

### **Note on the board secretary**

*Please note that this job description draws on the experience of secretaries in other forms of co-operatives. In many credit unions the role of the secretary is not as developed as described in this appendix, and the role mainly concerns the signing of official documents. In at least one participating credit union, the role of secretary is abolished with a temporary secretary being appointed as and when required.*

### **Co-operative and company secretaries**

The traditional role of the secretary on credit union boards has been important to governance. Secretaries have been expected to be the director most expert in board policies and procedures, in particular in relation to the proper running of meetings and the delegation of authorities within and beyond the board. In other parts of the co-operative movement, notably consumer-owned retail societies, the secretary performs an even more critical role: Co-operatives UK advises that:

“The most effective secretary is one who is regarded by the board as its trusted advisor, and is at the centre of the co-operative and delivers essential services to ensure the well-being of the co-operative in terms of its legal operation, administration and compliance with corporate governance best practice.

The secretary should assist, and guide, the directors in their pursuit of the co-operative’s strategic aims and their desire to operate a successful co-operative business but should also act with integrity and independence to protect the interests of the co-operative and its members.<sup>1</sup>”

In non-co-operative businesses, the legal requirement for a company secretary was dispensed with in the Companies Act 2006, but the role is still advocated by the UK Corporate Governance Code:

“The company secretary should be responsible for advising the board through the chairman on all governance matters.” (Principle B.5.)

“All directors should have access to the advice and services of the company secretary, who is responsible to the board for ensuring that board procedures are complied with.” (Provision B.5.2)

In the system of governance, the chair carries the lead responsibility among directors for governance arrangements, as part of the chair’s role as a one of the two ‘poles of governance’ with the CEO. There remains, however, a range of responsibilities and activities that the board needs to undertake, which might usefully be allocated to the role of secretary. These are:

- Support and guidance to the chair and board on the detail of policy and procedure
- The board lead for administration of general meetings
- Supporting meetings and record-keeping
- Management of board correspondence, in particular complaints and whistle-blowing communications.

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<sup>1</sup> The Secretary’s Roles & Responsibilities Guidance Note, Co-operatives UK

## SAMPLE ROLE DESCRIPTION

These are discussed below, together with options for credit unions in discharging these requirements.

In considering these proposals, credit unions should be mindful of their current rules: model rules generally specify a role for the secretary, so a revision of this position could require a rule change.

### **The secretary as advisor not director**

In some co-operative businesses, a person fulfilling the role of secretary is not permitted to be a director concurrently. It is believed that in this way the secretary can stand outside the decisions taken by the board, and in an independent manner focus on the process by which they are made and recorded – i.e. the governance process – and on ensuring that the interests of members are constantly at the forefront of discussion. In this sense, the secretary in the boardroom parallels that of the traditional supervisory committee attendee. In these cases, the secretary is usually either a member of staff or an external professional.

In the system of governance, prime responsibility for the board's process of deliberation lies with the chair. As described in above, however, there is still a role for someone else at the board with deep knowledge of the proper procedures and rules who can act as a check and balance on the chair or other directors. Boards may consider whether they think this role is best performed by a full director, or someone acting in an advisory capacity, whether paid or voluntarily.

## **Example role description for the secretary**

### **Support and guidance on policy and procedure**

The chair's lead role in ensuring good governance in the credit union requires him or her to be familiar with the credit union's policies and approach, and it is incumbent on all directors and the CEO to be aware of the governance framework. It is helpful, however, if at least one board attendee has an in-depth knowledge of the credit union's rules, and the board's policies and procedures, and is able to advise colleagues where necessary. Given the other requirements on the chair, the secretary could take lead responsibility for monitoring governance developments, and ensuring the board is fully briefed on these.

### **Administration of general meetings**

Boards supported by professional staff tend to delegate the organisation of annual and other general meetings to employees, and this is logical for time-pressed volunteers. The board retains accountability, however, so the following activities require board input, and might sensibly be allocated to the secretary to lead on behalf of other directors:

- Establishing, with the board's agreement, the items to be considered at the meeting
- Ensuring it is held in accordance with applicable legal requirements and the credit union's rules
- Preparing and issuing documentation, including notices and proxy forms (if applicable)
- Acting as Returning Officer and being responsible for the conduct of elections and referenda in line with the rules. This could include agreeing the form of notices, resolutions, proposals, voting cards and voting papers, with a view to ensuring that the results of votes are clear and conclusive.

Annual general meetings usually require presentation of the report and accounts. Some credit unions use these reports as a valuable communications tool with members, including in it a comprehensive review of activities and plans. The secretary could take a lead role for the board in the preparation of this report, working with the CEO, and ensuring that the report meets legislative requirements.

### **Supporting meetings**

Traditionally secretaries take the minutes at meetings of the board. The quality of minutes is very important to ensure that there is a proper record of discussion and clarity of decisions and actions. Sometimes it can be difficult to keep an effective record of proceedings whilst also participating in discussion. Some organisations address this by using a staff member (not the CEO) to take the meeting notes, and the secretary taking responsibility for subsequently reviewing the initial drafts of the minutes to ensure they properly reflect both discussion and decisions. Papers and minutes need to be properly archived in case directors (or regulators) need access – the secretary can work with the CEO to ensure this is effected, and that contingencies are in place.

Boards should have a register of interests for all of the directors (and potentially the CEO). The secretary can take the lead responsibility for ensuring this register is up-to-date.

### **Management of board correspondence**

Credit unions may receive correspondence addressed generically to the board, although this will be declining in the era of email and social media. The secretary might be the first point of contact for this correspondence. The chair would be another appropriate solution.

The credit union should have in place policies for handling complaints from members and for the management of whistle-blowing claims from staff, volunteers and members. Where these policies require escalation to the board, the secretary would be the appropriate first point of contact.