

The background of the page features a large, light gray watermark of the Open University logo. The logo consists of a stylized 'U' on the left and the text 'Open University' on the right, with 'THE PEOPLE'S UNIVERSITY' written in smaller letters below it.

## **BLOCK 6**

# **BUDGET, AUDIT AND SECRETARIAL PRACTICE**

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## BLOCK 6 BUDGET, AUDIT AND SECRETARIAL PRACTICE

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This is the sixth and last block of the course “Office Management and Secretarial Practices”. This block will familiarize you with various budget, audit and secretarial practices. The block on the theme “Budget, Audit & Secretarial Practice” comprises of six units, the detail of which is mentioned below:

**Unit 16:** Provides brief about budget. It explains the budget, its structure, its salient features, its advantages, its disadvantages and various types of budget including annual, revised and estimated budget. It discusses budget on the basis of time, flexibility and functions. The later part of the unit explains the steps in preparation of the budget and also the heads of expenditure.

**Unit 17:** Makes the learners aware about audit, its importance and types of audit. An audit is crucial because it provides legitimacy to financial statements. The unit also emphasizes on providing an overview of vouching, its importance and its principles. It also discusses Verification of Assets and liabilities, its objectives and importance. It provides a difference between vouching and verification. It explains stock register and assets register.

**Unit 18:** States the definition of secretary, importance of a secretary and secretarial work. It describes the roles and duties of a secretary and discusses the qualifications of a secretary. It also provides the definition of private secretary and explains the qualification and duties of a private secretary.

**Unit 19:** Makes the readers learn about the status, role and functions of secretaries of different types of organizations such as an association or a club, a co-operative society, a local body and a government department.

**Unit 20:** Define a meeting and classify meetings. It states the requisites of a valid meeting and enumerates the rules governing the meeting. It describes the preparation for, and conduct of meetings. It explains the importance of notice, agenda and quorum & the role of the chairman of a meeting specifying his powers and duties. It also describes the role of a secretary in the preparation for meetings.

**Unit 21:** Discusses the general principles of meetings relating to debate and discussion, order of business, motions, amendments, resolutions, voting procedures and methods to ascertain the sense of meetings, privilege in speech, minutes and proceedings, their drafting, circulation and confirmation, and secretary's duties in connection with meetings.

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## UNIT 16 BUDGET

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### Structure

- 16.0 Objectives
- 16.1 Introduction
- 16.2 Budget
  - 16.2.1 Annual Budget
  - 16.2.2 Revised Budget
  - 16.2.3 Estimated Budget
  - 16.2.4 Structure of Budget
  - 16.2.5 Purpose of Budget
  - 16.2.6 Salient Features of Budget
- 16.3 Types of Budgets
- 16.4 Advantages of Budget
- 16.5 Limitations of Budget
- 16.6 Process of Preparing the Budget
- 16.7 Heads of Expenditure
  - 16.7.1 Recurring Expenditure
  - 16.7.2 Non Recurring Expenditure
- 16.8 Let Us Sum Up
- 16.9 Key words
- 16.10 Terminal Questions

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### 16.0 OBJECTIVES

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After studying this unit, you should be able to;

- know the structure and various types of budget;
- understand the salient features of budget;
- understand the purpose of budget;
- understand the advantages and limitation of budget; and
- know the process for preparation of the budget.

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### 16.1 INTRODUCTION

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The objectives/purposes of every type of business entity are achieved by well coordinating and controlling their different activities, which in a way requires efficient planning for the execution. Efficient planning is always a task of efficient management, which requires the synchronisation of various activities within an organization for the preparation of future plans and actions. These comprehensive

plans are usually referred to as “Budget”. Budgeting basically is a management device for short term planning and control. Whereas, budgeting control refers to a financial jargon for managing income and expenditure, which calls for comparing the actual and expected income or expenditures to identify whether the corrective actions are required or not.

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## 16.2 BUDGET

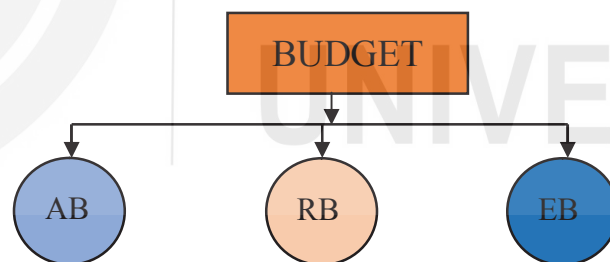
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Just like individuals manage their monthly expenses and income, similarly businesses keep a track of their future revenues and expenses for a particular period. This estimation of revenues and expenses over a specified future period of time is known as Budget.

According to the Institute of Costs and Works Accountant, England “A Budget is a financial and qualitative statement prior to a defined period of time, of a policy to be pursued for that period to attain the given objectives”.

In a word of Keller & Ferrara, “A budget is a plan of action to achieve stated objectives based on a predetermined series of related assumptions.”

Budget is required for forecasting the financial result or financial position of the business for some future period. Businesses use budget to plan and measure the purpose. Budget primarily is used to forecast the financial position of a company for the future period. It is used for planning and performance measurement purposes, which can involve spending for fixed assets, rolling out new products, training employees, setting up bonus plans, controlling operations, and so forth.



### 16.2.1 Annual Budget

Annual budget refers to the plan for a company expenditure for a financial year. It aids the company in tracking its financial health. It not only helps in setting the priorities and goals but also in making the long term commitments towards other parties.

While preparing the annual budget, the interest of all the departments should be considered. Their feedback and insights should be taken into consideration so that they actively take part in achieving the projected goals set by the annual budget. Budget preparation must always begin early so that all the preparations can be made on time and new employees can be hired for the company if need arises.

Annual budgets must always be realistic or achievable. Revenues must not be projected too high and expenses too low. Companies should always have a conservative approach in mind and should always leave some slack in the projections.

### 16.2.2 Revised Budget

When major or significant changes are made in respect of receipts or payments in the case when no provisions were available or provisions were inadequate in the budget of the current year that budget is known as revised budget.

Basically there are three main reasons for the preparation of revised budgets:

- a) Changes in the external factors which are outside the control of the firm. There can be change in the price of labour, change in the price of raw materials, some climatic changes or others.
- b) If there are some errors in the existing budget and which are detected later on. These errors need to be rectified.
- c) For meeting the additional expenditures for the uncertain and unforeseen contingencies.

The preparation of a revised budget is similar to a normal budget. After being prepared, it is explored and coordinated with the other functional budgets and at last approved by the Budget Committee.

### 16.2.3 Estimated Budget

The estimated budget approximates the time and resources needed to plan and complete a project and develop and implement a viable budget. Most common types of budget estimates are discussed below:

1. **Revenue Estimate:** Revenue estimate is the amount that a company can presumably spend on a project. This value is a derivative of the company's annual earnings and is independent of any money borrowed and assets owned.
2. **Cost Estimate:** A cost estimate includes the capital requirement for the completion of a project, which essentially includes labor costs, material and equipment costs, management costs, etc.
3. **Return Estimate:** Return estimate is calculated by subtracting the estimated cost from the revenue estimate. It helps management in choosing the projects with higher potential returns.
4. **Risk Estimate:** Risk estimate enables the forecast of the likelihood of risks and expected consequences in the project. This allows the companies to be financially prepared and to disqualify high-risk projects.
5. **Cash flow estimate:** Cash flow estimate is the approximate amount of money going into and out of a project, based on cost and revenue

estimates. It confirms whether the firm's funding and budget are sufficient for the project at hand or not.

#### 16.2.4 Structure of Budget

A budget may vary from one level to another. A basic budget can have a future estimation of income statement whereas a complex budget can have comprehensive items such as sales forecast, expenditures for that forecasted sales, predictions of the working capital, etc. Budget should always be developed in a top-down approach. A master budget consists of the summary of the entire budget document. It aggregates all the lower-level budgets produced by a company's various functional areas. It also includes the financial planning, cash flow forecast and budgeted profit and loss account and balance sheet of the organization.

#### 16.2.5 Purpose of Budget

The management of any organisation is mostly interested in realising the company's objectives. For this, it tries to optimize the resources of the firm and eliminate the waste. Budgetary control helps the management in controlling business activities in the desired direction. The various purposes that budgets serves are following:

1. Helps in setting Company's objectives
2. Helps in allocating resources
3. Ensures planning for future actions to be taken
4. Helps in operating various cost centres optimally and economically
5. Works as tool for decision making
6. Helps in monitoring the business performance
7. Provides the set of standards for performance evaluation and corrective measures in case of deviations
8. Enhances the financial controls and monitoring; and
9. Provides means of communication.

#### 16.2.6 Salient Features of Budget

Salient features of budget are following:

1. **Written document:** A budget is always a written document which is prepared by the business and reviewed and approved by the appropriate higher authority.
2. **Continuous process:** Whenever there are changes or modifications in the circumstances, there is need for changes in the budget. They can be updated, revised, or controlled whenever need occurs. So, it is a continuous process.
3. **Monetary terms:** It is always expressed in monetary terms. Not necessarily always in terms of rupee or dollars but can also be expressed

in something having money worth such as number of units sold, number of units manufactured and others.

4. **Time and purpose basis:** Businesses prepare budgets for each purpose as well as for a particular period. Period can be a year, a month, quarter, etc. Also they are designed on the basis of trends and past experiences.
5. **Financial barometer:** Actual performance of the enterprise is compared with the budgeted performance. And then the variations between the two are analysed and reasons for the same is detected. It helps in predicting the financial position of the firm.
6. **Forward planning:** It is forward planning because in budgeting targets are set for the future and actual performance of the organisation is compared with them. It acts as a vital tool for managerial control.

## 16.3 TYPES OF BUDGETS

The large-scale business prepares different three major types of budgets to almost cover all their activities where control is desired. The major classification of budget is following:

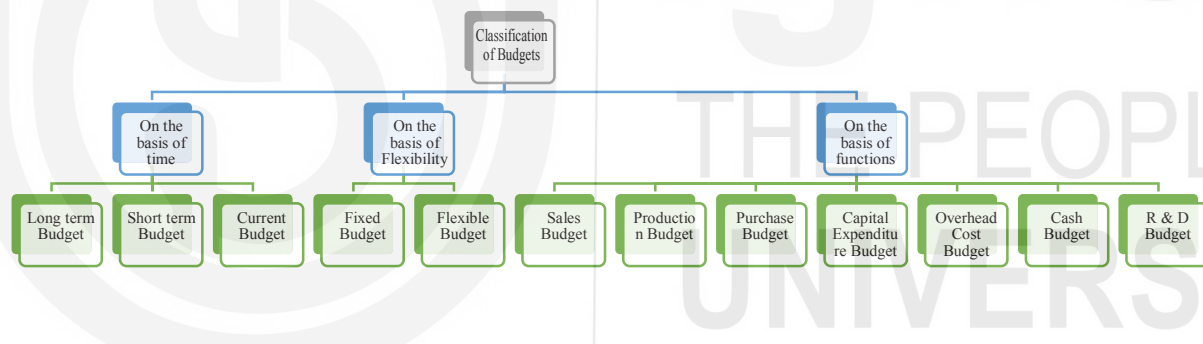


Figure 16.1: Classification of Budgets

- a) **On the basis of Time:** Long term Budget, Short term Budget, Current Budget
- b) **On the basis of flexibility:** Fixed budget or flexible Budget
- c) **On the basis of functions:** Sales Budget, Production Budget, Purchase Budget, Capital Expenditure Budget, Overhead Cost Budget, Cash Budget, Research and Development Budget

A brief discussion about all the major types of budgets is given below:

### a) ON THE BASIS OF TIME:

1. **Long Term Budget:** Long term budgets are prepared by the management for a long-term ranging for a period from 5-10 years or more.



2. **Short Term Budget:** Short term budgets are prepared for a short period of time ranging over 1 to 2 years usually.
3. **Current Budget:** Current budgets refers to the budgets prepared for the current period within a short period of 1 year.

b) **ON THE BASIS OF THE FLEXIBILITY:**

1. **Fixed Budget:** In a fixed budget the targets for a particular level of activity is specified with a rigidity. Targets once specified cannot be changed or revised over the budget period, even if the actual level of activity obtained comes out to be very different than the budgeted one. Fixed budgets are preferred for short term periods only and must be made with utmost accuracy.
2. **Flexible Budget:** Flexible budget also known as the variable budget allows the change in accordance with the changes in the level of activity. Flexible budgets are usually preferred before an accounting period to predict the worse case scenario for the upcoming period. This provides the “what if” option for the future financial performance.

c) **ON THE BASIS OF FUNCTIONS:**

1. **Sales Budget:** Sales budget determines the quantity of anticipated sales and expected selling price per unit.
2. **Production Budget:** Production budget is prepared in the unit of output and indicates the production for a specified period of time.
3. **Purchase Budget:** Purchase budget is prepared keeping in mind the production schedule and inventory required for the upcoming period. It involved deciding about the quantity and value of different items to be bought at different points of time.
4. **Capital Expenditure Budget:** Capital expenditure budget requires utmost attention and care as it involves a large amount of expenditure. It represents the planned outlay on fixed assets over a period of time.
5. **Overhead Cost Budget:** This budget presents all the expected costs dealing with the manufacturing of goods that are expected to be incurred by the company in the next year. Direct material cost and direct labor costs are not involved in this budget as they become a component of Cost Of Goods Sold in the master budget.
6. **Cash Budget:** Cash budgets by taking into account all the receipts and payments of the business highlights the cash requirements over a period of time.
7. **Research and Development Budget:** Research and development budget plays an important role in growth of any business. It refers to deciding about the amount to be spent on research and development activities over a period of time.



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## 16.4 ADVANTAGES OF BUDGET

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The various advantages of having an appropriate budget are following:

1. **Maximization of Profits:** Having proper budgetary controls maximize the profits for an entity. This on the forefront requires a proper planning and coordination of different functions as well as a good control over capital and revenue expenditures.
2. **Coordination:** In any organization the working of different departments and sectors is coordinated. The budgets of different departments have a bearing on one another. Therefore, having budgetary controls leads to the coordination of various executives and subordinates. It leads to a centralized control on many decentralized activities. It encourages teamwork and mutual support.
3. **Well Defined Aims:** The goals and plans & policies for achieving those goals are clearly defined by the top management. Targets are set for each department and efforts are directed for achieving them. In the absence of pre-defined objectives, efforts will be wasted in pursuing divergent aims.
4. **Tool of Performance Measurement:** In the budgetary control system, the budgeted targets are compared to the actual results and in the end variances or deviations are found and reasons for the same are determined. Thereby this system acts as a tool for measuring performance by providing targets to all the departments and organisation as whole
5. **Reduces Cost:** It leads to reduction in the costs as all the expenditures are well planned and systematic by which ultimately all the wasteful expenses are eliminated. Businesses try to reduce the cost of production and increase the sale for the combinations of products that yield highest profitability to the organisation.
6. **Determining Weaknesses:** Budget helps in comparing the actual outcome with the expected outcomes. Deviation in the actual and expected performance will enable the determination of weakness and fallacies. This in a way helps in concentrating the efforts on those aspects having less than the required attention.
7. **Corrective Action:** Budgetary controls enable the management to take corrective measures where the discrepancy in the performance exists. The deviation in the performance can regularly be reported to take corrective actions at earliest, which in the absence of a budgetary control system could only be recognised at the end of the financial period.
8. **Consciousness:** Having proper budgetary control creates a budget consciousness among the employees. By fixing the targets for employees, everybody is aware of their rights and responsibilities and

knows what is expected from him/her and can continue his/her work uninterruptedly.

**Check Your Progress A:**

1. What is the need for a budget in any organization?

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2. What is a Flexible Budget?

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3. “Budget leads to a centralized control on many decentralized activities”.  
Comment.

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4. Differentiate between Sales Budget and Purchase Budget.

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## 16.5 LIMITATIONS OF BUDGET

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Despite various advantages, there are few limitations as well. Some of them are discussed below:

1. **Expensive:** The implementation of budgetary control system is quite costly as it requires specialised staff and includes various expenditures. It is very difficult for small firms to pay a heavy price for the process.
2. **Uncertain Future:** As discussed, budgets are prepared for future periods and it is very difficult to predict the future accurately especially during times of uncertainties. Even if the best predictions are made, then also they may not always come true as they are made on the basis of few assumptions.

3. **Creates Conflicts:** Inter departmental conflicts are very common in the budgetary system. It is because of the reason that every department in the organisation tries to get maximum allocation of funds and every department tries to achieve their individual departmental goals whilst neglecting the overall goal of the business. The success of the system depends upon the coordination among different departments. Also, in the case of achieving the budgeted targets, every department tries to take credit for the same.
4. **Rigidity:** Budgets bring rigidity in the operations and functioning of the organisations. But in actual practice, firms are exposed to various uncertain environmental factors. Therefore, the budgets should be designed flexible enough for incorporating the changes. But frequent revisions or changes may involve huge expenditure and reduce the value of the budgets.
5. **Depends Upon the Top management:** Simply the development of budget does not ensure its proper implementation. The management of the firm should be supportive and enthusiastic for the proper implementation of the system. The budgetary system often tends to collapse if there is lack of support from the management. Also, budgeting is only an instrument of the management and it can never substitute the management itself.

