated;
 - Where declarations of a potential or actual conflict of interest have been made;
 - Individuals objecting to or dissenting from a major decision or where a director abstains from a vote or recuses themselves;
 - Individuals requesting that their name be included in a matter with the approval of chairperson;
 - Individuals asking a specific and pertinent question
 - Individuals making an important comment or observation or a view;
 - Individuals making recommendations, providing information or answering specific questions based on their special expertise on the subject;
 - Where individuals are being discussed for appointment, dismissal or evaluation.
- f) In General Meetings, the persons proposing and seconding motions need to be noted in the Minutes.

5.5.3. Matters for Information or Ratification:

- a) Matters may be tabled before a Meeting for information. These matters are usually for noting.
- b) Matters for ratification must also be duly reflected in the Minutes either as "Ratified". This may include any matters that require approval of the Members but due to exigency may have been executed or implemented by Management pending the relevant approvals from the Board.

5.5.4. A distinct Minute Book shall be kept for meetings of the Board and for each of its Committees.

5.5.5. The date of the next Meeting (where possible) shall be indicated in the Minutes. Where the date cannot be ascertained, it should be indicated that the next meeting shall be by notice to the Members.

5.5.6. Closure and date of next meeting. If there is no further issue for discussion, the meeting is ended and the date of the next meeting is set where it is known

5.5.7. The signature section-

- a) A section shall be included for the signature of the Chairperson (or person presiding over the Meeting) and the Secretary or the Chairperson and another Board Member who shall duly sign and date the Minutes at the next Meeting once confirmed by the Members.
- b) The signatories to the confirmed Minutes shall initial every page.

5.5.8. Once the Minutes are drafted, the Minutes should be sent to the Chairperson to approve for circulation.

5.6. Matrix on Action Points

5.6.1. This is a matrix usually in the form of a table that indicates who is responsible for what action, timeframes and resources applicable following the deliberations in a meeting. It can be prepared as a table and appended to the minutes.

5.6.2. It helps to keep a track on actions that should be undertaken and ensures matters are not pending for long.

5.6.3. Ideally matters should not be pending on the action point for more than 6 months.

5.7. Other Considerations

Minutes should be:

- a) Appropriate and proportionate to the Organisation and its sector;
- b) Clear, legible and unambiguous;
- c) In a language understood by the Members;
- d) Concise and fair with the correct summary of the proceedings of the meeting;
- e) Precise, but not too brief to avoid losing meaning , sufficiently detailed for clarity;
- f) Consistent in form throughout the Organisation, preferably using a standard template across all Organisation Meetings.
- g) In neutral tone, in third person and past tense. Avoid emotive and subjective statements;
- h) Meet the applicable legal requirements. Impersonal as decisions belong to the group

5.8. Amendment of Previous Minutes

- 5.8.1. Prior to confirmation, the Secretary shall;
- a) For substantive amendments, defer the confirmation and signing to the next Meeting to allow for relevant amendments.
 - b) For non-substantive amendments, incorporate the amendments which shall be initialled by the Chairperson and the Minutes be confirmed and signed. In the alternative, note and incorporate the amendments in the current Minutes and have the previous Minutes confirmed and signed.
 - c) Once minutes are signed by the Chair, any corrections cannot be made unless through a subsequent minute in another meeting
 - d) Any editing done by the meeting before confirmation, should be initiated by the chair
 - e) For major errors, retyping should be done
- 5.8.2. After confirmation and signing, the Secretary shall incorporate amendments from Members in the current Minutes.

Any amendment arising in relation to Minutes which have already been confirmed and signed shall be incorporated in subsequent Minutes.

5.9. Minutes Taking Process and Retention

- 5.9.1. The Secretary shall attend and take Notes at all Board and General Meetings that will be subsequently used to prepare Minutes.
- 5.9.2. Where the actual recording is done by another person, the ultimate responsibility of the accuracy and correctness of the Meeting proceedings remains with the Secretary.
- 5.9.3. In exceptional circumstances where the Secretary is required by the Board to step out of the Meeting, the Chairperson shall assign one of the Members present to record the proceedings during the absence of the Secretary. In this case, the Secretary shall minute their absence for the duration of the deliberations.
- 5.9.4. Pre – Board meetings or informal meetings by Board Members:
Board Meetings must be properly convened according to the Organisation's Constitutive Documents or they do not constitute a validly held Meeting.

