

Role of Company Secretary

Company Compliance & Administration

KCB Flexible

Susan Wallace FCG

- 1 The Company Secretary – An officer of the company
- 2 Qualifications and prohibited appointees
- 3 Appointment and removal formalities
- 4 Governance areas and activities
- 5 Dissemination of information to the board
- 6 Relationship with the Chair
- 7 Core duties – General
- 8 Core duties – Board meetings
- 9 Communication with shareholders and stakeholders
- 10 Summary

- All public companies must appoint a company secretary.
- Private companies may choose to appoint a company secretary (S270 and 271 Companies Act).
- A corporate body may be appointed as company secretary.
- A company secretary usually occupies a position of considerable influence at the heart of governance in an organisation.
- Appointed Officer of the company
- Company Secretary may be liable with directors for CA2006 breaches.
- Company secretary to advise the board on compliance with laws.
- Offences and penalties – company secretary liable where they are in default or permit the default.



COMPANY An association of persons which, on incorporation, becomes a **legal entity** entirely separate from the individuals comprising its membership.

Private Company A company that is not a public company.

COMPANY SECRETARY

An **officer** of the company with a number of statutory duties, and usually charged with a range of duties relating to the company's statutory books and records, filing requirements, etc. Under the Companies Act 2006..

Agent Someone who is authorised to carry out business transactions on behalf of another (the principal), who is thereby bound by such actions.

Officer Includes a director, manager or (where appointed) the **secretary** of a company.



A Company Secretary of a private company does not need to be a professional nor have experience.



S273 CA2006 provides that a plc Company Secretary must satisfy the following criteria:

The directors must be satisfied that they have the requisite knowledge and experience to discharge their functions.

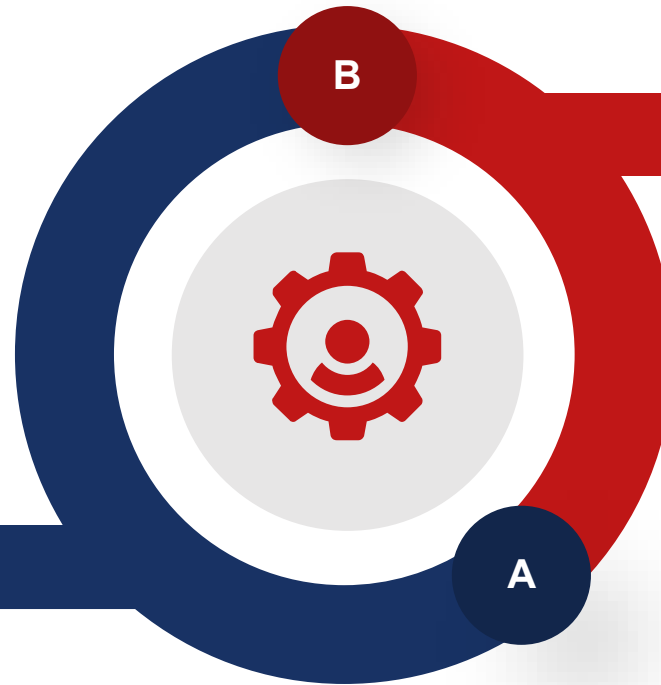
They must be:

- Barrister, advocate or solicitor, called or admitted in the UK
- Member of specified professional bodies: CGI/ICSA; and six accountancy bodies
- Have been a Plc Secretary for three out of five years prior to appointment
- Is a person who, by virtue of their holding or having held any other position or them being a member of any other body, appears to the directors to be capable of discharging these functions.



The first Company Secretary is appointed by IN01 filed on incorporation. Each time a new Company Secretary is appointed an appropriate return must be filed with the Registrar of Companies.

The auditor and any employee of the auditors may not be appointed as company secretary CA2006 s1214.



The sole director is no longer prohibited.