## 16.6 PROCESS OF PREPARING THE BUDGET

Budget preparation is a critical process for any business in several ways. It involves following steps:

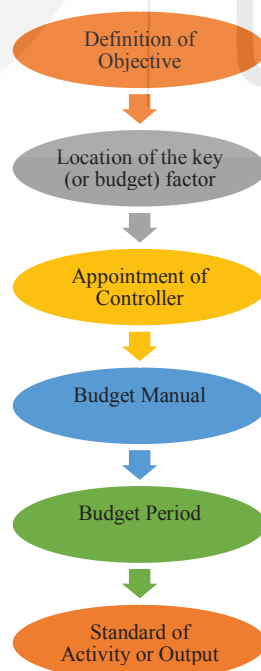


Figure 16.2: Process of Preparing Budget

1. **Definition of Objective:** The first step in the preparation of budgets is defining the objectives. The objectives should be written well and defined precisely stating the areas of control and items of revenue and expenditures over a period of time.
2. **Location of the key (or budget) factor:** Key factor is the factor which sets a limit to the total activity. It can be the non availability of power, money, certain raw materials or even lack of demand. This key factor needs to be located and estimated properly.
3. **Appointment of Controller:** After defining the objectives and deciding about the key factors, a senior executive must be assisted to obtain his expertise for the smooth functioning. The controller must be responsible for coordination and development of budget programs and the preparation of the budget manual.
4. **Budget Manual:** After the appointment of the controller, the next step is to prepare a budget manual. Budget manual is basically a collection of documents containing key information involved in the planning process.
5. **Budget Period:** After deciding about the budget manual, the budget period needs to be decided by the Budget Committee. The period covered by the budget is known as the budget period. The length of the budget period is decided by the Budget Committee suiting the business purpose.
6. **Standard of Activity or Output:** Past statistics should be studied and applied only when there is likelihood of similar conditions as that of the past in the future also. While setting budgets for a progressive business, the achievement of a year must exceed that from earlier years.

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## 16.7 HEADS OF EXPENDITURE

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Expenditures are the costs that are incurred by any business during its daily operations. They can be recurring and non-recurring. It is important to understand the difference between two as they both have their own impact on the overall financial health of the company.

### 16.7.1 Recurring Expenditure

Recurring expenditure is the operating cost of the firm. They include all those expenses which are incurred on a regular basis and are a part of ongoing business operations of the company. For ensuring continuous business operations, they are often incurred on a periodic basis.

Examples include rent of office or factory, electricity expenses, depreciation, maintenance charges, salaries, insurance cost, and others. These expenses are normally pre-determined and fairly predictable in nature. They are recorded either in trading or Profit and loss account of the company.

### 16.7.2 Non Recurring Expenditure

Non recurring expenditure occurs because of extraordinary events. They do not arise out of routine or day to day operations of the business. They are not repetitive in nature.

Examples of non recurring expenditure include purchase of new machinery, mergers or acquisitions made by companies, purchase of real estate, large scale facility upgrades and others. Few of the major reasons for the occurrence of non recurring expenses include changes in accounting principles, shutting down or starting up a department or a certain operation or some extraordinary events.

**Table 16.1: Difference between Recurring and Non recurring expenditure**

	<b>Recurring Expenditure</b>	<b>Non Recurring Expenditure</b>
<b>Meaning</b>	They include all those expenses which are incurred on a regular basis and are a part of ongoing business operations of the company.	They do not occur frequently and occur due to extraordinary or one-off circumstances.
<b>Frequency</b>	Frequently on periodic basis	Often incur only once
<b>Revenue or Capital nature</b>	Generally revenue in nature and their benefit arises within a single business cycle or accounting period	Generally capital in nature and their benefit is capitalise in more than a single accounting period
<b>Causes</b>	They are incurred to facilitate day to day business operations of the company	They are incurred because of extraordinary events faced by the company
<b>Controllable</b>	Controllable and predictable in nature	Unpredictable in nature
<b>Examples</b>	Rent of office or factory, Electricity expenses, depreciation, maintenance charges, salaries, insurance cost, and others.	Purchase of new machinery, mergers or acquisitions made by companies, purchase of real estate, large scale facility upgrades and others.

#### Check Your Progress B:

1. “Budgets bring rigidity in the operations and functioning of the organisations”. Comment.

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2. What do you understand by Budget Manual?

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3. Give a few examples of recurring expenditures.

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4. What is the Budget Period?

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## 16.8 LET US SUM UP

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The objectives/purposes of every type of business entity are achieved by well coordinating and controlling their different activities, which in a way requires efficient planning for the execution. Efficient planning is always a task of efficient management, which requires the synchronization of various activities within an organization for the preparation of future plans and actions.

Just like individuals manage their monthly expenses and income, similarly, businesses keep a track of their future revenues and expenses for a particular period. This estimation of revenues and expenses over a specified future period of time is known as a Budget. The annual budget refers to the plan for a company's expenditure for a financial year. When major or significant changes are made in respect of receipts or payments in the case when no provisions were available or provisions were inadequate in the budget of the current year that budget is known as a revised budget.

A budget may vary from one level to another. A basic budget can have a future estimation of income statement whereas a complex budget can have comprehensive items such as sales forecast, expenditures for that forecasted sales, predictions of the working capital, etc. The budget should always be



developed with a top-down approach. A master budget consists of a summary of the entire budget document.

The management of any organization is most interested in realizing the company's objectives. For this, it tries to optimize the resources of the firm and eliminate waste. Budgetary control helps the management in controlling business activities in the desired direction. The various features of a budget are, it is a written document, monetary terms, made on a time and purpose basis, a financial barometer, planning etc.

The large-scale business prepares different three major types of budgets to almost cover all their activities where control is desired which are On the basis of Time such as Long term Budget, Short term Budget, Current Budget; On basis of flexibility such as a Fixed budget or flexible Budget; On the basis of functions such as Sales Budget, Production Budget, Purchase Budget, Capital Expenditure Budget, Overhead Cost Budget, Cash Budget, Research, and Development Budget.

The various advantages of having an appropriate budget are, maximization of profits, coordination, well-defined aims, a tool of performance measurement, reduced cost, determining weaknesses, corrective action, consciousness, etc. The various limitations of the budget are: expensive, uncertain future, Creating conflicts, rigidity, depending upon the top management, etc. The process of budget preparation involves the following steps: definition of objectives, Location of the key (or budget) factor, Appointment of Controller, Budget Manual, Budget Period, and Standard of Activity or Output.

Expenditures are the costs that are incurred by any business during its daily operations. They can be recurring and non-recurring. Recurring expenditure is the operating cost of the firm. They include all those expenses which are incurred regularly and are a part of the ongoing business operations of the company. For ensuring continuous business operations, they are often incurred periodically. Whereas, Non-recurring expenditure occurs because of extraordinary events. They do not arise out of routine or day-to-day operations of the business. They are not repetitive.

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## 16.9 KEY WORDS

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**Budget:** The estimation of revenues and expenses over a specified future period of time is known as Budget.

**Budget Committee:** A budget committee is a group of people within an organization that creates and maintains fiscal responsibility for that entity.

**Budgetary Control:** Budgetary control means regularly comparing actual and expected income or expenditure to identify whether or not corrective action is required.

**Budget Manual:** Budget manual is basically a collection of documents



containing key information involved in the planning process.

**Budget Period:** The period covered by the budget is known as the budget period.

**Current Budget:** Current budgets refers to the budgets prepared for the current period within a short period of 1 year.

**Long Term Budget:** Long term budgets are prepared by the management for a long-term ranging for a period from 5-10 years or more.

**Short Term Budget:** Short term budgets are prepared for a short period of time ranging over 1 to 2 years usually.

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## 16.10 TERMINAL QUESTIONS

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1. Why is the budget referred to as the financial barometer of the firm?
2. What do you understand by budget? State the various features of the budget.
3. Explain the various types of budgets?
4. List the various advantages and limitations of budgets.
5. “Budget is used for planning and performance measurement purposes”.  
Comment.
6. List the various steps involved in preparation of budgets.
7. How is Fixed Budget different from Flexible Budget?
8. List the differences between recurring and non recurring expenditure.

**Note:** These questions will help you to understand this unit better. Try to write answers for them. But do not submit your answers to the University for assessment. These are for your practice only.

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## UNIT 17 AUDIT PROCESS

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### Structure

17.0 Objectives

17.1 Introduction

17.2 Audit

17.3 Importance of Audit

17.4 Types of Audits

17.5 Vouching

17.5.1 Importance of vouching

17.5.2 Principles of vouching

17.6 Verification of Assets and liabilities

17.6.1 Objectives of Verification

17.6.2 Importance of Verification

17.7 Difference between Vouching and Verification

17.8 Consumable/Stock register

17.9 Asset Register

17.10 Let Us Sum Up

17.11 Keywords

17.12 Terminal Questions

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### 17.0 OBJECTIVES

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After studying this unit, you should be able to:

- understand the meaning and importance of audit;
- understand the types of audit;
- understand the concept of vouchers and vouching;
- know about the verification of assets and liabilities;
- differentiate between vouching and verification; and
- know about stock register and assets register.

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### 17.1 INTRODUCTION

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Accounting and audit both play critical roles in the financial record keeping process of every firm, however their focus differs. While accounting refers to a much broader profession that includes everything from organisation to managing the flow of money through the firm, auditing is a more specific function. Auditing is a component of the accounting profession. It is an independently conducted assessment of accounting and financial records.

This is done to evaluate whether the corporation or business venture has followed the laws and widely accepted accounting rules in its operations. Whether one owns a tiny business or a large corporation, keeping track of all the financial transactions may be a difficult effort.

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## 17.2 AUDIT

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The term Audit is derived from a Latin word “audire” meaning “to hear”. So, auditing basically refers to the independent examination of the financial statements of a firm in order to express an opinion whether the financial statements are prepared in accordance or compliance with an identified reporting framework. It is an official inspection based on the Companies Act of 2013 and should be conducted every year in every company. It basically is the examination of various books of the accounts as presented in the annual report by someone independent of the organization. The financial records of the company include various accounts such as a balance sheet, an income statement, a statement of changes in equity, a cash flow statement, and notes comprising a summary of significant accounting policies and other explanatory notes, etc. The notion behind audit is to check and verify the accounts by an independent authority to ensure that all books of accounts are done in a fair manner, profits and losses are accurately assessed, details of assets and liabilities are properly stated, and there is no misrepresentation or fraud that is being conducted. While undertaking an audit, the auditing standard decided by a government body must be followed by the auditor. After completing the audit, auditors must write an audit report, explaining what they have done and giving an opinion drawn from their work.

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## 17.3 IMPORTANCE OF AUDIT

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An audit is crucial because it provides legitimacy to financial statements and gives confidence to the shareholders that the accounts are appropriate and fair. It can also aid in the improvement of an organization's internal controls and procedures. The significance of the audit is explained below in a detailed manner:

1. **Credibility of financial statements:** Any organization has various stakeholders in its financial statement, all of them cannot be competent enough to thoroughly analyze a company's financial performance. Auditors are independent of anybody's influence; their opinions create trust among the various stakeholders of the organization and give the shareholders confidence that the accounts are true and fair.
2. **Fraud prevention and detection:** Audit plays a critical role in the detection and prevention of fraud-based activities. Timely analysis of the company's operation helps in maintaining a stringent internal control system. A company having a functioning and thorough audit system and internal control in place may prevent employees or vendors from

attempting activities to defraud the company.

3. **Assess the risk of misstatement:** An audit helps in reducing the scope of misstatements in the company's records and reports. Without an audit system or internal controls, a company will not be able to create reliable financial reports for external or internal purposes. An audit helps in identifying the most important and profitable products or segments requiring management attention.
4. **Cost of capital:** Strong audit processes may help firms avoid or eliminate a variety of risks, including the risk of substantial misrepresentation in financial reports. It also helps to limit the risk of assets being misappropriated. It also reduces the risk of underperforming management as a result of a lack of information about the company's activities.
5. **Enables the pursuit of business objectives:** An effective audit system helps in the proper implementation of internal control and thus, enables the company to achieve its various objectives. It also facilitates the supervision and monitoring of irregular transactions and thus increases the operational productivity of the business. Auditors review the designs of informally proposed improvements and internal controls.

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## 17.4 TYPES OF AUDITS

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Audits in India are classified into two main types, as discussed below:

- **Statutory Audit:** Statutory audits are performed to report to the government and shareholders on the current state of a company's finances and accounts. These audits are carried out by qualified auditors who act as external and independent parties. A statutory audit report is prepared in the format specified by the government agency.
- **Internal Audit:** Internal audits are performed at the request of internal management to examine the financial health of a firm and assess its operational effectiveness. These audits can be carried out either by a third party or by the company's employees.

Every company whose shares are listed on the Indian stock exchange is required to have an internal auditing system in place. A company whose shares are not publicly traded but whose average turnover over the previous three years exceeds INR50 million, or whose share capital and reserves at the start of the fiscal year exceed INR5 million, must also have an internal auditing system in place. In addition, the statutory auditor of the company must report on the company's internal auditing system in the final report.

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## 17.5 VOUCHING

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Before studying what vouching is, let's understand the term 'Voucher'. A

voucher is basically a documentary proof that authenticates any transactions. It proves that the entries made in the books of accounts are actual and genuine. Vouchers can be sales invoices, purchase invoices, bank statements, minutes book, cash memos, bills, bank paying slip, purchase requisition slip, receipts, salaries and wage sheets, gatekeeper's note, bank passbook, memorandum and articles of association, etc.

Vouching is the process of analyzing business enterprise vouchers. According to Ronald A. Irish, "Vouching is a technical term, which refers to the inspection of documentary evidence supporting and substantiating a transaction." It is basically a step in auditing that is taken to ensure the accuracy and reliability of the transactions recorded in the company's books of accounts.

The company's transactions are thoroughly verified with documentary evidence and authority during this process, which serves as the foundation for recording the transactions in the books of account. Further, it also validates that the amount stated in the voucher is accurately entered in the relevant account, which indicates the nature of the respective transaction when it is included in the financial statements.

### 17.5.1 Importance of Vouching

Vouching is critical for an Auditor for the following reasons:

1. **Vouching is the backbone of auditing:** The primary goal of auditing is to detect errors and frauds in order to prove the truth and fairness of the results presented by the income statement and balance sheet. Vouching is simply a method of detecting errors and deliberate frauds. As a result, it is the foundation of auditing.
2. **Vouching is the essence of auditing:** Auditing not only verifies the accuracy of books of accounts but also whether or not the transactions are related to business. All transactions are performed with or without the prior approval of the relevant authority, and transactions are real or fictitious because an accountant may include fictitious transactions to commit fraud. All of these facts are discoverable through the use of vouching. As a result, vouching is required for auditing.
3. **Vouching is important to see whether evidence is correct or not:** An auditor examines the books of accounts to detect errors and fraud. Presenting duplicate vouchers may be used to commit fraud. With the help of vouching, all types of fraud, both small and large, can be detected. As a result, all evidentiary documents and records must be carefully and thoroughly examined by an auditor as part of the scope of vouching.

### 17.5.2 Principles of Vouching

The auditor should keep the following important things in mind at the time of

## Vouching:

1. **Arranged vouchers:** First and foremost, the auditor should ensure that all of the vouchers provided by the client are properly arranged. And whether they are listed in the same order as the entries in the books or not.
2. **Checking of date:** The auditor should compare the date on the voucher to the date in the cash book.
3. **Compare the words and figures:** The auditor should ensure that the amount written is consecutively numbered. All vouchers must be properly filed. He should also check whether the figures and words on the vouchers are the same or not.
4. **Verification of authority:** The auditor should ensure that all vouchers are signed by the authorized officer. If the voucher is passed by an unauthorized person, it will be invalid.
5. **Cutting or change:** Any cuts or changes to the receipts and voucher figures must be signed by the authorized officer. By inquiring about it, the auditor can satisfy himself.
6. **The transaction must relate to business:** The auditor must carefully examine the entries to ensure whether they are related to the business or not.
7. **Case Of personal vouchers:** The auditor should not accept a voucher in the auditor's personal name. There is a possibility that a company officer purchased an item in his personal capacity.
8. **Checking of account head:** The head of account on which cash is deposited and drawn must satisfy the auditor. In this regard, he should look over the documentary evidence.
9. **Revenue stamp:** The auditor should also check to whether the voucher has the required revenue stamp or not.
10. **Case of cancelled voucher:** The cancelled voucher should not be accepted by the auditor. Because it has already served its payment purpose. If it is accepted, there is a risk of double payment.
11. **Important notes:** The auditor should make some important notes about the items that require additional evidence or explanation.
12. **Payment:** The auditor should determine whether payment is described partially or completely for the sale transaction.
13. **Agreements:** Agreements provide with basic information to the auditors. He should go over the agreements, correspondence, and other pertinent documents.
14. **Printer vouchers:** Printer vouchers are legitimate and legally acceptable. These are useless if they are not printed.

- 15. List of missing vouchers:** The auditor should compile a list of missing vouchers. This list will aid in the detection of fraud and errors.

### Check Your Progress A

1. How does Audit help in the prevention of fraud?

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2. What is a Statutory Audit?

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3. What is a Voucher?

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4. “An effective audit system helps in the proper implementation of internal control”. Comment.