Therefore, if a matter arises from an informal meeting of the Directors that requires a Board decision, then the matter must be properly tabled and discussed at the Board Meeting and duly minuted because all Board Members have a right to be included in discussions and decisions except where they have a conflict of interest and are excluded from decisions based on their conflict.

- 5.9.5. Any breaks or interruptions during the Meeting proceedings should be duly minuted.
- 5.9.6. Minutes may be recorded through the following methods subject to the Constitutive Documents requirements and/or Board approval:
- a) Handwritten
 - b) Typing
 - c) Recording devices;
Once recorded, the same information must be transcribed for signature and filing.
- 5.9.7. Where Minutes are maintained in electronic form, following requirements should be satisfied –
- (a) the information contained therein remains accessible so as to be usable for a subsequent reference;
 - (b) it is retained in the format in which it was originally generated, or in a format which can be demonstrated to represent accurately the information originally generated;
 - (c) the details which would facilitate the identification of the origin, destination, date and time of generation are available in the electronic record.
- 5.9.8. The person who is responsible for the maintenance and security of Minutes in electronic form should –
- (a) provide adequate protection against unauthorised access, alteration or tampering of the Minutes;
 - (b) ensure against loss of the Minutes as a result of damage to, or failure of the media on which the Minutes are maintained;
 - (c) ensure that computer systems, software and hardware are adequately secured and validated to ensure their accuracy, reliability and consistent intended performance;
 - (d) ensure that Minutes are accurate, accessible, and capable of being reproduced for reference later;
 - (e) ensure that the Minutes are at all times capable of being retrieved to a readable and printable form;
 - (f) ensure that Minutes are kept in a non-rewriteable and non-erasable format like pdf. version or some other version which cannot be altered or tampered;
 - (g) ensure that a backup is kept of the updated Minutes maintained in electronic form; such backup is authenticated and dated and is securely kept at such place as may be decided by the Board;
 - (h) limit the access of the Minutes to the Chief Executive Officer, Secretary or any other Member of the Board or officer, of the Organisation as may be authorised by the Board from time to time; access may be given to the Auditor(s) or other persons as may be authorised by the Board;
 - (i) take necessary steps to ensure security, integrity and confidentiality of Minutes.

5.10. Quality Assurance:

- a) The Secretary shall draft the Minutes immediately after the Meeting, preferably within forty-eight (48) hours.
- b) After drafting the Minutes, the Secretary may share the draft Minutes with the executive managers who were in attendance for their input on the Papers they presented or tabled.
- c) The Secretary shall thereafter send the Minutes to the Chief Executive Officer for his review and/or concurrence after which the Minutes shall be sent to the Chairperson for authorisation to circulate to Members.
- d) The Secretary shall ensure circulation of the Minutes to the Board Members within fourteen (14) days after the Meeting.

5.11. Any Other Business

- (a) Any other Business does not require a lot of debate. It requires the Chair's ruling or an answer from any other member if asked to do so by the Chair.
- (b) The person who raised the AOB must be identified by name and the ruling given by the Chair or any other officer selected by the Chair.
- (c) If the AOB matter is important and requires more deliberation then it may form part of the agenda in the next meeting.

5.12. Minute Book

- 5.12.1. Copies of the duly approved and signed Minutes shall be retained in the Minute Book for at least ten (10) years or in accordance with the documents retention policy of the Organisation and in line with the applicable Laws.
- 5.12.2. The Minute Book may be maintained either in hard or digital format, but always in line with requirements of the law.
- 5.12.3. The Minute Book shall be kept at the registered office of the Organisation or such other place as the Board may approve.
- 5.12.4. Once entered in the Minute Book, the Minutes shall not be altered unless the Board has expressly approved the alteration at a subsequent Meeting.

5.13. Inspection and Preservation of Minutes

- 5.13.1. The Minutes of meetings of the Board and Committees shall be available for inspection by the Members of the Board at the registered office of the Organisation.

6. APPROVAL DATE

This Governance Standard was approved by the Council of the Institute on Thursday January 21, 2016 (now past)

7. REVIEW OF STANDARD

This Governance Standard may be reviewed from time to time by the Council at its discretion and subject to the laws

8. EFFECTIVE DATE

The Governance Standard shall come into effect from March 1, 2016 (now past)

9. FIRST REVIEW DATE

This Governance Standard was first reviewed by the Council of the Institute on November 26, 2020

Institute of Certified Secretaries

'The Governance Profession'



CPS Governance Centre | Kilimanjaro Road, Upper Hill
P. O. Box 46935-00100, Nairobi, Kenya

www.ics.ke | info@ics.ke