# Board Minutes

## Purpose

Board minutes are used to record the decisions of the board. They are used to convey board decisions to the executives who will implement the decisions and serve as reference for the board if it wishes to revisit a decision. They are not a transcript of every word that was said during the meeting or a record of individual directors’ contributions. However, they can be used as evidence in legal proceedings, and as such care must be taken with the preparation of the board minutes.

## Official Records

As official company records of directors’ meetings, courts place weight on the comments of minutes. Minutes are increasingly being used in court to prove or disprove that directors have fulfilled their fiduciary duties. Well taken minutes record organisation decisions, highlight director dissent where appropriate, reduce misunderstandings as to the board’s intent in a matter and show compliance with legal duties and responsibilities.

## Legal Requirements

In order to fulfil their obligations under the Corporations Act 2001 (or an equivalent constitutional provision), directors individually must ensure, by process of voting, that it is possible to determine whether they support, oppose or abstain from a particular resolution, which requires accurate minutes.

The board minutes should be approved by the directors as a true record of their meeting. This is best done between meetings via email and confirmed at the next meeting when the Chair signs the minutes. The minutes are meant to be contemporaneous documents aimed at being a true and accurate reflection of the events occurring at the meeting and the statutory requirements outlined in the Corporations Act 2001 are strictly applied by the courts.

## Process

In order to comply with the requirements of the Corporations Act 2001, minutes of all proceedings and resolutions of all board and committee meetings must adhere to the following:

* Be entered in the directors’ minute book within one month after the relevant meeting
* Be signed within a reasonable time after the meeting by the Chair of that meeting, or of a succeeding meeting
* Once signed, only clerical errors can be amended; to make corrections, directors must pass a resolution at a future meeting
* After signing, the minutes should be kept as part of the company records

Note - Members have the right to inspect the minutes of general meetings, but not those of directors’ meetings. As such, it is highly recommended that the minutes of general meetings and board meetings be stored separately.

## Points to Consider

* The constitution may specify items and processes that should be recorded in minutes, such as proposers and seconders for motions
* Each decision made by the board should be clear to anyone reading the minutes, including those who did not attend the meeting
* Ensure that the key points of the board’s discussion have been recorded so that these can be reviewed quickly if the topic is revisited
* Ensure that any items requiring action or more information are easy to identify. Consider highlighting them in bold type or creating a separate table of actions or ‘matters arising’ from each meeting
* The board should receive progress reports on the implementation of decisions
* The minutes should record who was present for only part of the meeting, either the time of their entry and exit or the agenda items that were discussed when they were in the room
* Any conflicts of interest should be noted with a record of how they were handled
* Some issues may require discussion at more than one meeting. Items that will be revisited by the board should be clearly identified and include a time for subsequent discussions
* If required, board minutes may be used in court to indicate what board members knew and authorised

## Sample Board Minutes - TEMPLATE

|  |  |
| --- | --- |
| Item | Action |
| **Minutes of a Meeting of the Board of xxxxxxxxxxxxx** |  |
| **Date and time** |  |
| **Location** |  |
| **Present**  A Director, Chair  B Director, Non-executive Director  E Participant, CEO  G Participant, Company Secretary, etc. |  |
| **Apologies** |  |
| **Opening and Attendance**  A quorum was present, meeting opened at 6.05pm. |  |
| **Declaration of Interests** |  |
| **Minutes of Previous Meeting**  Resolved: That the minutes of the previous meeting, previously circulated by email, be signed as a true record of that meeting |  |
| **Matters Arising**  The board noted that all matters arising were either complete, not yet due or covered in the meeting agenda. |  |
| **Matters for Discussion**  There were no matters for discussion. |  |
| **CEO Report** |  |
| **Finance Report** |  |
| **General Business** |  |
| **Next Meeting** |  |
| **Close** |  |