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## 17.6 VERIFICATION OF ASSETS AND LIABILITIES

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Verification is the auditing process of proving the truth by which the auditors confirm with themselves the actual existence of assets and liabilities available in the financial statements of the firm. It not only includes the verification of the existence of assets and liabilities but also about the legal ownership and possession of assets, their exact valuation, and ascertaining that the asset is unencumbered by any debt.

There are two types of verification; offsite verification and onsite verification. Offsite verification includes verifying paperwork, official



records, and images, as well as interrogating workers who are responsible or otherwise regarded to be a reputable source of information for the institution. On the other hand, onsite verification entails the verifying party personally visiting the facility and learning all of the pertinent information on the premises where it is located and operated. In certain nations, the procedure may be governed by legislation.

### 17.6.1 Objectives of Verification

Objectives of verification are discussed below:

1. **Existence:** To verify that the assets and liabilities on the balance sheet exist.
2. **Ownership:** To confirm asset ownership by inspecting the title paperwork.
3. **Possession:** To determine if assets are in the client's possession.
4. **Purpose and Authorisation:** To guarantee that assets were purchased or obligations were incurred for the intended purpose and with sufficient authority.
5. **Lien of Charge:** To verify that assets are free of any charge and, if a charge exists, that it is adequately disclosed.
6. **Completeness:** Ensuring that all assets and liabilities are included in the balance sheet.
7. **Valuation:** Ensuring that assets and liabilities are appropriately valued and displayed in the balance sheet at their right value.
8. **Disclosure:** To ensure that the assets and liabilities in the balance sheet are reported in accordance with legislative requirements and accounting standards.

### 17.6.2 Importance of Verification

Assets and liabilities are critical parts of any company's operations. One of the key tasks of an auditor is to verify the assets and liabilities in order to reveal the exact financial position of the firm. An auditor must be satisfied that the assets and liabilities listed in the Balance Sheet are correct. Both the Profit and Loss Account and the Balance Sheet will not provide a clear and fair picture if the Balance Sheet contains inaccurate assets. As a result, asset verification and valuation are critical for business, and their importance are underlined below:

1. **Showing the actual financial position:** A balance sheet is prepared to show a company's actual financial position. Such a Balance Sheet does not provide true and fair information if the proper valuation is not performed. As a result, asset verification and valuation are required to provide information about the company's actual financial position.
2. **Ascertaining the real position of profit or loss:** If assets are not properly valued, depreciation and other expenses will be incorrect. As a

result, proper asset and liability valuation is required to calculate the actual amount of profit or loss.

3. **Increase goodwill:** A proper valuation provides accurate information about a company's profitability and financial position. As a result, people can obtain information that fosters a positive attitude toward the company. The public's positive attitude can increase goodwill.
4. **Assures safe investment to shareholders:** Verification and valuation provide shareholders with accurate information about assets and liabilities, ensuring the safety of their investment.
5. **Easy for sale:** The company can be sold at the price listed in the Balance Sheet, but assets that have not been valued require valuation before selling the company.
6. **Easy to get a loan:** Companies disclose their Balance Sheets, which are audited, for public consumption, which increases public trust. As a result, businesses can easily obtain loans from financial institutions.
7. **Easy to get compensation:** Whenever a loss occurs as a result of an incident, the insurance company compensates on the basis of the valuation of assets. As a result, the company can easily obtain compensation.

## 17.7 DIFFERENCE BETWEEN VOUCHING AND VERIFICATION

Vouching and verification may seem the same but they are actually different from each other.

The various differences between vouching and verification are listed below:

**Table 17.1 Difference between Vouching and Verification**

Basis	Vouching	Verification
<b>Nature</b>	Vouching refers to the examination of the entries relating to the transactions recorded in the books of account.	Verification refers to the examination of the assets and liabilities appearing in the Balance Sheet of the concern.
<b>Basis</b>	It is based on a documentary examination	Physical inspection as well as documentary examination is conducted.
<b>Time</b>	The transactions of the whole year are analysed before the end of the year.	Verification is done at the end of the year when the Balance Sheet is prepared.
<b>Scope</b>	It has no concern with valuation.	It includes valuation as well

<b>Personal</b>	The task of vouching is done by juniors like audit clerks.	The task of verification is done by the auditor himself or by his assistant.
<b>Tests of details</b>	Vouching includes tests of details of transactions.	Verification means a test of details of balances.
<b>Evidence</b>	It gathers audit evidence regarding assertions like occurrences, completeness, and measurement of transactions.	It gathers evidence regarding management assertions like existence, rights and obligations, valuation and disclosure.

## 17.8 CONSUMABLE/ STOCK REGISTER

A stock register is a database that a company keeps track of the history of its stock offerings. This database provides extensive information on the company's stock and is used to keep track of the company's shareholders. Maintaining an accurate and full stock register is crucial for publicly listed firms to guarantee that the company has correct information about its shares and stockholders at all times.

The stock register contains information regarding stock offerings, buybacks, and retirements, allowing the firm to know how many shares are outstanding at any particular moment. The record for each share held by a shareholder has a unique number to identify the share, as well as information about the owner such as name, address, and the par value of the share at the time it was acquired. Dates detailing when stock was issued and acquired are also contained in the stock register, allowing the corporation to track its shares through time.

When a stockholder experiences a theft or loss that necessitates the replacement of a stock certificate, the stock register is used to validate the claim and record details regarding the replacement. Similarly, when stock is sold, it must be re-registered with the new owner's details and the transfer. Personnel in charge of monitoring the stock register are responsible for keeping it as current and complete as feasible.

Stockholders are accountable for ensuring that the information in the register is correct. If persons relocate or change their names, this information must be recorded in order for them to collect dividends and vote on matters submitted to a stockholder vote. Failure to keep proper records might be a concern if stocks are transferred or other complications arise. In the case of a loss, for example, if the register contains out-of-date information, proving ownership of shares may necessitate extensive documentation.

The stock register displays who owns shares in a firm, specifies the voting rights associated with different types of shares, and gives additional information about a company's ownership and stock history. It may be a great historical resource in addition to being useful for conducting business.

Historians may be interested in reading ancient stock registers and share certificates to learn more about a company's or industry's history, or to gather knowledge about a certain time period.

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## 17.9 ASSET REGISTER

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An asset register is a thorough record of all firm assets in its most basic form. It contains information on assets such as their location, condition, and owner. An asset register allows firms to keep track of the status, purchase date, location, price, depreciation, and the current value of each asset. Although creating and maintaining a comprehensive asset register on a daily basis may appear to be a lot of administrative work, it can have a significant impact on a company's bottom line. So much so that an accurate register can boost a company's sales and cash flow by 5–18%. The various advantages of an assets register are discussed below:

- Provides complete transparency of all asset data;
- Ensures whether the assets are complying with regulatory standards;
- Provides an accurate audit trail;
- Assists in asset tracking and identification;
- Prevents assets from being lost or stolen with accurate location data;
- Calculate depreciation; and
- Estimates maintenance and repair costs.

### Check Your Progress B:

1. What is onsite verification?

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2. Vouching is the essence of auditing”. Comment.

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### 3. What is an Assets Register?

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### 4. How does verification of assets and liabilities help in increasing goodwill?

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## 17.10 LET US SUM UP

Auditing basically refers to the independent examination of the financial statements of a firm in order to express an opinion whether the financial statements are prepared in accordance or compliance with an identified reporting framework. It basically is the examination of various books of the accounts as presented in the annual report by someone independent of the organization.

An audit is crucial because it provides legitimacy to financial statements and gives confidence to the shareholders that the accounts are appropriate and fair. It can also aid in the improvement of an organization's internal controls and procedures. The significance of auditing can be understood by the following points: Credibility of financial statements, Fraud prevention and detection, Assess the risk of misstatement, Cost of capital and Enables the pursuit of business objectives.

Audits in India are classified into two main types, Statutory Audit which are performed to report to the government and shareholders on the current state of a company's finances and accounts and Internal Audit which are performed at the request of internal management to examine the financial health of a firm and assess its operational effectiveness.

A voucher is basically a documentary proof that authenticates any transactions. It proves that the entries made in the books of accounts are actual and genuine. Vouching is the process of analyzing business enterprise vouchers. It is basically a step in auditing that is taken to ensure the accuracy and reliability of the transactions recorded in the company's books of accounts.

Vouching is critical for an Auditor for the following reasons: Vouching is the backbone of auditing, Vouching is the essence of auditing and Vouching is important to see whether evidence is correct or not.

Verification is the auditing process of proving the truth by which the auditors confirm with themselves the actual existence of assets and liabilities available in the financial statements of the firm. It not only includes the verification of the existence of assets and liabilities but also about the legal ownership and possession of assets, their exact valuation, and ascertaining that the asset is unencumbered by any debt. There are two types of verification; offsite verification and onsite verification.

Assets and liabilities are critical parts of any company's operations. One of the key tasks of an auditor is to verify the assets and liabilities in order to reveal the exact financial position of the firm. An auditor must be satisfied that the assets and liabilities listed in the Balance Sheet are correct. Both the Profit and Loss Account and the Balance Sheet will not provide a clear and fair picture if the Balance Sheet contains inaccurate assets. As a result, asset verification and valuation are critical for business, and their importance are: Showing the actual financial position, Ascertaining the real position of profit or loss, Increase goodwill, Assures safe investment to shareholders, Easy to get a loan and others.

A stock register is a database that a company keeps track of the history of its stock offerings. This database provides extensive information on the company's stock and is used to keep track of the company's shareholders. Maintaining an accurate and full stock register is crucial for publicly listed firms to guarantee that the company has correct information about its shares and stockholders at all times.

An asset register is a thorough record of all firm assets in its most basic form. It contains information on assets such as their location, condition, and owner. An asset register allows firms to keep track of the status, purchase date, location, price, depreciation, and the current value of each asset. Although creating and maintaining a comprehensive asset register on a daily basis may appear to be a lot of administrative work, it can have a significant impact on a company's bottom line.

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## 17.11 KEYWORDS

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**Asset register:** It is a thorough record of all firm assets in its most basic form. It contains information on assets such as their location, condition, and owner.

**Auditing:** It refers to the independent examination of the financial statements of a firm in order to express an opinion whether the financial statements are prepared in accordance or compliance with an identified reporting framework.



**Off Site Verification:** It includes verifying paperwork, official records, and images, as well as interrogating workers who are responsible or otherwise regarded to be a reputable source of information for the institution.

**Onsite verification:** It entails the verifying party personally visiting the facility and learning all of the pertinent information on the premises where it is located and operated. In certain nations, the procedure may be governed by legislation.

**Stock Register:** It is a database that a company keeps track of the history of its stock offerings. This database provides extensive information on the company's stock and is used to keep track of the company's shareholders.

**Verification:** It is the auditing process of proving the truth by which the auditors confirm with themselves the actual existence of assets and liabilities available in the financial statements of the firm.

**Voucher:** A voucher is basically a documentary proof that authenticates any transactions. It proves that the entries made in the books of accounts are actual and genuine.

**Vouching:** It is the process of analyzing business enterprise vouchers. It is basically a step in auditing that is taken to ensure the accuracy and reliability of the transactions recorded in the company's books of accounts.

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## 17.12 TERMINAL QUESTIONS

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1. “An audit provides legitimacy to financial statements.” Comment
2. What is Audit? Why is it important?
3. How is statutory audit different from internal audit?
4. Explain the concept of vouching.
5. What are the principles of vouching?
6. What is verification of assets and liabilities?
7. List the objectives of verification.
8. Why is verification of assets and liabilities important?
9. How is vouching different from verification?
10. What are stock registers?

**Note:** These questions will help you to understand this unit better. Try to write answers for them. But do not submit your answers to the University for assessment. These are for your practice only.



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## UNIT 18 NATURE AND SCOPE OF SECRETARIAL WORK

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### Structure

- 18.0 Objectives
- 18.1 Introduction
- 18.2 Definition of the Secretary?
- 18.3 Importance of a Secretary
- 18.4 Role of a Secretary
  - 18.4.1 As an Office Executive
  - 18.4.2 As a Liaison Officer
  - 18.4.3 As an Advisor
- 18.5 Duties of a Secretary
- 18.6 Qualifications of a Secretary
- 18.7 Importance of Secretarial work
- 18.8 Types of Secretaries
- 18.9 Private Secretary
  - 18.9.1 Qualifications
  - 18.9.2 Duties
- 18.10 Let Us Sum Up
- 18.11 Keywords
- 18.12 Answers to Check Your Progress
- 18.13 Terminal Questions

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### 18.0 OBJECTIVES

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After studying this unit, you should be able to:

- state the definition of secretary;
- explain the importance of a secretary and secretarial work;
- describe the roles and duties of a secretary;
- discuss the qualifications of a secretary;
- give the definition of private secretary; and
- explain the qualification and duties of a private secretary.

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### 18.1 INTRODUCTION

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Every organisation needs an office through which all the secretarial work is performed. As this work pervades all types of activities connected with the

organisation, it necessitates the existence of an officer or executive who should assist, overview and coordinate the whole work in an efficient manner and keep the integrity of the organisation intact. In modern day common parlance such an executive is termed as Secretary. In this unit you will study the meaning, importance, duties and qualifications of a secretary in detail, and also learn about various types of secretaries.

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## 18.2 DEFINITION OF THE SECRETARY

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The Oxford Dictionary gives the following meaning of the word 'Secretary': "One whose office it is to write for another; especially one who is employed to conduct correspondence, to keep record and to transact various other businesses, for another person or for a society, corporation or public body."

Actually the word 'secretary' is derived from the Latin term 'Secretarius' which means "the keeper of secrets" or "the confidential officer". Similarly, the Manual of Secretarial Practice also refers to the profession of a secretary as one of the oldest one, and that wherever "there was a man of action, there, too, was a man of the pen to record his deeds".

Thus, ordinarily speaking, the special features of a 'secretary' may be stated as follows:

- 1) The secretary is a person, male or female.
- 2) He/she should be able to perform the works of confidential nature.
- 3) He/she works for another person or an organisation.
- 4) He/she holds an official position.

In modern times, the secretary occupies a very important position in industry, commerce, social institutions, clubs, government offices and even in the case of individuals like statesmen, physicians, lawyers and Members of Parliament. His duties and functions include conducting correspondence, keeping of records and accounts, writing of minutes and reports as well as acting as Public relations officer and representative of the employer.

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## 18.3 IMPORTANCE OF A SECRETARY

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The nature and functions of a secretary differ with each individual institution to which he is attached. Mostly, he works behind the scenes but in no way does it reduce the importance of his office. A secretary, nowadays, is an indispensable part of any organisation, be it commercial, social or political. In certain cases he enjoys a legal status as, for example, a company secretary, or a Secretary of a Government Department, while in other situations he is employed to assist the employer to perform certain routine duties leaving him free to concentrate on more important matters. But, in every situation, the secretary is the most trustworthy person of the institution or the employer whom he/she works for.

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## 18.4 ROLE OF A SECRETARY

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The nature of a secretary's role can be explained only by reference to his position in relation to his employer and the functions he is required to perform depending on the terms of his employment, the secretary may hold a very responsible position in the organisation he serves, or his role may be that of a confidential assistant or one engaged in performing only routine clerical work. Basically, it is the nature and importance of his function that determine the secretary's role. It depends in turn on such factors as the nature of the organisation, its size, the employer's willingness to delegate work carrying responsibility, as well as his own ability and willingness to undertake responsible work. The secretary's role may also be determined by the rights, duties and responsibilities under law, as in the case of a company.

However, in modern organisations, the secretary is generally required to perform the role of one or more of the following positions:

- 1) Office executive,
- 2) Liaison officer,
- 3) Advisor to management.

### 18.4.1 As an Office Executive

In his position the secretary is required to discharge the responsibility of organising and managing day to day work of the office. This involves planning, supervising, coordinating and controlling secretarial and routine clerical work, e.g. correspondence, record keeping, accounts, etc. The secretarial work to be supervised and co-ordinated may include convening meetings by issuing notice, making necessary arrangements for the meetings to be held, keeping record of the proceedings at the meeting, etc. Being the administrative head of the office, a secretary is required to attend to all matters relating to the office staff, involving recruitment and selection, allocation of duties, monitoring performance, and maintaining discipline in the office.

### 18.4.2 As a Liaison Officer

The secretary acts as a link between business executives and outside parties including clients, customers, and the public. He also acts as a link between higher level managers and the administrative staff. In this capacity, the secretary in a way shields his employer from the necessity of dealing directly with the staff and outsiders on day-to-day routine matters, and on subjects of general relevance. When required, he acts as the mouthpiece of management to communicate decisions concerning the staff or members of the public. The secretary may also have to play the role of Public Relations Officer (PRO) of the organisation, keeping the public informed about the activities of the concern and dealing with correspondence in that connection. Indeed the

secretary is often found to be most capable of performing this role as he is thoroughly conversant with the objectives, plans and programmes of the organisation activities. Taken together, the secretary acting as liaison officer enables busy executives and managers to concentrate on their primary responsibilities in the long-run interest of the organisation.

