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COMPANY SECRETARIAL AND CORPORATE GOVERNANCE

Effective Minute Taking

by **Colm Hanley**

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29th June 2020 | by Colm Hanley

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 as well as any other factors such as regulatory requirements etc. Many companies have employed a house style which in turn allows for the development of policies and standards around minute taking. However, the Act provides the essentials that have to be included irrespective of any internal policies and procedures:

- 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

To take effective minutes, the Company Secretary should also include you should include:

- Corrections and amendments to previous meeting minutes
- Additions to the current agenda
- Whether a quorum is present
- Resolutions accepted or rejected
- Actions taken or agreed to be taken
- Next steps
- Items to be held over to the next meeting and placed on a Rolling Action log
- Open discussion or public participation as the recording of independent challenge is very important

Minutes are an official and legal record of the board meeting

As meeting minutes are presumed to be correct and can be used as legal evidence. The manner in which the Company Secretary details the discussions during a board meeting important for a future record as well a record of current events. In addition to recording the actual discussions for all agenda items, if there are extensive discussions around items where directors raise concerns or challenge the proposed actions, it is important to record who raised such challenges and how these were agreed in order to move forward.

Finally, always ensure your language is clear, unambiguous, and complete.

Approval and circulation

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 or before hand, if required. 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.

If you require assistance with such an application, or with any other company secretarial matters, our highly experienced Company Secretarial Team is on hand to assist. Please contact a member of our team:

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About the Authors



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