

WHO IS A COMPANY SECRETARY?

Introduction

From a layman's perspective, the role of a company secretary is often limited to the functions of a mere clerical or secretarial officer. However, a company secretary in the corporate world is a senior officer of the company. A company secretary is saddled with the responsibility of ensuring the efficient administration of a company. He /She ensures that the company complies with all statutory and regulatory requirements. Furthermore, the company secretary ensures that decisions made by the board of directors are executed. In essence, a company secretary is the conscience of an organization.

WHO QUALIFIES AS COMPANY SECRETARY?

It is imperative to state that the qualification for a company secretary in a private company is different from that of a public company. The Companies and Allied Matters Act 2020 has provided for a person(s) that are qualified to be the company secretary. It is advisable for private companies (LTDs) and mandatory for public companies (PLCs) to appoint any of the qualified person(s) as a company secretary. Section 332 of the Companies and Allied Matters Act 2020 (CAMA) provides as follows:

- a. A member of the institute of chartered secretaries and administrators.
- b. A legal practitioner within the meaning of the Legal Practitioners Act.
- c. A member of any professional body of accountants established from time to time by an act of the National Assembly.
- d. Any person who has held the office of the secretary of a public company for at least three years of the five years immediately preceding his appointment in a public company or
- e. A body corporate or firm consisting of members each of whom is qualified under paragraphs (a), (b), or (c).

CHANGES IN THE ROLE OF THE COMPANY SECRETARY AND CHALLENGES FACED

The pressure on organizations to function effectively and efficiently is daily increasing. Companies that cannot meet up to the high standards and expectations of the corporate world always face grave consequences. As a result, the role of a company secretary cannot be ignored or over-emphasized in the smooth running of any business. It is a senior role and comes with all the demands and expectations that one would associate with such a position. The company secretary has many day-to-day responsibilities which include: the filing of annual returns; maintaining the company as a legal entity, maintaining the company's statutory books and records, minutes taking etc. It is also the interface between the board, shareholders and all business units. Previously, the role of a company secretary was relegated to internal checks and balances. However, the Companies and Allied Matters Act 2020 has put a proper perspective on how crucial this role is, for an organization's corporate governance.

The following are some of the challenges faced by company secretaries:

1) DEALING WITH DEMANDING PERSONALITIES

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Company secretaries are the first point of call to managers, directors, shareholders, employees and board members, when they require something done.

While a majority of them may be pleasant, sadly there are a few who may be more difficult to deal with: either stemming from the fact that they feel aggrieved from a decision or generally difficult to deal with. The board of a company is made up of various personalities, and this comes into play during meetings. The company secretary must be aware of different personalities and their roles, to be able to curb or avoid any potential conflict.

2) **BEING BLAMED FOR OTHERS MISTAKES**

While a company secretary might not be the source of problems, or even the decision maker, the expectation of them is to be the problem solver. To avoid such problems as a company secretary, keep a report of all your dealings in a detailed manner so that when a problem arises, it can be looked upon.

3) **ISSUE OF QUORUM**

The law states that there should be a quorum to start the meeting (the minimum amount of persons to be present). CAMA stipulates that a quorum is formed when at least 2 directors are present out of a total number of 6 directors. Where the directors are more than 6, one-third of the directors should be present. If a quorum is not present within half an hour of the appointed time, the secretary must advise the Chairman either to dissolve or adjourn the meeting. The challenge then arises when an important and urgent meeting needs to hold or information to be passed and a quorum is not met, what then happens? The remedy in this situation is to be proffered by the Secretary.

Must a company secretary be appointed in a full-time capacity?

Company secretaries are not required to be appointed in a full-time capacity. It is within the discretion of the company to appoint a full-time or part-time secretary. A company secretary can render secretarial services to various companies at the same time. This is a cost-saving means of retaining company secretarial services for either start-ups or companies working on a relatively tight budget. These companies can now hire highly-experienced and usually self-employed professionals on a part-time basis to offer secretarial services.

Who has the power to appoint a Company Secretary?

Company Secretaries can be appointed by the Founders, Managing Director or the Board of Directors of a company.

Lawracles is a corporate commercial firm, offering secretarial services to local and international companies.

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