### **18.4.3 As an Advisor**

One of the important roles that the secretary may be called upon to perform is that of an adviser to management. This may arise out of necessity, for busy executives and managers are not always able to muster by themselves all information pertaining to a decision-situation, particularly decisions on policy matters. The secretary can fill this gap provided he keeps himself abreast of latest developments in various fields and is regularly in touch with sources of information. Being informative and having intimate knowledge of the day-to-day activities of the organisation, the secretary is in an eminent position to give advice to management in the form of suggestions for making appropriate policy decisions. The advisory role of the secretary may be a part of his official status, or it may be a privilege that he earns by virtue of his integrity and efficiency. A secretary may be said to have reached an ideal position if the management invites suggestions from him or seeks his advice reflecting the trust and confidence reposed in him. Of course, the exact nature of the advisory role of a secretary depends on the nature and size of an organisation. Generally speaking, secretaries of trade associations, professional bodies, cultural organisations, company secretaries and secretaries of government departments are required to assume the advisory role in varying degrees.

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## **18.5 DUTIES OF A SECRETARY**

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The duties of a Secretary may widely differ depending on the terms and conditions of his employment and the employer's activities, and his status in the organisation. Distinction may be made broadly between the duties of a 'Routine Secretary' and an 'Executive Secretary'. A 'Routine' secretary generally is the executive head of the office, managing day to day office work. His duties mainly consist of organising and controlling office activities, i.e. providing clerical services to the organisation, efficiently and economically. As regards the activities of the office related with general services like correspondence, maintenance of records, etc., concerning all the departments the duties of the secretary are like those of a line executive. These duties include: selection, training, placement and remuneration of office personnel; providing necessary forms, stationery, machines and equipment needed for office work; and providing congenial working environment to the office staff for efficient discharge of their responsibilities. Besides the above general services, there are some office activities which are performed in different functional departments by the departmental staff. With respect to these office activities, the secretary tenders advice to the

departmental heads and his duties are those of a 'staff officer.

The duties of an 'executive secretary' are wider in scope. The 'Executive Secretary' is entrusted with many administrative and managerial functions and granted executive powers accordingly. His duties may include: organisation and management of the secretarial department covering all personnel matters; conducting correspondence with other departments as well as outsiders; organisation and control of accounting functions; representing management for negotiating contracts, settling legal disputes, etc.; maintaining liaison with clients, customers, and the public, as well as government departments, employees union, dealers and suppliers.

### Check Your Progress A

1) Who is a secretary?

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2) List the main roles of a secretary.

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3) Which of the following statements are True and which are False?

- i) Anyone who deals with other's confidential letters is a secretary.
- ii) A secretary invariably works for another person or organisation.
- iii) A secretary may or may not be required to act as a stenographer.
- iv) As an office executive, the secretary is responsible for discipline in the office.
- v) As PRO the role of a secretary is that of a liaison officer.
- vi) The secretary cannot give advice to managers but only suggests ways and means of resolving problems.
- vii) An 'executive secretary' has the responsibility of ensuring that the quality of goods produced is of the highest standard.
- viii) A 'Routine Secretary' is only concerned with the office services which are centralised in the general office.

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## 18.6 QUALIFICATIONS OF A SECRETARY

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What qualifications a secretary should possess to discharge his duties properly is a relevant question one may ask either to assess one's own eligibility for a secretary's position, or to recruit a secretary. Since he has to undertake a variety of tasks, a secretary must possess certain basic academic qualifications, intellectual qualities and personal attributes, besides specialized knowledge to suit the requirements of any particular type of organisation; which will enable him to perform his duties successfully. Some of the essential qualifications and attributes which a secretary should possess are briefly discussed below:

- 1) **General Education:** Irrespective of the type of organisation to be served, it is essential for all secretaries to possess educational qualification of a reasonably high standard. A Bachelor's degree in Arts, Commerce or Law is generally considered a desirable qualification.
- 2) **Proficiency in English Language:** Verbal and written communications through correspondence happen to be an important part of secretariat work. Hence proficiency in English language is essential for a secretary to be able to interpret communications received as well as draft letters, reports, precis, etc. efficiently. With an academic degree of high standard, one may have acquired good command over the English language. But it may also be necessary for a secretary to have knowledge and training in specialized use of English for business correspondence, drafting of resolutions and minutes of meetings, press releases, etc.
- 3) **Knowledge of another language:** In India, knowledge of Hindi and some of the regional languages may be quite useful for a secretary seeking employment in any national-level organisation. Likewise, a secretary employed in an organisation having world-wide operations or branch offices in several foreign countries, is likely to be found more useful if he has working knowledge of one or more foreign languages.
- 4) **General Knowledge:** Intellectual curiosity and reading habits help one to acquire general knowledge. A person who is well read and mentally alert makes a valuable secretary as he may be able to perform his duties better in a complex situation requiring all round general knowledge. Moreover, with sound general knowledge, a secretary is in a better position to provide information of general importance that management may need from time to time. He can also give better advice.
- 5) **Practical Knowledge of Office Management:** Since a secretary's job generally includes organisation and management of office activities, he should have practical knowledge of office methods and equipment, of modern methods of filing and indexing, use of personal computers, and operation of office intercommunication systems. He must also have knowledge of the methods of selection and training of employees, pay-fixation, and provision of pension and provident fund benefits, welfare amenities, etc.



- 6) Personal qualities:** Besides the qualifications mentioned above, the following personal qualities are also likely to contribute to the success of a secretary in his job:
- i) A good personality which will command respect and inspire confidence in his subordinates and colleagues.
  - ii) A healthy physical appearance, cheerful bearing and energetic disposition
  - iii) Qualities of head and heart : good judgement and presence of mind, a strong sense of justice.
  - iii) Self-confidence and self-discipline
  - iv) Sincerity, integrity of character, and loyalty
  - v) Sense of responsibility, honour and dignity
  - vi) Tact, discretion and good manners,
  - vii) A good memory of facts, faces and names.

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## 18.7 IMPORTANCE OF SECRETARIAL WORK

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The indispensable nature and importance of secretarial work can hardly be disputed in the modern world. As organised activities in the social and economic spheres have expanded and assumed greater complexity, there has been an increasing need for secretarial services to assist persons in authority in their day-to-day administration. The significance of secretarial work has been particularly recognised in industry trade and commerce characterised by vast expansion in size and complexity of the organisation following technological advance at a fast pace in manufacturing, transport and communication along with expanding markets for products.

The importance of secretarial work may be attributed to (a) the onerous nature of secretary's functions, and (b) the increasing dependence of management on secretarial assistance.

The job of a secretary generally carries onerous responsibilities. The private secretary of a doctor or lawyer, or that of a business executive, is often known to have become indispensable to the employer due to the nature of work handled by the secretary, which may include matters of confidential nature as well as financial affairs. The secretary of any social organisation, educational institution, co-operative society or registered bodies has also to undertake work carrying heavy responsibility. A company secretary besides acting as executive head of the office has several duties and responsibilities cast on him under law. He has also to bear administrative responsibilities like functional managers besides having to perform the role of advisor of the top management.

A significant part of the secretarial work is carried out through the office, of which the basic functions are: (i) receiving and collecting information, (ii) recording information or making records, (iii) processing information



involving computation and statistical work, and (iv) communicating information. On the one hand, the office is required to supply information as collected, recorded and processed by it to the management as and when required; on the other hand, it has also the duty of communicating policies, directives and instructions issued by management to managers in different departments for their guidance.

It is on the basis of accurate information and factual data provided by the office that management can formulate plans and policies and assess the results of planned efforts. Again, it is with the system of communication provided by the office that management succeeds in directing, guiding and coordinating various activities. Also effective control over business operations can only be possible if relevant factual information is provided by the office.

The facility of computerisation has made recording and processing of information as well as its storage much easier. But collecting information and receiving information from various sources continues to be a stupendous task. Besides, classifying information and data received, and preserving the same in proper form so as to be easily retrievable from computer memory requires special care.

So voluminous and varied are the information and data and so dynamic is the nature of environment in which organisations function that management of all modern enterprises have come to depend heavily on the systems and procedures governing the flow of information, also known as the Management Information System (MIS), which the secretary has to organise and manage.

Another aspect of secretarial work which adds to its importance is related to meetings. Of all the secretarial services provided to the top management, those pertaining to meetings have vital importance, for decisions taken at meetings and the discussion that takes place in course of the meetings happen generally to be the basis of action. The responsibility of the secretary in this connection includes convening meetings, issuing valid notice with agenda and memoranda for consideration, securing adequate accommodation and seating arrangements, assisting the chairman in conducting the meeting, recording the proceedings and preparing the minutes of the meeting, and finally circulation and confirmation of the minutes. Follow up action involving communication of the decisions to the concerned parties is also required to be taken by the secretary. The management invariably depends on the secretary to ensure that rules and regulations as laid down in legal enactments or by the organisation are strictly complied with, so that the validity of meetings and proceedings/minutes are not-disputed or challenged.

### **Check Your Progress B**

Fill in the blanks selecting the correct words/phrases from those given within brackets:

- i) With a general knowledge, the secretary can provide accurate ..... and better ..... to management. (guidance, advice, information, assistance)
- ii) For a secretary, knowledge of specialised use of English is necessary for..... (precis writing, drafting resolutions, interpreting communication)
- iii) It is desirable for the secretary of a national level organisation in India to have knowledge of ..... and some ..... languages besides knowledge of English. (Hindi, Gujarati, foreign, regional)
- iv) Secretarial work carried out through the office includes ..... of policies, orders and instructions. (Formulation, communication, drafting, channelisation)
- v) Management can formulate plans and policies more objectively on the basis of the ..... and ..... provided by the office under the Secretary. (Statements, information, reports, data, evidence)

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## 18.8 TYPES OF SECRETARIES

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Keeping in view the varied type of functions and duties, which may be performed by secretaries, one may distinguish between the following types of secretaries:

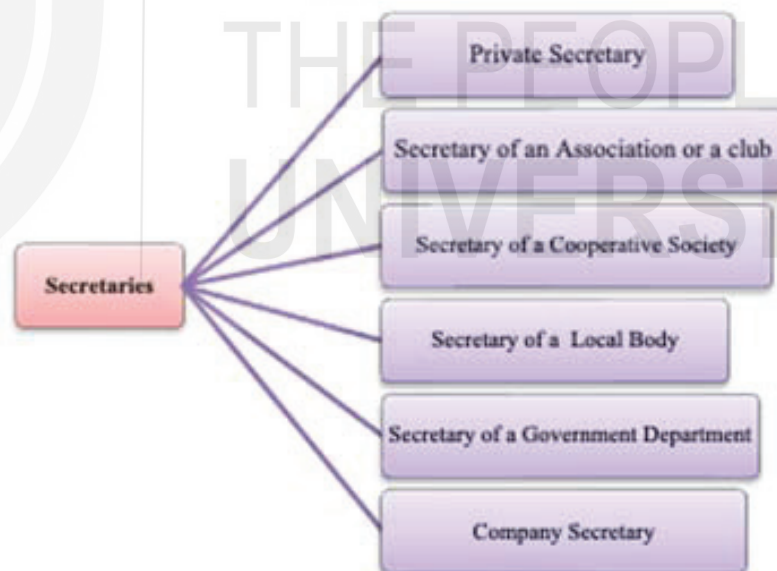


Figure 18.1 Types of Secretaries

In this unit we shall examine the nature of a private secretary's job, the qualification he/she should possess, and the duties generally assigned to him/her. The relevant aspect of the position of other types of secretaries will be discussed in the following units of this Block.

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## 18.9 PRIVATE SECRETARY

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A Private Secretary is a secretary to an individual official, administrator or chief executive of a business firm. The main object of employing a private secretary by an individual is to shift some of the burden of his responsibilities on to the secretary and thus relieve himself of certain routine matters, such as arranging meetings, fixing appointments, handling mails, drafting speeches, preparing notes, making travel arrangements, etc. The work of private secretary is very confident and intimate in nature which demands complete loyalty to the employer.

A private secretary, usually employed by a prominent citizen or official in high position, is expected to sacrifice his personal interests and even accept the blame for mistakes of his employer in good grace. As he is employed for personal work, he must thoroughly understand his employer and know his likes and dislikes, habits, tastes, hobbies, matters of interest, and all other details concerning his life and background.

When an individual decides to have a private secretary, he looks for someone to whom he can delegate some of his own routine duties, who can take care of his responsibilities whenever required to do so in his absence, to whom he can confide private and confidential matters, and who will be sufficiently tactful so as to maintain cordial relations with every one he/she has to deal with.

Although the work of a private secretary is varied and interesting, it is often quite exacting too. Usually there are no fixed duty hours, and he/she has to bear with the changing mood and temperament of the employment.

### 18.9.1 Qualifications

The status and eminence of the person whom the private secretary has to serve generally indicate the qualifications and personal accomplishments that should be possessed by the secretary. In most cases, a private secretary is expected to have the following qualifications:

- 1) A reasonably high standard of general education with a Bachelor's degree;
- 2) Instruction and training in secretarial course run by a professional institution;
- 3) Skill in stenography and typing work;
- 4) Practical training in office practices and procedures including acquaintance with office equipments and machines;
- 5) Reasonably good general knowledge;
- 6) Knowledge of a foreign language if necessary;
- 7) Personal qualities may include

Sincerity	Cheerfulness
Resourcefulness	Loyalty
Discretion	Dependability
Tactfulness	Orderliness
Sense of proportion	Punctuality

Put together, a private secretary is supposed to be an all rounder. He is expected to be well versed in all relevant matters, keep good contacts, and work behind the scene unless it is desired otherwise. He should be well informed about the activities of his boss without being too inquisitive about his personal matters. He should not, unnecessarily, pry into the professional affairs of the boss but must always be ready to give advice based on facts. He should always look dignified and in no way do anything which might lower the image of his officer or the employer.

A private secretary should be healthy, alert, knowledgeable, willing to work for long hours, adjusting to a changing environment, and above all should be a trust-worthy representative of his employer. He need not be highly educated but should be thorough and well-versed in matters relating to his duties

### 18.9.2 Duties

The duties of the private secretary are bound to vary depending upon the employer's requirements. The duties of the private secretary of a Minister will naturally be different from those of a Member of Parliament, or of a Business Executive, or of a solicitor, or of a College Principal. A private secretary who has to attend to the needs of the employer both at the latter's residence and office may be entrusted with a wider variety of work as compared to one who attends to the employer's needs only during office hours.

Broadly speaking, the duties performed by a private secretary may be generalised and discussed under the following heads:

- i) Routine Office duties
- ii) Receptionist's duties
- iii) literary duties
- iv) Financial duties
- v) Domestic and Social duties
- vi) Duties relating to meetings
- vii) Miscellaneous duties

Let us examine the nature of these duties

- i) **Routine Office Duties:** They include taking shorthand dictation, drafting and typing of letters, handling incoming and outgoing mail, filing and indexing of letters, maintenance of records, maintenance of books and registers, and operation of office appliances such as telephone,

duplicator, Dictaphone, fax, etc.

- ii) **Receptionist's Duties:** These duties consist of handling inward and outward telephone calls and keeping a record of the same, attending to visitors and their enquiries, answering enquiries over the telephone, screening and fixing appointments and engagements, maintaining diary and memory aids for the boss and for himself/herself.
- iii) **Literary Duties:** These duties are drafting of routine letters, reports, speeches or statements on behalf of the employer, making precise and summaries of letters and reports, proof-reading and attending to printing of books, pamphlets and speeches, etc.
- iv) **Financial Duties:** These include handling of employer's bank transactions, payment of bills, taxes, staff salaries, subscriptions, donations, maintenance of records of the employer's investments and income there from, payment of insurance premiums, filing of insurance claims, renewal of policies, filing of Income Tax Returns, and Keeping expense records including travel expenses and preparing bills therefore.
- v) **Domestic and Social Duties:** They consist of looking after the household affairs of the employer, payment of wages and salaries of domestic staff, making arrangements for parties, luncheons, dinners and other entertainments, sending invitations, making arrangements for tours, travel reservations, attending to needs of house guests, acknowledging letters, and sending messages of condolences, congratulations, and greetings on special occasions.
- vi) **Duties Relating to Meetings:** They cover the work of preparing the agenda, issuing notices, making arrangements for holding the meetings, arranging documents and files to be needed in course of the meetings, making arrangements for voting, drafting minutes, preparing reports of the committees or subcommittees under the dictions of the chairman, and following up the decisions taken in the meetings.
- vii) **Miscellaneous Duties:** May include all such acts that build up the image of the employer and develop better public relations subject to the professional objectives of the boss.

### Check Your Progress C

1. Define 'Private Secretary'.

.....

.....

.....

2. Which of the following statements are True and which are False?

- i) A private secretary must perform his duties keeping in view the likes and dislikes of the employer.

- ii) The private secretary of a lawyer must have a Bachelor's degree in law.
- iii) The private secretary does not have to attend to telephone calls if there is also a receptionist and telephone operator.
- iv) One of the social duties of a private secretary is to write letters regularly to the relatives of the employers on his one half..
- v) The private secretary is invariably expected to minimise the expenses of the employer.
- vi) Some of the literary duties of a private secretary are actually routine duties.
- vii) 'The private secretary has a right to attend and cast vote in the meetings chaired by his employer.
- viii) The private secretary should not ordinarily interfere with the professional affairs of the boss.

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## 18.10 LET US SUM UP

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A 'Secretary' is one whose office it is to write for another; especially one who is employed to conduct correspondence, to keep record and to transact various other businesses for another person or for a society, corporation or public body.

