

### Effective minute-writing – new guidance from The Governance Institute

**O**n 19 September 2016, ICSA: the Governance Institute (the professional body for corporate governance), issued new guidance on the practice of minuting company board meetings ('the Guidance').

While the Guidance is of general application and not specifically for trustees of pension schemes, it will be directly relevant for the many schemes which have a corporate trustee. Schemes which have a board of individuals may also find the guidance useful, as the requirements in the Pensions Act 1995 to keep records of meetings apply to all pension schemes.

In this article we look at the legislative background and key points from the new Guidance.

#### Legal requirements

Legal requirements around minute-taking are actually very thin. Under the Companies Act 2006, which applies where there is a corporate trustee, minutes of board meetings must be made and kept for at least 10 years, and must be signed by the chair of the meeting (or of the next meeting). A company's articles of association may also contain requirements about production and retention of minutes.

In a pensions-specific context, the Pensions Act 1995 and associated regulations require minutes to be kept for six years (although it is good practice to keep them for longer, and the Guidance recommends minutes are kept for the life of the organisation). Certain basic items must be included, such as date and place of the meeting, the attendees, decisions made between meetings, and of course those made at the meeting. However, the legislation does not contain any prescribed requirements as to exactly how to do this, or what level of detail to include. This lack of prescription is helpful in many ways, as it means trustee boards can use a style of minuting which they find most useful and suitable.

As ever, any requirements in a pension scheme's rules for running meetings must be adhered to.

#### The Guidance

The Guidance notes that the purpose of minutes is to provide an accurate, impartial and balanced internal record of the business transacted at a meeting. This will then form part of the 'corporate memory'. It is acknowledged that style, content and structure will vary across sectors and types of company, and that there is no 'right way' to prepare minutes.

#### Attending the meeting – the notes

The Guidance recognises that it is a challenge to take notes for the minutes and participate fully in the discussion. It is recommended that an experienced minute-taker supports the secretary where this is appropriate and possible.

The chairperson can be instrumental in helping minutes to be accurate, for example by giving a brief summary 'for the minutes' at the end of each agenda item.

#### Preparing minutes

This is a deceptively difficult and time-consuming task which ICSA considers is often undervalued. The Guidance recommends that minutes are written in reported speech, and in such a way that someone who was not present at the meeting can follow the decisions. Action points should be noted.

#### Naming names?

There are differing views on whether to 'name names' in the minutes. The Guidance recommends avoiding this, as a board has collective responsibility for its decisions, but there are different conventions in different sectors. That said, if an individual is presenting a paper, has responsibility for particular actions, is answering a question based on specific knowledge they have, or is disclosing any conflicts of interest, then it makes sense to name them.

#### How much detail?

The level of detail that should be included is a judgment call. A verbatim record is not required, but the decisions should be clearly recorded. In relation to giving reasons for decisions, the Guidance says that minutes should 'record what was done, not what was said', but with sufficient context to give assurance that a decision was taken properly. Background information will often be in the board papers in any event.

#### Comment

It is vital for trustees to keep good records of their meetings. We have seen issues arise in the past where historic minutes have been ambiguous about the decisions taken. The Guidance provides a good common sense approach, and helpful tips to ensure that such issues do not arise. ■



Joanna Smith  
Associate Director  
Sacker & Partners LLP

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*Joanna is speaking on the topic of Effective Minute-Writing at the forthcoming PMI Secretary to the Trustees seminar on 8 December 2016.*

**Sackers**