



Factsheet/Advice Sheet No. 7

The Company Secretary July 2007

This is one of a series of Factsheets for voluntary and community groups issued by West Norfolk VCA.

It explains who can be one, and how the Company Secretary relates to Company Directors/Trustees

1. **Honorary secretary**

The “secretary (can be someone) elected at the Annual General Meeting to deal with the organisation’s paperwork , or be a company secretary with a range of duties under company law, or be an employee” (Voluntary Sector Legal Handbook p. 153).

Most voluntary organisations have “honorary” officers – chairperson, treasurer, secretary. These people are usually elected at the Annual General Meeting. They are unpaid, and usually, along with other elected committee members, form the Management Committee, or Board of Trustees (these terms are synonymous).

2. **Can Management Committee members/ Trustees be paid ?**

Management Committee members/ Trustees must not profit or benefit from their work for the organisation/charity in any way unless this is explicitly allowed under the constitution or articles of association.

For exceptions, seek Charity Commission advice, or refer to: Charities Act 2006 – what trustees need to know (published by Cabinet Office, and Charity Commission 2007).

Reimbursement of expenses is allowable.

New charities can be set up with a provision in the constitution or articles of association for payment of trustees, so long as it is “reasonable”.

(This is controversial in the sector – many believe payment goes against the values we aspire to – others believe it is necessary in some circumstances to attract the right kind of person.)

3. Company secretary

Where a company is formed, a Company Secretary has to be appointed. This person can be a member of the Management Committee/Board of Directors, or an employee, or the company's accountant or solicitor, or anyone else with suitable administrative skills and experience.

A company secretary who is an employee is obviously paid.

(Training for company secretaries is provided by the local VCS, and by the Directory of Social Change.)

The company secretary has no vote at the Management Committee/Board of Directors, unless he or she is also a company director.

This means the company secretary has no say in decisions, but despite this still

- is regarded as an officer of the company, and
- can be held liable for breach of company law duties (in the same way as a Director can).

Duties of the company secretary typically include

- ensures compliance with company legislation and regulations, and keeps Board members informed of their legal responsibilities
- ensures compliance with all relevant codes and legal and statutory requirements
- calls Annual General Meetings and Board meetings
- ensures implementation of decisions
- keeps up-to-date lists of members, and communicates with them
- deals with correspondence, and produces written reports
- advises on legal, governance, accounting, and tax implications of proposed policies and plans
- ensures proper arrangements are made for the Health and Safety of employees, and for insurance and property issues.

See also the Voluntary Sector Legal Handbook p. 157ff.

Further useful information

Voluntary but not Amateur: a guide to the law for voluntary organisations and community groups, publ. October 2000 by London Voluntary Services Council.

Voluntary Sector Legal Handbook, publ. 2001 by Directory of Social Change.

www.governancehub.org.uk

www.charitycommission.gov.uk