In modern times, the secretary occupies a very important position in industry, commerce, social institutions, clubs, government offices and even in the case of individuals like statesmen, physicians, lawyers and Members of Parliament. In certain cases, the secretary enjoys a legal status, while in other situations he is employed to assist the employer to perform certain routine duties leaving him free to concentrate on more important matters.

Basically, it is the nature and importance of his functions that determine the role of a secretary. In modern organisations, the secretary's role may be described in terms of his position as - (1) Office executive, (2) Liaison officer, and (3) Adviser to management. As office executive, the secretary is entrusted with the responsibility of organising and managing the day to day work of the office. As liaison officer, he acts as a link between business executives and outside parties including clients, customers, and the public, as also between higher level managers and the administrative staff. He may also play the role of PRO. The secretary's role as adviser to management arises out of necessity to brief busy executives and managers who are not always in a position to muster by themselves all information pertaining to a decision-situation particularly those relating to policy matters. The advisory role of a secretary may be part of his official status, or it may be a privilege that he earns by virtue of his qualities.



The duties of a Secretary may differ depending upon whether he is a 'Routine Secretary' or 'Executive Secretary'. A 'Routine secretary' generally has the duties of the executive head of the office providing clerical services to all other departments. With respect to departmental offices, the secretary's duties are those of a staff officer. The duties of an 'Executive Secretary' include a wide range of administrative and managerial functions with corresponding executive powers.

The essential qualifications and attributes which a Secretary should possess are: General education of a reasonably high standard, proficiency in English language, knowledge of Hindi and regional languages, sound general knowledge, practical knowledge of office management, and an impressive personality.

The importance of secretarial work may be attributed to (a) the onerous nature of secretary's functions, and (b) the increasing dependence of management on secretarial assistance. As organised activities in the social and economic fields have expanded and assumed greater complexities, there has been an increasing need for secretarial services to assist persons in authority in their day to day administration as well as decision-making.

Consistent with the variety of functions and duties which may be performed by secretaries, one may distinguish between several types of secretaries e.g. Private secretary; Secretary of an Association or a Club; Secretary of a Co-operative Society; Secretary of a local body; Secretary of a Government Department; Company Secretary.

A Private Secretary is a secretary to an individual official, administrator or chief executive of a business firm. The main object of employing a private secretary is to shift some of the responsibilities of an individual to the secretary and thus relieve the individual of certain routine duties such as arranging meetings, fixing appointments, handling mail, drafting reports, etc.

A private secretary is generally expected to have the following qualifications: General , education of a reasonably high standard; training in secretarial work; skill in stenography and typing; practical training in office procedures; good general knowledge; knowledge of foreign language if necessary; personal qualities of sincerity, resourcefulness, discretion, tact, sense of proportion, cheerfulness, loyalty, etc.

The duties of a private secretary may be generalised under several categories, e.g. Routine office duties; Receptionist's duties; Literary duties; Financial duties; Domestic and Social duties; Duties relating to meetings; and miscellaneous duties.

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## **18.11 KEYWORDS**

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**Executive Secretary:** A secretary who is entrusted with a wide range of administrative and managerial functions.



**Liaison Officer:** One who acts as a link between executive and outside parties flower level staff.

**Office Executive:** One who is entrusted with the responsibilities of organising and managing day to day office services.

**Private Secretary:** A secretary employed to perform the routine duties of an individual, or an administrative officer or a business executive

**Secretary:** One whose office it is to write for another conduct correspondence, keep record and transact various other businesses for another person or for a society, or corporation or public body.

**Staff Officer:** One who renders specialised advisory services.

## 18.12 ANSWERS TO CHECK YOUR PROGRESS

A	3	i)	False	ii)	True	iii)	True	iv)	True
		v)	True	vi)	True	vii)	False	viii)	False
B		i)	information, advice			ii)	Drafting resolutions		
		iii)	hindi, regional			iv)	Communication		
		v)	Information, data						
C	2	i)	True	ii)	False	iii)	False	iv)	False
		v)	False	vi)	True	vii)	False	viii)	True

## 18.13 TERMINAL QUESTIONS

- 1) Who is a Secretary? Point out the importance of secretaries in the business world. Outline the functions of a secretary as an office executive.
- 2) Discuss the role of a Secretary as (a) Executive head of the office, (b) Liaison officer, and (c) Adviser to management.
- 3) What qualifications should a Secretary possess? Give reasons to justify the essentiality of the qualifications.
- 4) Distinguish between the duties of a 'Routine Secretary' and those of an 'Executive Secretary'
- 5) Write an explanatory note on the duties of a Private Secretary.
- 6) Define the position of a Private Secretary. What qualifications should a Private Secretary possess?
- 7) Describe the nature of duties of the Secretary of a modern organisation and bring out the importance of secretarial work in that context.

**Note:** These questions will help you to understand this unit better. Try to write answers for them. But do not submit your answers to the University for assessment. These are for your practice only.

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## UNIT 19 SECRETARIAL FUNCTIONS IN ORGANISATION

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### Structure

- 19.0 Objectives
- 19.1 Introduction
- 19.2 Secretary of an Association or a Club
- 19.3 Secretary of a Co-operative Society
- 19.4 Secretary of a Local Body
- 19.5 Secretary of a Government Department
  - 19.5.1 Appointment
  - 19.5.2 Administrative and Advisory Functions
- 19.6 Let Us Sum Up
- 19.7 Keywords
- 19.8 Answers to Check Your Progress
- 19.9 Terminal Questions

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### 19.0 OBJECTIVES

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After studying this unit, you should be able to:

- explain the status and functions of a secretary of an association or a club;
- know about secretary of a co-operative society;
- explain about secretary of a local body; and
- discuss the functions of a secretary of a government department.

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### 19.1 INTRODUCTION

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In the preceding unit you learnt about the nature, scope and importance of secretarial work, the role, qualifications and duties of a secretary and the position of a private secretary. In this unit you will learn about the status, role and functions of secretaries of different types of organisations such as an association or a club, a co-operative society, a local body and a government department.

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### 19.2 SECRETARY OF AN ASSOCIATION OR A CLUB

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Trade and professional associations, trade unions, cultural institutions, charitable institutions, religious institutions, sports clubs, etc., usually appoint a whole-time paid secretary to conduct the day to day activities of the

organisation. A secretary of such organisations acts as an agent and advisor of the managing committee. These associations may also appoint, nominate or elect an Honorary General Secretary from amongst their own members, subject to their respective bye-laws. The Honorary General Secretary does not draw any salary, but he is provided various perks and facilities \$0 as to carry out his duties efficiently.

### **Role and Functions**

Ordinarily, the secretary of an association or a club performs the following functions:

- 1) He plays the role of an executive officer, agent and adviser of the managing committee.
- 2) The secretary is the chief executive officer of the association. In this capacity he undertakes all administrative functions such as recruitment and supervision of the office staff, correspondence, receipts and payments of money, preparing statements of accounts and arranging their audit.
- 3) The secretary, as the chief officer of the association or club, supervises and conducts its activities according to the aims and objects. He looks after the registration of new members, collection of subscription and donations, purchase and maintenance of equipment, and arrangement of parties and social gatherings.
- 4) The secretary is the convenor of all meetings. He calls the meetings of the general body as well as the managing committee. In this connection, he issues notices and agenda, makes arrangements for the meetings, prepares documents to be placed before the meeting, records the proceedings and circulates the minutes. He also looks after the follow up action.
- 5) The secretary is an agent and mouthpiece of the managing committee of the association. He executes the decisions of the committee, acts as a public relations officer, and issues press statements and notifications.
- 6) The secretary is the main advisor of the managing committee. On all matters relating to framing of rules and their amendments, actions to be taken for infringement of rules by members, or on any other legal matter, he has to give his expert opinion to the best of his knowledge.
- 7) He is the custodian of properties and investments of the association or club. He should ensure that they are properly maintained and kept secured from any misuse.
- 8) As the PRO of his association, a secretary should cultivate the goodwill of outsiders by giving them the most cordial treatment on all occasions.

## 19.3 SECRETARY OF A CO-OPERATIVE SOCIETY

A co-operative society is a voluntary association of persons having common needs and interest, who come together for self-help and mutual aid promoting their common interest & operative credit society, consumers co-operative society and co-operative housing society are some of the common types of co-operatives. These societies are governed by the Co-operative Societies Act, of 1912 (a Central Government legislation) and the Co-operative Societies Acts and Rules framed by different State Governments. The organisational structure of co-operative societies are more or less similar in all the States.

Generally, every co-operative society has three office bearers and managing committee as provided for in its Bye Laws. The office bearers are (i) The President, (ii) The Secretary, and (iii) The Treasurer. Usually, all these office bearers and the members of the managing committee work on honorary basis. But, if the society is a large one, it can employ a whole-time paid secretary. This secretary may be appointed from amongst the members or he can be an outsider.

### Status and Functions

The secretary of a co-operative society is primarily an office executive but he also acts as an agent and adviser. He should be well acquainted with the Co-operative Societies Act, office organisation and procedures. He should be tactful and hardworking as he is expected to perform a variety of functions which are enumerated below

- 1) He has to manage and supervise the routine office work including correspondence, maintenance of records, registers and accounts and preparation of statements and returns to be submitted to the Registrar of Co-operative Societies.
- 2) He issues notices regarding the meetings, makes arrangements for holding them, records the proceedings and drafts the minutes thereof. He also makes arrangements for the annual election of the managing committee. The secretary is generally present at all meetings, produces relevant papers required at the meetings and signs the minutes of meetings along with the Chairman.
- 3) He acts as the agent and mouthpiece of the managing committee in its dealings with the staff, shareholders, and the general public. He is authorised to receive all money on behalf of the society and issue receipts therefore, to operate bank accounts subject to the conditions laid down by the by-laws, and to pay all working expenses.
- 4) He also advises the managing committee on legal and other matters relating to tile society.

- 5) He performs all other duties concerning the society's work which may be assigned to him by the managing committee from time to time. For instance, the secretary may be required by the Managing Committee to conduct investigation on any matter and report on the findings thereof.

It should be noted that the secretary of a co-operative society is accountable for all his deeds to the managing committee and, therefore, he must convene the meetings of the managing committee after regular intervals so as to keep the members duly posted with the works of society.

### Check Your Progress A

1. Which of the following statements are True and which are False?
  - i) The secretary of an association as the chief executive officer does not have to report to any other authority about his actions.
  - ii) The secretary of a club presides over the meeting of members.
  - iii) The secretary of a co-operative society should be well acquainted with office organisation and management.
  - iv) Only a member can be appointed as the secretary of a co-operative society, not an outsider.
  - v) The secretary of an association is the mouthpiece of the managing committee of the association.
2. Fill in the blanks selecting the appropriate words from those given within brackets:
  - i) The secretary of a club undertakes all ..... and ..... functions. (clerical, administrative, legal, supervisory).
  - ii) The secretary of an association is the ..... of all properties of the association. (Caretaker, custodian, protector, user).
  - iii) The secretary of a co-operative society advises the managing committee on ..... matters. (operational, legal, administrative).
  - iv) The bank account of a co-operative society is generally operated by its ..... subject to the bye-laws. (President, Secretary, Manager).

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## 19.4 SECRETARY OF A LOCAL BODY

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Panchayats, Municipal Boards, Municipal Corporations and District Boards are known as local bodies. They are established in accordance with legislations of State Governments with a view to provide educational, social, medical and other civic amenities to the citizens of their respective areas. Under the provision of the statutes, each local body appoints a secretary who is a whole-time paid employee. He is one of the most important officials of the local body. He enjoys extensive powers, though he acts under the guidance and direction of the chairman of the body.

The secretary of a local body is essentially an executive officer who coordinates and supervises all office activities such as correspondence, maintenance of records, control over staff and accounts. He acts as a link between the authorities (Chairman or President) and the staff and outsiders. He is responsible for the preparation of the annual budget estimates, statements of accounts and annual reports of the local body

He also convenes the meetings and looks after all works connected with the meetings like issue of notice, preparation of agenda, recording the proceedings, drafting minutes, and helping the chairman in conducting the meetings. Later on, he oversees the implementation of decisions taken in such meetings.

He may also undertake special duties which may be entrusted to him by the local body as and when it thinks fit. Besides, he may have to tender advice on legal and administrative matters if called upon to do so by the chairman, or the Municipal board or Committee, or similar authorities.

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## **19.5 SECRETARY OF A GOVERNMENT DEPARTMENT**

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In India, under the administrative set up of government, the executive head of a department is known as Secretary. He is the top civil servant attached to a ministry of the government and is directly responsible to the minister in-charge, e.g. Secretary, Ministry of Home Affairs, Secretary to the Department of Expenditure, Ministry of Finance, etc. Depending upon the size of a Ministry or Department, besides the Secretary, there may be civil servants designated as Additional Secretary, Joint Secretary, Deputy Secretary, and Under Secretary, constituting the administrative hierarchy in the department or Ministry and carrying out various functions at different levels. In the organisation of the Central or State Government, the Secretary is usually a senior civil servant of the L.A.S. cadre, who heads the secretariat of the Ministry, or department within a Ministry.

In some countries, the Minister is designated as Secretary. In the United States, for example, the political executives in the President's cabinet are known as Secretary of State, Secretary of the Treasury, and so on. They may be assisted by other political executives like Under-Secretaries, Assistant Secretaries, and Special Secretaries. Permanent executives attached to the political executives are the Bureau Chiefs who are civil servants. In the U.K. Ministers are designated as Secretary of State, e.g. Secretary of State for Home Affairs, Secretary of State for Foreign Affairs, Secretary of State for Defence, and others who constitute the Cabinet under the Prime Minister. Members of the Cabinet are political executives who may be assisted by other political executives designated as Parliamentary Under-Secretary of State. The civil servants are permanent executives. They are designated as Under Secretary, Assistant Under-Secretary and Assistant Secretary.



### 19.5.1 Appointment

Secretaries of Government departments are generally appointed from among those who have been found qualified for such positions by the Union Public Service Commission and Public Service Commissions of different States. They have to successfully complete the requisite training and their postings are later based on seniority, service record and experience. Those who have been selected for All India Services are allotted to the Central and State Government Departments. They are also transferable from the Centre to the States and vice versa. Posting of secretaries in the Ministries and Departments of the Central Government are made by the Cabinet Secretary who heads the Cabinet Secretariat under the Prime Minister. Chief Secretary of the State Government, as head of the State Government Secretariat, makes the posting of secretaries in the State Government Ministries and Departments.

### 19.5.2 Administrative and Advisory Functions

The functions of the secretary of a government department can be described under two broad heads, viz.,

- a) Administrative and Executive Functions; and
  - b) Advisory Functions.
- a) Administrative and Executive Functions**
    - i) Overall control over day to day administration of the department with the assistance of subordinate officers.
    - ii) Issue of directives, orders and circulars for the guidance of staff.
    - iii) Execution of policies and decisions of the Minister or the Cabinet.
    - iv) Attending meetings, conferences, and seminars concerning the department.
    - v) Coordinating the activities of the department with those of allied departments.
    - vi) Conducting and supervising investigation work relating to a proposal, scheme, or plan, and reporting on it to the Minister.
    - vii) Supervising the collection and collection of data for policy making and decisions.
  - b) Advisory Functions**
    - i) Keeping the Minister informed about the working of the department.
    - ii) Advising the Minister on the suitability of new proposals, schemes, plans, and projects.
    - iii) Supplying all documents and information to the Minister which may be required by him at the session of Parliament or Assembly.



- iv) Assisting the Minister to prepare the answers to the questions raised in the legislative body while In session.

### Check Your Progress B

1. Fill in the blanks selecting appropriate words from those given within brackets:
  - i) The secretary of a local body is an executive officer who ..... and ..... all office activities. (performs, supervises, directs, co-ordinates).
  - ii) The secretary of a local body acts as a link between the chairman and ..... and ..... (members, outsiders, staff, government).
  - iii) The secretary of a Government department is directly responsible to the ..... (Minister, Secretary of the legislative assembly, leader of the ruling party in the assembly).
  - iv) Coordinating the activities of one Government department with those of allied departments is a function of ..... (The Secretary, Minister, Chief Minister).
  - v) Answers to questions raised in the legislature are drafted by the ..... of the concerned department. (Secretary, Minister, Private Secretary to the Minister).
2. Which of the following statements are True and which are False?
  - i) The secretary of a Government department is appointed on the basis of seniority, service record and experience.
  - ii) It is the Accountant, not the Secretary of a local body, who prepares the annual budget estimates.
  - iii) Collection and collation of factual data for decision-making by the Minister are the responsibility of the chief of the statistical division, not that of the secretary of the department.
  - iv) The secretary of the department has to keep the Minister informed about the working of the department.

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## 19.6 LET US SUM UP

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Ordinarily the secretary of trade or professional association or club is appointed as a whole-time official to conduct the day to day activities of the organisation. Associations may appoint, nominate or elect an Honorary General Secretary from among the members. But a paid secretary is also appointed to undertake administrative functions. He performs the role of executive officer, agent and adviser of the managing committee. His functions include: recruitment and supervision of the office staff, correspondence, receipts and payments of money, maintaining accounts and arranging audit of accounts, registration of new members, collection of

subscription and donations, purchase of equipments, arranging parties and social meets, convening meetings, executing the decisions of the managing committee, and advising the committee on all administrative or legal matters.

