



COMPANY SECRETARIAL AND CORPORATE GOVERNANCE

Best Practice for Drafting Minutes

by **lk-shields**

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3rd July 2017 | by

Pursuant to Section 166 of the Companies Act 2014 (the "Act"), all companies are required to keep minutes. If a company fails to keep required minutes then they will be held guilty of a Category 4 Offence and subject to a maximum penalty of €5000.

The degree of detail which is required when preparing minutes will depend wholly on the organisation itself and the needs of the company. Many companies have employed a house style which in turn allows for the development of policies and standards around minute taking.

The Act provides that when recording minutes it is essential to note the following:

- The names of the directors present at the meeting
- All resolutions and proceedings at each meeting
- The date, time and location of the Board meeting

The Act provides that Board meetings can take place over the telephone or by other audio means. This is the default position for companies provided their constitution does not disapply the provision.

A Chairperson is appointed at the beginning of a meeting and will lead the meeting and maintain order. Once the minutes have been drafted and approved then the chairperson will be authorised to sign the minutes at the next Board meeting. Any minute that has been signed by the chairperson shall constitute evidence of the undertakings of that meeting.

Once minutes have been drafted they should be sent to the chairperson and other members of the Board for review and be clearly marked as draft in order to avoid any confusion. Once minutes have been finalised they should not be amended.

Minutes of meetings must be kept on file for the purpose of inspections and must be written up as soon as possible to ensure an accurate representation of the undertakings and decisions made at the meeting.

About the Author