Appointment and removal should be matter for board (UK Corporate Governance Code)

Company Secretary may also resign from office at any time

Provisions in Articles

Notification to Companies House

- First secretary – form IN01
- Subsequent appointments – form AP03 (file within 14 days)
- No need to supply residential address – can supply service address only
- Resignation or removal – form TM02 (file within 14 days)

Being removed as a company secretary would not necessarily also terminate their employment.

If the company has Directors and Officer Liability Insurance, the insurance company should be notified.



Typical governance areas

Governance professionals will typically advise and support the board in the areas such as:

legal and
regulatory
changes

financial and
strategic
reporting

environmental
impact
assessment and
reporting

risk
management
and reporting

stakeholder
engagement

board diversity

succession
planning

boardroom
dynamics and
board
effectiveness

organisational
culture

recruitment
and induction
of directors

Typical governance activities

Governance professionals will undertake a variety of different activities across the year, which include:

organising and supporting board and committee meetings

ensuring that information flows securely to the right people

keeping proper records of board decisions so action can be taken

preparing the annual report and organising the AGM

ensuring organisations meet all legal and regulatory requirements

supporting the chair in developing the effectiveness of the board

researching new topics and emerging trends

advising the chair, board and the executive on governance matters

recruiting and on-boarding new directors, trustees or governors

running projects which turn board decisions into action



Directors have authority to convene board meetings, however, usually delegated to the company secretary (Model Articles Plc reg. 9, Ltd reg. 8) who is central in the preparation for, convening and management of board meetings and is responsible for any administration tasks following the meeting.



Until recently, board papers would be collated, hard copies printed, and these packs distributed by hand, post or courier to each director. With the increasing use of secure email and remote access to corporate IT networks some companies now distribute their board packs using email or by making the pack available on a corporate network.



A number board meeting management applications facilitate the distribution of board packs directly to a director's laptop or tablet.

01

The Company Secretary supports the chair and helping the Board and its committees to function efficiently.

02

The Governance code recommends the Company Secretary reports to the Chair on all governance matters.

Key responsibilities

- Ensuring Board procedures are complied with
- Advising the Board on all governance matters
- Supporting the Board to establish policies, processes, information, time and resources to function effectively and efficiently
- Quality information to the board and its committees
- Induction and on-going training for the board
- Ensuring directors have access to external expert advice, if necessary

Co-ordinate and attend company and director meetings

AGM arrangements

Minutes of meetings

Carry out board instructions

Ensure compliance with Articles

If listed company, ensure compliance with Listing Regime and City Code on Takeovers and Mergers

Ensure compliance with CA2006 and other legislation

Maintaining statutory books, records & registers and inspection of documents

Filing statutory returns and documents

Co-ordinate Annual Report & Accounts publication and distribution

Implement directors' & employees' share schemes

Safe custody and use of common seal (if applicable)

Administration of subsidiary companies

Focal point for shareholder communication, and registration of share ownership

Risk, Insurance, Pensions, Strategy, Health & Safety

Before the meeting



- Standard items on the agenda
- The Company Secretary will chase all papers in good time.
- Send invites out to other attendees.
- Prepare board packs
- Ensure presentations on screen are ready for display

Virtual meetings



- Training for participants on the platform being used.
- It may be appropriate for directors to ensure they use two screens one for the video feed and the other to display the meeting papers.
- Generally, the company secretary or an assistant should act as the host for the meeting allowing participants to join the meeting as required.