Every Co-operative Society must have a Secretary as one of its office bearers. The secretary may be appointed from among the members or he can be an outsider. If the co-operative society is a large one, a whole-time paid secretary is generally appointed. The secretary is primarily an office executive but he also acts as an agent and adviser. He has to manage and supervise the routine office work as well as prepare statements and returns to be submitted to the Registrar of Co-operative Societies. He issues notices for meetings and makes all arrangements in that connection, records the proceedings and drafts the minutes. He acts as the agent and mouthpiece of the managing committee and is accountable for all his actions to the managing committee.

Local Bodies like Panchayats, Municipal Boards, Municipal Corporations and District Boards are pre established under State legislation, which provides for the appointment of a secretary. The secretary of a local body is a whole-time paid employee. He is the most important official and enjoys extensive powers though he acts under the guidance and direction of the chairman of the body. The secretary coordinates and supervises all office activities, prepares the annual budget estimates, statements of accounts and annual reports of the local body. He also convenes all meetings, records the proceedings and drafts the minutes of meetings, besides undertaking special duties which may be entrusted to him by the local body.

The executive head of a Government department or Ministry in India is designated as Secretary. He is the top civil servant attached to a Ministry and is directly responsible to the Minister in-charge. Besides the Secretary, there may be other civil – servants designated as Additional Secretary, Joint Secretary, Deputy Secretary and Under Secretary constituting the administrative hierarchy in the department or Ministry to carry out various functions at different levels. In some countries, the Minister is designated as Secretary. The civil servants who are permanent executives are designated differently.

In India, secretaries of government departments are appointed from among those who have been found qualified by the Union and State Public Service Commissions. Their postings are based on seniority, service record and experience. Posting of Secretaries of Central Government departments is made by the Cabinet Secretary, while the posting of Secretaries of State Government departments is made by the Chief Secretary of the State Government Secretariat.

The functions of the Secretary of government departments include administrative and executive functions as well as advisory functions. A Secretary is required to maintain overall control over day to day

administration of the department, execute the policies of the Minister or the cabinet, attend meetings, conferences and seminars concerning his department, keep the Minister informed about the working of the department, advise the minister on the suitability of new schemes, plans and projects supply all comments which may be required by the Minister at the session of the legislature, and assist him in preparing answers to questions raised in the legislative body while in session.

## 19.7 KEYWORDS

**Civil Servant:** Permanent executive serving in a government department or Ministry.

**Club:** Voluntary association of persons box social, political, athletic, sports, or recreational ends.

**Co-operative Society:** A voluntary association of persons having common needs and interests, who come together for self-help and mutual aid.

**Local Body:** Elected body for local government g. Panchayat, District Board, Municipal Board, Municipal Committee, etc.

**Professional Association:** Association of people engaged in professional activity, e.g. lawyers, accountants, medical practitioners, etc.

**Secretariat:** Office of the secretary minister.

**Trade Association:** Association of traders and trading firms voluntarily established to protect and promote common interest of members.

## 19.8 ANSWERS TO CHECK YOUR PROGRESS

- A 1 i) False ii) False iii) True iv) False v) True
- 2 i) administrative, supervisory ii) custodian iii) legal iv) secretary
- B 1 i) Supervises, co-ordinates ii) staff, outsiders iii) minister  
iv) the secretary v) secretary
- C 2 i) True ii) False iii) False iv) True

## 19.9 TERMINAL QUESTIONS

- 1) What is the status of the secretary of a trade or professional association? What functions does he perform?
- 2) Enumerate the functions and duties of the secretary of a co-operative society. Discuss with special reference to his functions relating to meetings.
- 3) The secretary of a local body is the most important official. Describe the role of the secretary of a local body as office executive.

- 4) Who is eligible to be appointed as secretary of a government department? Briefly explain the administrative and executive functions of the secretary of a government department.
- 5) How is the secretary of a government department appointed? Discuss his functions as an executive and an advisor.

**Note:** These questions will help you to understand this unit better. Try to write answers for them. But do not submit your answers to the University for assessment. These are for your practice only.



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## UNIT 20 GENERAL PRINCIPLES OF MEETINGS

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### Structure

- 20.0 Objectives
- 20.1 Introduction
- 20.2 What is a Meeting?
- 20.3 Classification of Meetings
- 20.4 Requisites of a Valid Meeting
- 20.5 Rules Governing Meetings
- 20.6 Preparation for and Conduct of Meetings
  - 20.6.1 Notice
  - 20.6.2 Agenda
  - 20.6.3 Role of Secretary
  - 20.6.4 Quorum
  - 20.6.5 Role of Chairman: His Powers and Duties
- 20.7 Let Us Sum Up
- 20.8 Keywords
- 20.9 Answers to Check Your Progress
- 20.10 Terminal Questions

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### 20.0 OBJECTIVES

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After studying this unit, you should be able to:

- define a meeting and classify meetings;
- state the requisites of a valid meeting;
- enumerate the rules governing meetings;
- describe the preparation for, and conduct of meetings;
- explain the importance of notice, agenda and quorum;
- describe the role of a secretary in the preparation for meetings; and
- explain the role of the chairman of a meeting specifying his powers and duties.

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### 20.1 INTRODUCTION

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In a democratic system, the functioning of any association of person, be it a business or social organisation or any other type of association, makes it necessary that members should meet periodically to take decisions on matters of common interest. In large organisations, meetings of managers and

executives are frequently held to discuss the ways and means of resolving problems as well as coordinating various activities. Periodical meetings of governing boards or managing committees are also required for decision-making, control and coordination of operations. In all types of organisations, one of the most important duties of the secretary relates to arranging for and conduct of meetings, record of proceedings and drafting of minutes. In this Unit, we shall examine some of the general principles to be kept in view with respect to meetings, the requisites of a valid meeting, rules governing meetings, preparation for meetings, the role of chairman in the conduct of meetings, his powers and duties.

## 20.2 WHAT IS A MEETING?

Generally speaking, a meeting may be referred to as a gathering of two or more persons for mutual interaction, discussion, legislation, etc. The purpose of a meeting may be an exchange of ideas, or discussion of a common problem, a decision on a program of action, or formulation of policies acceptable to the majority, or frame. rules, or pass laws (as in the case of legislative bodies) and the lie. In a specific sense, a meeting may be defined as the gathering or assembly or coming together of two or more persons for the transaction of any lawful business of common interest.

## 20.3 CLASSIFICATION OF MEETINGS

Meetings can be classified under two broad heads, viz. (1) Public Meetings, and (2) Private Meetings. Private meetings may be further classified into two types: (i) General Meetings, - and (ii) Committee or Subcommittee Meetings. General Meetings may either be Annual General Meeting or Special/Extra-Ordinary General Meeting. These all are depicted in Figure 20.1.

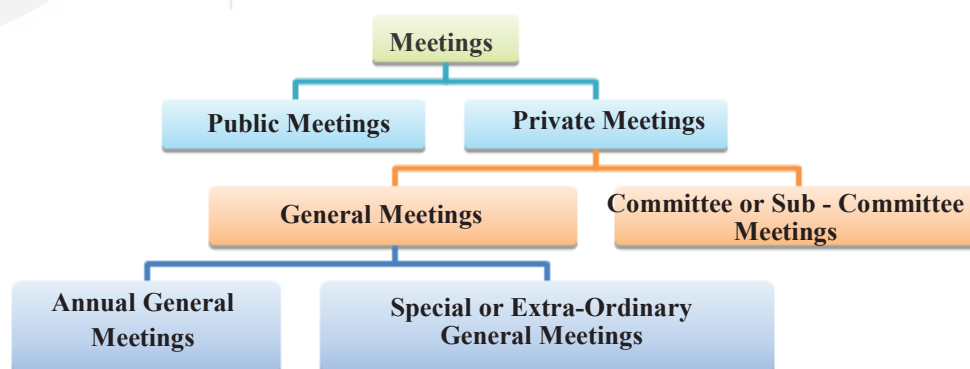


Figure 20.1: Classification of Meetings

Now, let us discuss these one by one.

1. **Public Meetings:** Public meetings are those which are attended by members of the public. For such a meeting, general invitation may be published in newspapers or displayed in posters or/and distributed as



leaflets. Everyone has a right to attend public meetings unless the right of admission is otherwise restricted. The purpose of these meetings is usually to disseminate information, or impart knowledge, or create public opinion for a cause, belief, or some matters of general interest. Public meetings may be held to raise money, increase membership, arouse public interest, make spiritual or material appeal, or to educate the people. Such meetings may be held in a big auditorium to accommodate a large number of people, or in open grounds or public parks.

2. **Private Meetings:** Private meetings are those to which admission is restricted only to the: members of an association or society. These include meetings of companies, trade unions, clubs, and similar other organized bodies. These meetings are held to transact the lawful businesses of the respective organizations. It is, however, essential that a private meeting should be held on private premises and not in a public place.

Private meetings may be further classified as:

- i) **General Meetings:** General Meetings are called to discuss matters of common interest to the members of an organisation. Every member of a company or an association has a right to receive the notice of such meetings and to attend the same accordingly.

Generally, such meetings are held once a year in which case they are called **Annual General Meetings**. The usual business transacted at the Annual General Meeting include:

1. Electing members of the Board of Directors of a company, or of Managing Committee, and such other office bearers of an Association as may be provided in the bye laws.
2. Consideration of the Auditor's Report and passing the accounts of the previous year.
3. Appointing the Auditors for the next year and fixing their remuneration.
4. Consideration and approval of the report submitted by-the Board of Directors of a company, or by the Managing Committee in the other cases.
5. Preparing the budget for the ensuing year; if so required under the respective bye laws.
6. Considering any other business of common interest.

Any general meeting of a company or society other than an Annual General Meeting is called a Special or Extraordinary General Meeting. This meeting is called when any business in hand is to be transacted immediately and cannot be kept pending until the annual general meeting. A Special General Meeting may be called at any time by a resolution of the Board, or the Managing Committee, or on receipt of a

requisition from the members as per the bye laws. These meetings are usually called to make alteration in the Memorandum or in the Articles or Bye Laws, or for removal of a Director or any statutory officer of the organisation.

- ii) **Committee Meetings:** A company is managed by the Board of Directors whose members are elected from amongst the general body of shareholders. Other associations are managed by an Executive Committee or a Governing Body or a Managing Committee, whose members are elected as per their respective laws. The meetings of such committees are called Committee Meetings. The executive or Managing Committee Meetings are held from time to time to frame policies as per guidance given in the general body meeting and to take various decisions relating to the aims and objectives of the association.

All matters relating to admission or suspension of members, recruitment transfer, promotion and retirement of staff, loans, purchases, maintenance of accounts, moveable and immovable properties of the association etc. are considered in committee meetings and necessary decisions are taken herein. These meetings are attended only by the members of the Managing Committee but other persons can also be invited to give expert advice and opinion on particular matters.

When certain matters need deeper study or further enquiry before a decision can be taken by the Managing Committee, a sub-committee consisting of two or more members of the Managing Committee is appointed. This sub-committee may also be authorized to co-opt more members if that is required to carry out its functions. Similarly, the Board of Directors of a company may appoint a sub-committee to consider some special matters.

A sub-committee has to work within the terms of reference given at the time of its appointment. A convener of the sub-committee is also appointed who convenes the meeting according to the convenience of members, records the proceedings and finally prepares a report which is signed by all the members. This report is submitted to the Managing Committee or Board of Directors which appoints the sub-committee and not to the general body. However, if a general body of the association appoints a committee or sub-committee, then the report of findings of the committee is submitted to the chairman of the association.

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## 20.4 REQUISITES OF A VALID MEETING

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In any organisation meetings are held to discuss and transact important matters related to the objectives of the organisation. Over the years certain essential requirements of a valid meeting have been evolved so as to give legal backing and respectability to the decisions taken in the meetings. These requisites can be described as follows:

1. The meeting must be convened properly by the person or authority duly authorized to do so.
2. A proper notice should be sent, as per the law, to all those persons who are entitled to attend the meeting and/or to vote at the meeting, otherwise, the proceedings of the meeting will be invalid. Public meetings are convened through advertisements in newspapers, by posters, or by notices displayed in a prominent place. Individual notice in such cases is neither necessary nor possible also.
3. The meeting must be lawful. It must be held at a lawful place that is a place not prohibited by any law, for a lawful purpose that is not against public policy or interest and must not disturb public peace and order.
4. The meeting must have a quorum prescribed according to its rules and regulations. Quorum means attendance of a minimum number of authorized persons for valid transactions of business. Where no quorum is prescribed, presumably, at least two persons must be present, (as it is impossible for one person to constitute a meeting). The quorum must not only be present in the beginning but must be maintained throughout the period of the meeting. However, Quorum is not necessary for any public meeting.
5. The meeting must always be presided over by a chairman. The chairman, in the case of a public meeting, is appointed by the conveners or by those who are present. In the case of registered bodies, the chairman is appointed according to their respective rules and regulations.
6. Proceedings of the meeting must be regulated according to the law governing the particular meeting.
7. Proper record of the proceedings at the meeting must be kept. The minutes of the proceedings should be duly written, signed and confirmed in accordance with established provisions.

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## 20.5 RULES GOVERNING MEETINGS

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One of the requisites of a valid meeting is that it must be properly conducted. All meetings are, therefore, governed by a set of rules. In the case of statutory bodies like the Parliament (Lok Sabha and Rajya Sabha), State legislative assemblies, joint stock companies, co-operative societies, municipalities, etc., rules are separately framed and prescribed for meetings. The Rules governing the meetings of Parliament are known as Standing Orders; for local bodies and registered societies the rules are laid down in the by-laws; in the law of a joint stock company, the rules are laid down in its Articles of Association. In the case of non-statutory bodies or associations, rules may be framed as deemed proper by the promoters or founders. Provision is also there for amendment of the rules for meetings according to a set procedure. If rules are not framed, meetings of such bodies are expected to be governed by custom and convention.

The points to be kept in view regarding rules governing meetings are as follows:

1. If rules are laid down under any Act (e.g. Companies Act, Co-operative Societies Act etc.) the same must be followed without exception.
2. If the society or association has framed its own rules for conduct of meetings, those are to be followed unless there is any conflict with rules prescribed under law.
3. If rules are not prescribed under law nor framed by the association, why are so primary and established by convention should govern the conduct of meetings.
4. Finally, in the absence of even custom or convention being known, members present at a meeting may decide upon the rules to be followed. If that is not possible, the chairman may decide what rules would be followed.

#### Check Your Progress A

1. Define a Meeting.  
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2. Which of the following statements are True, and which are False?
  1. A public meeting can be attended only by those who have actually read the notice in newspapers or in posters or handbills, not by anyone who has heard about it from another.
  2. Private meetings must be held in private premises.
  3. Auditors are appointed to committee meetings.
  4. Members of the managing Committee are elected in General Meetings.
  5. A sub-committee meeting needs to be convened by the Chairman.
3. Fill in the blanks selecting appropriate word(s) given within brackets:
  - i) A meeting will be valid only if it is held for a \_\_\_\_\_ purpose.  
(genuine, lawful, official)
  - ii) Individual notice is not necessary in the case of \_\_\_\_\_ meeting.  
(general, public, private)
  - iii) A meeting must have the requisite \_\_\_\_\_ which implies the

attendance of a minimum number of persons out of those invited to it (signatures, quorum, seating arrangement)

- iv) A Sub-committee may be authorised to \_\_\_\_\_ additional members. (elect, nominate, co-opt)
- v) If rules for conduct of meetings are not prescribed under law or bye-laws, \_\_\_\_\_ rules should be followed. (standard, customary, reasonable)

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## 20.6 PREPARATION FOR AND CONDUCT OF MEETINGS

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To be well organised, a meeting needs advanced preparations which have to be undertaken by the secretary or any other person responsible for calling the meeting. Any slip in the preparation for a meeting is bound to result in confusion or disturbance. All the formalities regarding notice, agenda, and other matters should be complied with as prescribed under the rules.

Before taking up the steps required for the preparation of a meeting, it may be useful to discuss in detail the meaning, significance, and requirement of the terms 'Notice' and 'Agenda'.

### 20.6.1 Notice

Notice of a meeting is an invitation to the members to attend it on the specified day, time, and place as well as an intimation of the business to be transacted. For constituting a valid meeting, proper notice calling the meeting should be sent to all those persons who are entitled to attend the meeting. If proper notice is not given, the proceedings of the meeting will not be valid.

The notice of a meeting must be definite, absolute, unconditional and not subject to any eventuality or otherwise qualified in any manner except when the law permits it. A notice must be explicit, free from ambiguity and reasonably intelligible to the recipients. The main points to be considered at the time of issuing a notice are:

**Form of notice:** Notice of a public meeting is usually given by an advertisement in the newspapers or by posters and leaflets. For private meetings, whether general or committee meetings, a written notice should be sent to all those entitled to attend the meeting. This may further be supplemented by advertising in the newspapers if it is a general meeting like the Annual General Meeting of a company or any other registered body. For small sub-committee meetings, oral notice may serve the purpose. However, it is always preferable that a written notice is issued.

The mode of communicating the notice is usually prescribed in the Rules and Regulations of the organisation. If not, a written notice must be sent by post which may be followed by a telephonic check to ascertain the consent and to make arrangements accordingly.



Sometimes when meetings are held regularly at an agreed time and place, the practice of sending a notice on each occasion may not be followed, and only agenda papers may be sent. But due notice is always obligatory and, therefore, must be strictly adhered to so that future disputes may be avoided.

