



The Institute of Certified Public Secretaries of Kenya

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## **GOVERNANCE STANDARD 003**

### **GS 003: MINUTES**

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## **1. PURPOSE**

This Standard describes the recommended governance practice for the preparation, recording and maintenance of a Minute Book.

## **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. Societies Act (Cap. 108)
- 3.4. State Corporations Act ( Cap. 446)
- 3.5. Universities Act ( No.42 of 2012)
- 3.6. Trustee Act (Cap.167)
- 3.7. Insolvency Act, 2015
- 3.8. Mwongozo: The Code of Governance for State Corporations in Kenya, PSC 2014
- 3.9. Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015
- 3.10. Code of Governance for Private Organizations in Kenya, ICPSK 2014.
- 3.11. GS 001: General Meetings
- 3.12. 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. “Director” means a director of a company as defined in the Act;
- 4.8. “External Auditors” include financial auditors and governance auditors
- 4.9. “General Meeting” means annual general meeting or extra-ordinary meeting of Members, duly convened by the Board or on the requisition of Members;

- 4.10. “Institute” means the Institute of Certified Public Secretaries of Kenya;
- 4.11. “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;
- 4.12. “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.
- 4.13. “Organisation” means a Company ,Society , Cooperative Society , University , Trusts, Non-Governmental Organizations , Government Owned Entities , Commissions , County Public Service Boards or other similar institution
- 4.14. “Proxy” means an instrument in writing signed by a Member, authorising another person, who need not be a Member, to attend and vote on his behalf at a meeting, and also means the person so appointed;
- 4.15. “Secretary” means Certified Secretary as defined in the Certified Public Secretaries Act
- 4.16. “Practising Secretary” means a person that practises as a certified public secretary in consideration of remuneration or other benefits received or to be received and whether by himself/herself or in partnership with any other person, meaning that he /she :
- 4.16.1. Engages in the public practice of secretaryship or performs the statutory duties of a certified public secretary or holds himself out to the public as a person entitled to do so
  - 4.16.2. Offers to perform or performs services involving the submission of official and statutory returns of companies and trading organizations;
  - 4.16.3. Offers to perform or performs services involving the certification of statutory returns or records related to statements; or
  - 4.16.4. Engages in any practice, or performs or offers to perform any services, which may be prescribed;
- PROVIDED THAT a salaried employee of a government, Company or of any other person does not practise as a certified public secretary by reason only of doing, in his/her capacity as such employee, any of the acts referred above.

## **5. STANDARD GUIDELINES**

### **5.1. Definition of Minutes**

These are permanent, formal, true records of the business transacted and resolutions passed at a Board or Organisation’s Meeting.

### **5.2. Form of Minutes**

Minutes shall state or show:

5.2.1.Name of the Organisation

5.2.2.Type of meeting such as General Meeting, Board Meeting or Committee Meeting

- 5.2.3. Date and time of the meeting
- 5.2.4. Place of the meeting
- 5.2.5. Names of members present, absent with apologies, absent without apologies, persons in attendance including alternates and proxies.
- 5.2.6. Duration of meeting that is, the start time and end time.
- 5.2.7. Minutes chronologically numbered; that is Minute number and year
- 5.2.8. Signature section

### 5.3. Substance of Minutes

#### 5.3.1. 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 time lines.
- 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 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.

#### 5.3.2. 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) Ensure that the decision making outcomes are clearly stated in the Minutes and the persons assigned to specific tasks indicated as well.
- d) Depending on the Organisation and/or its Constitutive Document, there may be a requirement to further state persons dissenting and those in agreement of a decision in the Minutes.
- e) In General Meetings, the persons proposing and seconding motions need to be noted in the Minutes.

#### 5.3.3. 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 Members.

#### 5.3.4. The date of the next Meeting shall be indicated in the Minutes.

#### 5.3.5. 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.

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

#### 5.3.7. Other Considerations

Minutes should be:

- a) Clear, legible and unambiguous;
- b) In a language understood by the Members;
- c) Concise;
- d) Precise, but not too brief to avoid losing meaning;
- e) Consistent in form throughout the Organisation, preferably using a standard template across all Organisation Meetings.
- f) In neutral tone, in third person and past tense. Avoid emotive and subjective statements.

### 5.4. Amendment of Previous Minutes

5.4.1. 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.

5.4.2. 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.

### 5.5. Minutes Taking Process and Retention

5.5.1. The Secretary shall attend and take Minutes at all Board and General Meetings.

5.5.2. 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.

5.5.3. 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.

5.5.4. Minutes may be recorded through the following methods subject to the Constitutive Documents requirements and/or Board approval:

- a) Hand written
- b) Typing
- c) Recording devices ;

Once recorded, the same information must be transcribed for signature and filing.

5.5.5. 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 responsible members of management who were in attendance for input in their respective functional areas.
- 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 Members within fourteen (14) days after the Meeting.

## 5.6. Minutes Book

5.6.1. 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 law.

5.6.2. The Minute Book may be maintained either in hard or digital format, but always in line with requirements of the law.

## 6. APPROVAL DATE

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

## 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