During the meeting

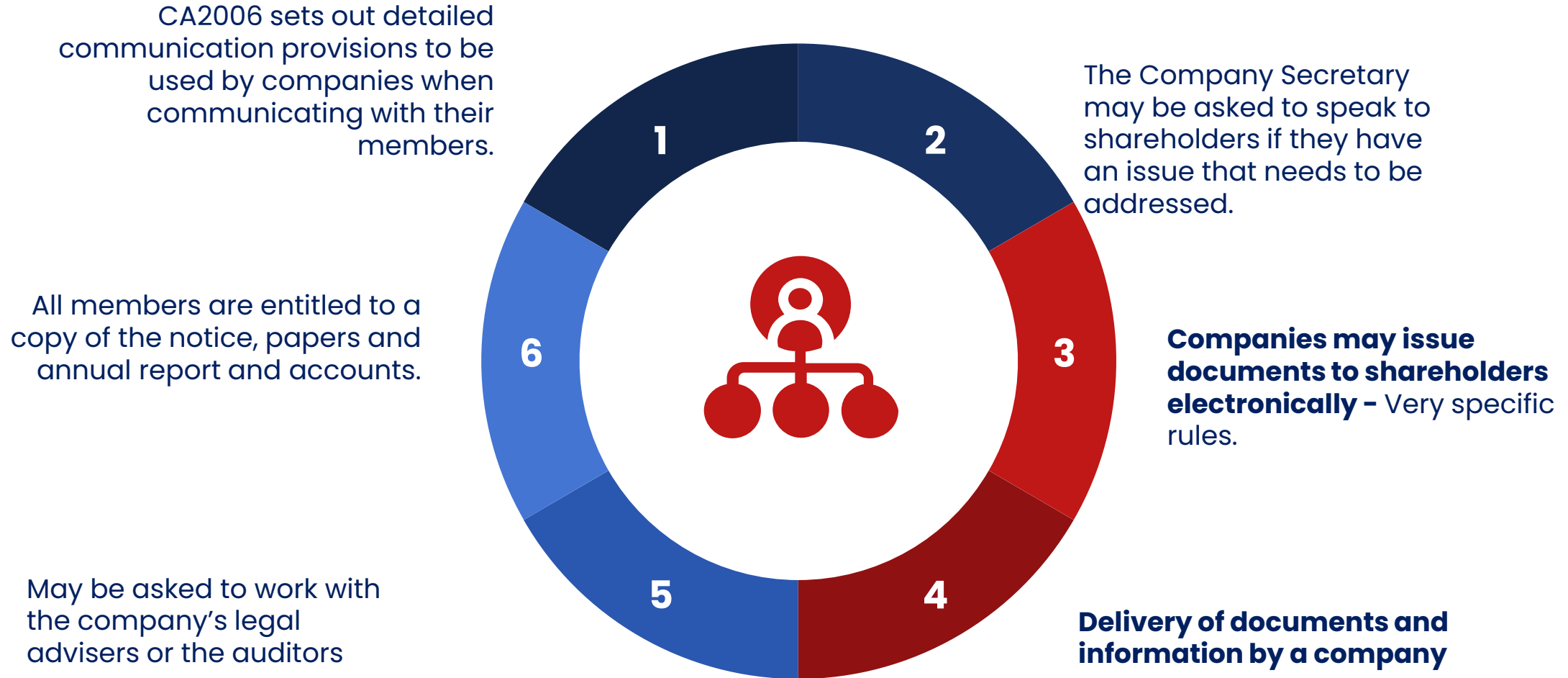
- Ensure quorum
- Note those present
- Take notes / minutes.
- Record the voting.
- You may be asked to advise on matters of governance.
- Call in those other attendees when appropriate.
- Clear the room of papers (personal information / GDPR)
- If appointed, the external auditor may also review the minutes as part of their financial year-end audit, for example to review confirmation of decisions and approvals made by the board.



After the meeting

- **Companies with publicly traded securities only** – if the board has made a decision with regard to a notifiable event, then an **announcement via the regulatory information service** must be made as soon as possible.
- Circulate actions as soon as possible.
- Ask for reports for next meeting.
- Prepare minutes.
- If a director makes a comment in the wording of minutes, the alteration should be agreed in the next set of minutes, other than obvious mistakes or minor errors.





Summary

The role of the company secretary may vary from company to company and for public limited companies there is a qualification requirement.

However, what remains constant in all sectors and for all company secretaries is the duty to act as board adviser, governance expert and stakeholder communicator. To ensure all processes and procedures are carried out correctly and in a timely and efficient manner, in accordance with the company's constitutional documents, company legislation and any prevailing regulations and market practice.

Don't miss the next session!