**Contents of a notice:** A notice convening a meeting must clearly state the date, time, place and business of the meeting. The time and place must be reasonably convenient to members to attend the meeting. What is specified in the by-laws, should be strictly followed.

If some special business is to be transacted in the meeting, it should be clearly indicated. Supporting statements or reports must also be sent along with the notice, if it is so required under the rules, otherwise it will invalidate the meeting. A notice should also include a declaration such as the closure of Share Transfer Books, and references to any point of law or Article, the right of a member to appoint a proxy, as may be required by the law.

**Length of time of a notice:** Usually, bye-laws of the organisation stipulate a minimum period of notice for certain meetings. When notice is given, some more time beyond the minimum period may be allowed so that members at distance could make necessary arrangements and attend the meeting. Sometimes, the rules provide that "a number of CLEAR DAYS notice" should be given. In that case, the day of giving the notice and the day of holding the meeting must be excluded. Thus, if 21 clear days' notice is required and the meeting is scheduled to be held on the 23rd day of the month, notice must be mailed no later than the first day of the month. Even where there is no special mention in the bye-laws, the expression "day" usually means "clear days". Sometimes, the period of notice may be allowed to be reduced in the manner prescribed.

A committee or subcommittee meeting may be held at a short notice in case of emergency. The day and time of the next meeting may also be fixed at regular intervals, e.g. every second Friday of the month, or it may be determined at the conclusion of each meeting. However, it is advisable that reasonable opportunity should be provided in all cases to everyone entitled to attend a meeting.

**Who should issue the notice:** In the case of meetings of registered bodies, the chairman may also convene a meeting under his signature. For company meetings, the secretary issues the notice under the order of the Board of Directors. In the case of committee or subcommittee meetings, the convener, if any, issues the notice. In his absence, the chairman can do so.

**Whom to issue notice:** In the case of a registered body, persons to whom notice is to be given will be determined by the Articles of Association or by some other law like the Indian Companies Act. For instance, a notice of an Annual General Meeting of a company must be sent to the auditors of the company as well as all the members at their registered addresses or to their legal representatives, if informed earlier. Serving a notice is not necessary in



case a member is living in a foreign country or whose whereabouts are not known. Any intentional omission to give notice to any member entitled would invalidate the meeting, but an accidental omission would not have that effect.

**Means of communication of a notice:** For all meetings, notice should be served only through the prescribed means as given in the by laws and not other modes should be adopted. When service by post is stipulated, it should be correctly addressed and there should be some proof of posting, like Certificate of Posting, or Registered Post at Receipt.

Notice must always be despatched to the registered address unless a separate mailing address is specifically given in writing, which should be accordingly used

A telephonic message or a verbal notice may be delivered personally but it must be confirmed by a written notice.

Notice of a public meeting can be given through an advertisement and the date of service would be deemed to be the day on which the advertisement appears.

**Notice of an adjourned meeting:** A properly convened meeting may be adjourned due to want of quorum, if the rules so provide. An adjourned meeting is usually held next week at the same time and place for which no fresh notice needs to be given to the members. However, if the meeting is adjourned sine die, that is, indefinitely, a fresh notice must be given but no new business can be transacted unless notice of such new business is given.

**Withdrawal of a notice:** Once notice of a meeting has been issued, it cannot be withdrawn unless the rules so provided. The meeting must be held on the appointed day though can be adjourned by passing a resolution, to a more convenient date. But, if not authorized, the convener of a meeting of a registered body cannot postpone it. Where it is proved that due notice was not given to one and all, the meeting can be cancelled and a fresh meeting will be convened.

**Rectification of an irregular notice:** An irregular notice can be subsequently ratified, that is approved as a valid notice, by an appropriate authority. For instance, when a notice for a Board meeting has been issued by a secretary without being authorised to do so, it can be ratified by all the directors.

**Waiver:** A notice is given to convene a meeting to transact some specified business only. But if all the members unanimously agree, they can waive the formality of issuing a notice and transact other business also. However, care should be taken that everyone concerned is present and has given his consent in the meeting.

**Invalid notice:** Notice of every meeting must be given in a proper form, at a proper time, and in a proper manner as prescribed in the rules or by-laws.

Wherever any error of omission or commission is committed in this regard, it will invalidate the notice. However, if all the members are present and none objects to the informality, want of proper notice may be excused and the proceedings cannot be held invalid later on due to that reason.

**Specimen of Notice of an Annual General Meeting of a Club**

**The Health Sports Club**

**2 Canning Lane**

**New Delhi**

Notice is hereby given that the 4th Annual General Meeting of the Members of the Club will be held at the Club premises at 2, Canning Lane, New Delhi, on Saturday, the 8th May 1993, at 3-00 P.M. to transact the following business:

1. To receive, consider and adopt the Auditor's Report and the audited accounts for the year ended 31st March, 1993.
2. To elect the Office bearers and Members of the Executive Committee.
3. To appoint Auditors and to fix their remuneration.

A.G. Khan  
Secretary

Delhi.

April 15, 1993.

**20.6.2 Agenda**

Agenda means what things to be done. In relation to meetings, it is used to indicate the items of business to be transacted. It is the programme, listed on a paper, which gives the details of matters to be discussed and decided upon at a meeting in the serial order. However, if the chairman of the meeting- detains it fit and necessary, he can deviate from the serial order also if there is sufficient reason for doing so.

The purpose of the agenda is to inform members about the items to be discussed in the meeting. Thus, it gives members an opportunity to think in advance about the business to be transacted and also to prepare themselves with all relevant information for a meaningful discussion. It helps the chairman to note the importance of maws and to decide how much he should be devoted for each item. Finally, the items on the agenda form the basis of drafting the-minutes of the proceedings of the meeting.

Agenda of meeting constitutes an essential part of the notice, and is usually sent along with it. If it is not sent with the notice, the words "agenda will follow" may be written in the notice and later on detailed agenda along with the supporting documents, if any, may be sent sufficiently before the meeting is held.

**Preparation of Agenda:** It is the responsibility of the secretary to prepare the agenda in consultation with the chairman. It should be prepared much before the date of the meeting so that it could be circulated among the members well on time. As far as possible, the agenda should be brief and exact and should contain a relevant reference to the context of the matters to be discussed. It is also desirable that for similar kinds of meetings uniformity of form and method and style should be followed for the preparation of the agenda wherever possible, sufficient space must be left on the right-hand side of each copy of the agenda to write notes during the progress of the meeting. This practice is very useful for the chairman and the secretary as they are invariably required to take notes of the points to be incorporated in the proceedings of the meeting.

There are two types of items that are listed on the agenda paper:

**1. Routine Items:** Routine items as well as those on which little debate is needed are written first in the agenda and they are also dealt with earlier. The secretary does not need to have a consultation with the chairman to include the routine agenda items, like:

- Election of Chairman
- Reading out the notice of convening the meeting.
- Reading out the minutes of the previous meeting, confirmation and signing thereof.
- Chairman's Speech.
- Any other routine item.

**2. Special Items:** Special items of agenda consist of those items which do not arise in a routine manner or regularly in the agenda. Similarly, there are certain items on which a detailed & debate is expected. For inclusion of all these items of business, the secretary should consult the chairman. In order to preserve impartiality, he should include, on request of any member, any matter which can be regarded reasonably proper for discussion at the meeting.

The secretary should inanimate a file wherein he should enter all those matters which could be included in the agenda of the next meeting. He may also invite members' suggestions regarding any matter which any of them may want to include, though the question of inclusion is decided by the appropriate authority.

It is advisable that the words 'Private and Confidential' should be written on the envelope, if the secretary is to send the proposed items of agenda to be typed to the chairman for his consent and approval before its final circulation.

Sometimes, the exact text of resolution to be moved is given in the agenda. In that event, the agenda may become voluminous. For instance, it happens in the case of the agenda of the Annual General Meeting of the Federation of

Indian Chambers of Commerce and Industry. It may be useful if an index of resolutions is attached to the agenda in such cases.

Loophole Agendum: In most cases, an 'open item reading "Any other business" is included as the last item of the agenda. This enables any major item to be discussed if it is within the scope of the meeting. However, special items of Importance should always be included as a separate item of the regular agenda as they cannot be discussed under the heading ' Any other business'

**Specimen of a Notice and Agenda of a Meeting of Board of Directors of a Company**

MOTHER CARE (INDIA) LTD.

35, Faiz Road

New Delhi - 110006.

June 16, 1993

To  
Mr. A.W.Raja,  
530. Charidni Chowk,  
Delhi - 110006.

Dear Sir,

This is to inform you that the next meeting of the Board of Directors will be held at the Registered Office of the Company on Wednesday, July 7, 1993 at 11.30 A.M. to transact the following business. You are requested to be present.

**Agenda:**

1. To read and approve the minutes of the last Board Meeting.
2. To consider applications for transfer of shares. ,
3. To consider appointment of the Manager of Kanpur Office.
4. To approve the list of accounts for payments.
5. To fix the list of accounts for payments.
6. Any other matter with the permission of the chair.

Yours faithfully,  
Secretary

### 20.6.3 Role of Secretary

Secretarial preparations are the essential component for the success of any meeting. Usually such secretarial preparations include the following aspects:

1. The secretary should maintain a current file for meetings and keep all the relevant papers and references in the same.

2. He should check and manage all important matters to be on the agenda for discussion at the meeting. In this connection, you should consult your superiors, especially the chairman. In other words, you should prepare the tentative agenda and ultimately get it approved by the concerned authority.
3. The secretary should finalise the date, time and place of the meeting in consultation with the chairman. In this connection, provisions of the bye-laws, if any, must be taken into account.
4. The secretary should finalise the notice and the agenda to convene the meeting and arrange for the dispatch of the notice in the manner prescribed in the bye-laws.
5. He should take necessary steps for hiring a hall for the meeting, if accommodation is not sufficient in the organisation's own premises. He should keep in mind the expected attendance of members as well as the number of guests if they are to be invited.

The meeting room or meeting hall should be properly furnished. Seating and lighting arrangements should be satisfactory and speaking and hearing arrangements are to be available at the time of meeting. Arrangements for refreshments, drinking water, etc., must be made beforehand and the secretary should ensure that everyone is properly served.

6. He should appoint trained assistants and stewards to receive the invitees and record their attendance. They should politely check the entry cards, if entry is restricted.
7. Necessary arrangements should be made to receive, check, verify and count the proxies, if allowed under the bye-laws. A record of the proxies must be available before the meeting commences.
8. The secretary should check the arrangements for recording the proceedings. Necessary stationery by way of papers, pencils, ink etc. should be available to the members who wish to take notes or prepare briefs during the meeting.
9. Copies of the Chairman's Speech, reports and statements, etc., which are to be circulated among the members, must be prepared in advance for circulation. These may be handed over at the time of members entry into the meeting hall, or distributed after the members have taken their seats.
10. The secretary should ensure that the Minutes Book, Attendance Register, legal documents, correspondence files, or other material related to the agenda items and likely to be required for reference, are readily available in the meeting.
11. Preparations to ascertain the sense of the meeting should be made by the secretary. Necessary arrangements for poll and ballot, if required, must be made.

Specimen of Check List of Preparations for the Board of Directors meeting to be held	
Items	Check when done
1. To send notice	-----
2. To prepare agenda	-----
3. To make arrangements for meeting hall	-----
4. To appoint assistants and stewards.	-----
5. To order for refreshments.	-----
6. To provide stationery - papers, pencils, ink etc	-----
7. To prepare material for circulation of the meeting.	-----
8. To prepare Minutes, reports, statements to be presented at the meeting	-----
9. To keep handy copies or Rules and Regulations.	-----
10. To arrange for attendance.	-----
11. To arrange to receive and scrutinise proxies, if so required	-----
12. To make arrangement for poll or ballot, if so required	-----
13. To make arrangements for checking statutory books and documents, if necessary.	-----
14. To arrange recording of proceedings	-----

### Check Your Progress B

- Define 'Notice'.

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- What is the meaning of the term ' Agenda'?

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- Which of the following statements are True and which are False?

- For general and committee meetings, written notice must be sent to all those entitled to attend the meeting.
- It is necessary to give 21 clear days notice for every meeting.



- iii) It is not necessary to issue a fresh notice for a meeting adjourned sine die.
  - iv) Agenda must always be a part of the notice of meeting and dispatched at the same tune.
  - v) Confirmation of the minutes of the previous meeting is a routine item of agenda.
  - vi) The only purpose of the agenda is to help the Chairman to decide on the time to be developed for each item.
4. Fill in the blanks selecting appropriate word(s) from those given within bracket
- i) Election of Chairman is a \_\_\_\_\_ item of agenda. (Special, routine, ordinary)
  - ii) The Secretary should finalise the date and time of meeting in consultation with the \_\_\_\_\_. (office manager, chairman, junior director)
  - iii) If a proper notice is not given, the \_\_\_\_\_ of the meeting will be invalid. (discussion, decisions, proceedings)
  - iv) A notice convening a meeting must clearly state the date, time, place and \_\_\_\_\_ of the meeting. (duration, nature, business)
  - v) Serving notice of a meeting is \_\_\_\_\_ in the case of members living abroad. (necessary, not necessary, essential, not essential)

#### 20.6.4 Quorum

After convening a meeting through proper notice, the most important prerequisite for the conduct of my meeting is the existence of quorum. According to G.H. Stanford, “Quorum is the minimum number of members of a body required to assemble to establish legal competence for transaction of business”. Thus, it is the general principle of the law of meetings that no business can be transacted unless a quorum is present any business transacted without quorum is automatically invalid.

The quorum should not only be present before the commencement of the meeting but it should continue to be there-throughout the meeting and till it ends. However, it may be provided in the bye-laws that if the quorum is complete at the beginning of the meeting and if some members withdraw causing the quorum to fall while the proceedings as on, it will not invalidate the meeting. Notwithstanding this provision, it is safer to draw the attention of the chairman if and when the quorum falls short while the proceedings of the meeting are continuing. The chairman, on this point of order, should take a count of members present and adjourn the meeting in case the quorum falls short.

**What is the minimum number:** The number of persons forming a quorum

depends upon the size of the body and, thus, no general rule can be laid down in this regard. The bye-laws of the organisation generally lay down the quorum, in the absence of which the meeting will not be properly constituted. If no quorum is fixed, the best opinion over the subject is that a majority of the recorded members shall constitute a quorum.

The question may arise whether one person can constitute a lawful quorum. Ordinarily no. There must be at least two persons to constitute the quorum of a meeting of any registered body and, thus, two by the minimum number for a quorum. However, one person can constitute a meeting and fulfil the requirement of a quorum under the following circumstances:

1. Where one person holds the total shares of a certain class then we can validly constitute a meeting of that class of shareholders.
2. Where one creditor has lodged a proof of fact in a winding up, he can constitute a valid quorum in the creditors' meeting.
3. Where there is a committee of one, a meeting can be held by that one person.
4. Where the directors resolve that the quorum be one in a directors meeting, it will be considered valid.
5. Where a meeting is called under instructions from the Central Government or a Court and the instructions also specifically state that even one member of the company present in person or by proxy shall be deemed to constitute a meeting.

**Computing Quorum:** While counting the number of persons forming a quorum, only those attending members who can vote should be connected. An auditor, attending a meeting as an invitee but not allowed to vote on any agenda item, will not form a part of the quorum. Similarly, proxies should be excluded unless otherwise expressly allowed under the bye-laws. Also, in the case of a joint holder of a share, only the first person entitled to vote will be counted while the second or third one, though present, will be excluded.

**Consequences where there is no quorum:** In the absence of a quorum, no business can be transacted in a meeting. If it is done, it will render the meeting invalid. It is sometimes provided in the bye-laws that latitude of fifteen minutes to half an hour can be given from the commencement of the meeting to complete the quorum. But in case it still falls short then the chairman will adjourn the meeting forthwith and announce the time and place where it will be reconvened. The members present may, however, carry out informal discussion without passing any resolution for implementation.

In the case of companies and other registered bodies, adjourned meetings are usually held at the same time and place after a week. The formality of quorum is not required in such adjourned meetings.

## 20.6.5 Role of Chairman: His Powers and Duties

A chairman is the person, male or female, who presides over the meeting. When the chairman is a lady, she is addressed as chairperson. The chairman acts as the conductor of the meeting and therefore, the success or failure of a meeting greatly depends upon his skill, experience and competence. He leads the group to arrive at correct decisions without wasting time. He performs his functions with absolute impartiality and integrity. He enforces all the prescribed rules and regulations, bye-laws and standing orders for regulating the proceedings at the meeting. He is also the @rector and arbiter of the proceedings.

**Appointment of the Chairman:** The Rules and Regulations of registered bodies usually lay down the rules governing the appointment or election of the chairman of a meeting. The chairman of the organisation, if present, automatically presides over its meetings ex-officio. In his absence, the senior-most member or any other member from among and by those present, is elected to conduct the proceedings of that meeting only.

Where, however, a regular chairman is to be elected, an interim chairman may be appointed to conduct the meeting. He would invite nominations and, if needed, elections will be held. The elected chairman will then conduct the proceedings.

In public meetings, the chairman is usually invited by the conveners to preside. In the case of companies, the terms of an appointed or elected chairman is mentioned in the Articles. But, if it is not specified, it does not follow that he has been appointed for life or for so long as he remains a director. If the Articles are silent, which is not very likely, any member, elected by the meeting, may be chairman thereof. If the appointment of a chairman is in order, he should, on taking the chair, briefly thank the meeting for the honour and trust conferred upon him.

**Powers of the Chairman:** A chairman usually derives his authority from the meeting over which he presides. However, many legal decisions, customs and established practices have also &tined the powers of a chairman. Let us examine, the operational implications of these powers

- 1. To conduct meetings:** The chairman has the authority to maintain order and decorum in the meeting. He has the power to conduct the meeting strictly according to the bye-laws, and, in the process, he can stop introduction of irrelevant matters, and restrain any misuse of procedure. He can even stop a speaker using improper and unparliamentary language and order expunging of such remarks.
- 2. To confirm minutes:** Ordinarily, a Chairman has to confirm the minutes of the previous meeting in the subsequent meeting. However, the bye-laws may also provide that the minutes should first be signed by the chairman of the meeting so as to certify their correct recording and then

they can be confirmed in a subsequent meeting by the chairman of that meeting. The chairman also has the authority to subscribe or attest other documents, such as extracts from the Minutes Book, resolutions, etc.

3. **To decide points of order:** Points of orders may be raised by any member attending the meeting if some member speaks anything irrelevant to the motion or if there is no quorum present. The chairman has the power to take up the matter raised through the point of order and give his ruling, if so required, whether the point of order raised is or is not tenable. His ruling cannot ordinarily be challenged unless it is grossly incorrect. If, however, the ruling is challenged by an overwhelming majority, the issue may be decided by vote.
4. **To expel disorderly members:** The chairman can ask any member present in the meeting to go out because of his disorderly behaviour or continuously disturbing the proceedings of the meeting. However, he first gives a warning to the person concerned to behave properly and if the latter persists in misbehaving, the order to expel or to eject may be given.
5. **To decide the priority of speakers:** Every member should first take the permission of the chairman before he speaks. But when more than one member rises to speak at the same time, the chairman has to decide as to who should speak first and then allow them to speak one by one.
6. **To stop discussion on a matter:** The chairman has the power to stop discussion on any motion if he thinks that the discussion is dragging, or it has been going on for a long time and every speaker is repeating the same point, or where there is an attempt on the part of some members to prolong the discussion to avoid a motion to be put to vote.
7. **To order poll:** Poll is a method of voting which helps ascertain the sense of a meeting. Members can cast their votes orally or in writing. When the discussion on a motion is on and there seems to be no unanimity of opinion among the members, the chairman, on his own, can order to take poll, or he can do so on demand by the requisite number of persons. In the latter case, the chairman is bound to order the poll. In case a poll is ordered by the chairman, he may himself act as the scrutineer, or appoint someone else to conduct the poll according to the prescribed procedure.
8. **To exercise the casting vote:** Like any member, a chairman has a right to cast his vote in the event of a poll. In that case it is known as a "Chairman's Vote" or a "Deliberative Vote". But the Rules and Regulations of a registered body usually empower the chairman the right to cast an extra vote, known as Casting Vote, if there is an equality of votes on any issue. He may or may not exercise this right. The chairman should cast this vote very judiciously and only to serve the best interests of the organisation.

9. **To declare the result of the voting:** The chairman has the power to declare whether a resolution is carried or not, and when he does so, it is conclusive evidence of the number of votes cast for or against the resolution.
10. **To reject a decision:** The chairman is a protector of law. He has power to reject all unlawful decisions even if taken by a majority of members. For instance, a resolution for payment of dividend at a rate higher than the one recommended by the Board of Directors is unlawful and, therefore, can be rejected by the chairman of the company. Similarly, where three-fourth majority is required to pass special resolution, and the same is carried only by a simple majority, the chairman can exercise this power.
11. **To adjourn a meeting:** The chairman has the power to adjourn a meeting provided that:
  - i) The meeting has become disorderly.
  - ii) The attendance falls short of the quorum.
  - iii) If the majority of members decide to take up the remaining item of the agenda in the next meeting

**Duties of the Chairman:** The chairman of a meeting is required to ensure that the proceedings of the meeting, for the beginning to the end, are conducted according to the provisions of law and established practices. He should thus, discharge the following duties:

1. **Appointment as Chairman:** The chairman should check and confirm that his appointment as chairman of the meeting is in order.
2. **Duly Convene the meeting:** He should see that the meeting has been duly convened and notice and agenda have been sent to all the members entitled to attend. He should check that the notice has been issued by the appropriate authority and that there is no dispute about time and place of the meeting.
3. **Quorum:** Before the proceedings start, the chairman must be certain whether the required quorum is present. He should ensure that only persons entitled to vote are included for determining quorum. He should also ensure that the quorum is present throughout the meeting.
4. **To confirm minutes:** The chairman has the duty to confirm the minutes of the last meeting and put his signature on the Minute Book to this effect if there are no objections from the members present. He should also examine the relevant documents like copies of special resolutions, balance sheet, and extracts of other statements.
5. **Order of Business according to agenda:** The chairman should see that the items on the agenda are discussed in the serial order set down in the



agenda. He can, however, vary the order if members agree.

6. **To maintain order:** One of the foremost duties of the chairman is to see that order is maintained at the meeting. Improper behaviours, embarrassing statements or untoward incidents should not be allowed by the chairman. He should use his skill and tact to handle undesirable situations and should see to it that all business is transacted in an orderly manner without bad feelings being generated in the meeting. If the meeting becomes disorderly and is unmanageable the chairman must stop further proceedings and adjourn the meeting.
7. **Members to address chairman:** The chairman should insist that every speaker addresses him and there is no argument between the members inter se.
8. **No discussion unless there is specification:** He should ensure that motions are moved in a positive and appropriate manner. They should also be duly seconded. No discussion is to be allowed unless there is a specific motion before the meeting. Motions not falling within the scope of the meeting or badly drafted should not be allowed to be moved.
9. **To give equal opportunity to all to speak:** Another important duty of the chairman is to see that all the speakers are given equal opportunity to express their view on a motion. He should specially protect the interest of any opposition or minority group, if it exists, allow its representative to give his views, and give him a patient hearing. But he should not allow anybody to obstruct the proceedings on whimsical grounds.
10. **To decide orders of priority for members to speak:** In Case two or more speakers wish to simultaneously, the chairman should follow the principle of priority and take down their names in the order in which they call his attention and then allow them to speak accordingly.
11. **To allow mover of motion to reply to debate:** The chairman should allow adequate time to the mover of the motion to reply to the debate. It is the mover of the motion only who has a right to speak twice, other members should be allowed to speak once only.
12. **To give ruling on Points of Order:** The chairman should give his ruling over points of order and other emergent questions. He may consult some senior or knowledgeable persons before giving his ruling. But once this is given he must stick to it.
13. **To ascertain the sense of the meeting properly:** The chairman should see that the sense of the meeting is ascertained properly before deciding to close the motion or putting the motion to vote. He should try to bring unanimity among the members as far as possible. But in the case of sharp differences he should finally put the motion to vote. He should take care of all procedural requirements in conducting the poll like ensuring validity of proxies, scrutiny of ballots, casting of vote, and declaring the



result of polling.

- 14. To see that proper minutes are maintained:** Finally the chairman has to see that proper record is maintained of the decisions taken at the marketing. In other words, the chairman should see that proper minutes are kept which he may sign if authorised by the meeting.

### Check Your Progress C

1. Which of the following statements are True and which are False?
  - i) No business can be transacted in a meeting unless a minimum number of persons entitled to attend the meeting is present.
  - ii) A single person can never fulfil the requirement of quorum.
  - iii) While computing the quorum both members present and proxies should be invariably counted.
  - iv) The formality of quorum is not required in an adjourned meeting.
  - v) The chairman of every meeting must always be elected by the members present.
  - vi) The chairman's ruling on a point of order cannot ordinarily be challenged.
  - vii) The chairman can adjourn a meeting time he likes without giving any reason.
  - viii) The chairman has to confirm the minutes at the end of the meeting he has prattled over.
  - ix) The members of the minority group in a meeting should be allowed more time to speak than other members.
  - x) The chairman must allow the mover of a motion adequate time to reply to the debate.
2. Fill in the blanks; selecting appropriate word(s) from those given within brackets:
  - i) There must be at \_\_\_\_\_ least persons to constitute a quorum in any meeting of a registered body. (two, three, five)
  - ii) 'Members present can have \_\_\_\_\_ discussion even if there is no quorum in a meeting. (brief, informal, unimportant)
  - iii) The chairman should provide all relevant facts for objective discussion without \_\_\_\_\_. (hesitation, reservation, bias)
  - iv) A chairman orders a poll on a motion if there is no \_\_\_\_\_ of opinion among members. (balance, similarity, unanimity)
  - v) The business of a meeting must be conducted by the Chairman without varying the \_\_\_\_\_ in the agenda. (matters, items, order of business)

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## 20.7 LET US SUM UP

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A meeting is defined as the gathering, assembly or coming together of two or more persons, for the transaction of any lawful business of common interest, discussion, legislation, etc.

Meetings can be classified under two broad heads, viz., Public Meetings and private Meetings. Private meetings are of two types: General meeting and Committee or Sub-committee meetings. General meetings may either be Annual General Meeting or Special/Extraordinary Meeting.

For a public meeting, general invitation may be published in newspapers or displayed in posters and/or distributed as leaflets. Everyone has a right to attend a public meeting. Private meetings are those to which admission is restricted to the members of an association or society. These include meetings of companies, clubs, trade unions and similar organisations.

General meetings are called to discuss matters of common interest to the members of an organisation. Committee meetings include meetings of the Board of Directors of a company, Executive Committee meetings of other types of associations. Sub-committees may be appointed by the Managing Executive Committee consisting of two or three members and meetings of sub-committees may be held to carry out a closer study or enquiry of matters referred to by the Managing Executive Committee.

A meeting to be valid must have been duly convened by issuing a proper notice with agenda; it must be held at a lawful place for a lawful purpose; must have the prescribed quorum; its proceedings must be regulated according to provisions of law or bye-laws; and the same must be duly written, signed and confirmed. Rules governing meetings are separately prescribed in laws or bye-laws for statutory bodies, and framed by the promoters or founders of non-statutory bodies.

The notice to be issued for any meeting should confirm proper form and content. It should clearly state the date, time, place and business of the meeting. It must be issued before a minimum period of time before the date of the meeting as per rules or convention. It may be signed by the Secretary, Chairman or Convener of the meeting depending upon the type of meeting. Usually notices are served by post with the proof of posting kept on record. Agenda of the meeting constitutes an essential part of the notice. The secretary should prepare the agenda in consultation with the Chairman.

Two types of items are listed on the agenda: Routine items and special items. There is also an 'open item' reading 'Any Other Business' which enables minor items to be discussed.

The Secretary is responsible for making necessary preparations for a meeting, which include preparation and issue of notice and agenda, making satisfactory seating and lighting arrangement, providing drinking water and

refreshments, recording attendance of members through assistants, checking proxies, record of proceedings, distributing circular, statements, report?, etc, to the members, and arrangements for poll and ballot, if necessary.

Existence of quorum is the foremost prerequisite in the conduct of meetings. Quorum should be present at the commencement of the meetings and continue throughout the period of meetings. The bye-laws generally lay down the minimum number which would constitute the quorum. The quorum should be determined by counting only the members present and entitled to vote. No business can be transacted in the absence of quorum.

The chairman of a meeting acts as its conductor and leads the members to arrive at correct decisions. The Rules and Regulations of a registered body generally lay down the manner in which the chairman is to be appointed or elected. In the absence of chairman of the organisation, the senior-most member or any other member can be elected to conduct the proceedings of a meeting. The chairman has power to conduct the meeting, control the minutes, decide on the points of order and priority of speakers, order poll, exercise casting vote, expel disorderly members, adjourn the meeting if necessary, and declare the results of voting. The duties to be discharged by a chairman are: to see that the meeting has been duly convened, ascertain whether quorum is present, to confirm minutes of the previous meeting, to ensure that the order of business is according to the agenda, to prevent disorderly situations, to give equal opportunity to members, including minority representatives, to speak to ensure that discussion takes place on the basis of specific motions; to see that the sense of meeting is ascertained properly; to follow the principle of priority and allow members to speak accordingly; to see that proper record is maintained of the proceedings of the meeting and proper minutes are kept.

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## 20.8 KEYWORDS

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**Adjourned Meeting:** A meeting discontinued with the object of resuming it on a future date.

**Agenda:** Items of business to be transacted at a meeting.

**Bye-laws:** Rules governing meetings of a registered society or local Authority.

**Casting Vote:** Extra vote of chairman which he has power to cast when there is equality of votes of members and against a motion.

**Chairman:** A person who presides over a meeting.

**Committee Meeting:** Meeting of Board of Directors or Managing/Executive Committee of an organisation.

**General Meeting:** A meeting of all members of the Organisation.

**Meeting:** A gathering, assembly or coming together of two or more persons for transacting any lawful business of common interest.

**Motion:** A question or definite proposal submitted at a meeting for consideration.

**Notice of Meeting:** Invitation to attend a meeting at a specified place, on a specified date and time.

**Point of Order:** A question raised during a meeting regarding any irregularity in the proceedings like absence of quorum.

**Private Meeting:** A meeting to which admission is restricted to the members of a society or organisation.

**Public Meeting:** A meeting which can be attended by members of the public.

**Proxy:** A person authorised by a member to attend a meeting on his behalf and cast vote.

**Quorum:** Minimum number of members required to constitute a valid meeting.

## 20.9 ANSWERS TO CHECK YOUR PROGRESS

A	2	i) False	ii) True	iii) False	iv) True	v) False
	3	i) Lawful	ii) Public	iii) Quorum	iv) Co-opt	v) Customary
B	3	i) True	ii) False	iii) False	iv) False	v) True
	4	i) Routine	ii) Chairman	iii) Decision s	iv) Business	v) Not Necessary
C	1	i) True vi) True	ii) False vii) False	iii) False viii) False	iv) True ix) False	v) False x) True
	2	i) Two	ii) Informal	iii) Bias	iv) Unanimity	v) Order of business

## 20.10 TERMINAL QUESTIONS

- 1) Define a meeting. What are the requisites of a valid meeting? Distinguish between (i) Public meeting and (ii) Private meeting.
- 2) What is meant by 'Notice'? State the points which should be kept in view before issuing notice of a meeting.
- 3) Define the term quorum and explain what constitutes a quorum. What steps should a chairman take if quorum is absent or not maintained throughout the meeting?
- 4) What do you understand by the term agenda? List out the routine items of an agenda. What are special agenda items? Give two examples.
- 5) Define the term 'casting vote'. How does it differ from the regular vote? Who has the right to exercise casting vote and when?
- 6) What are the circumstances in which a chairman can adjourn the

meeting? Is it essential to issue a fresh notice for an adjourned meeting?

- 7) “The success or failure of a meeting depends on its chairman.” Elucidate the statement with special reference to the powers and duties of the chairman of a meeting.
- 8) Write explanatory notes on the following:
  - i) Point of Order
  - ii) Order on business
  - iii) Committee meeting
  - iv) Communication of Notice
  - v) Ratification and waiver of notice
  - vi) Open agenda
- 9) What rules should a chairman enforce to ensure smooth and orderly conduct of a meeting? Discuss.
- 10) Draft the form of notice and usual items of agenda of the Annual General Meeting of a Club.
- 11) Discuss the role of a secretary in connection with the preparations for a general meeting.
- 12) How can a secretary ensure that he has taken care of his duties regarding a proposed meeting?
- 13) What is the minimum number required for the quorum? How is the Quorum computed? Who determines the quorum? What are the consequences if there is no quorum?
- 14) Who should issue the notice of a meeting and to whom? How should it be served? Distinguish between rectification of an irregular notice and waiver. Can a notice be withdrawn?
- 15) What are the items included in the meeting of a registered body?

**Note:** These questions will help you to understand this unit better. Try to write answers for them. But do not submit your answers to the University for assessment. These are for your practice only.

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## UNIT 21 CONDUCT OF MEETING

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### Structure

- 21.0 Objectives
- 21.1 Introduction
- 21.2 Rules Governing Discussion and Debate in Meetings
- 21.3 Order of Business
- 21.4 Motions, Amendments and Resolutions
  - 21.4.1 Motions
  - 21.4.2 Amendments
  - 21.4.3 Resolutions
  - 21.4.4 Interruptions
- 21.5 Voting Procedures and Methods
  - 21.5.1 Methods of Voting
  - 21.5.2 General Rules for Voting
- 21.6 Minutes of Meetings
  - 21.6.1 Meaning and Importance
  - 21.6.2 Drafting of Minutes
  - 21.6.3 Circulation of Minutes
  - 21.6.4 Confirmation of Minutes
- 21.7 Secretary Duties
  - 21.7.1 Duties before the Meeting
  - 21.7.2 Duties during the Meeting
  - 21.7.3 Duties after the Meeting
- 21.8 Let Us Sum Up
- 21.9 Keywords
- 21.10 Answers to Check Your Progress
- 21.11 Terminal Questions

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### 21.0 OBJECTIVES

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After studying this unit, you should be able to:

- enumerate the rules governing discussion and debate in meetings;
- state the order of business at a meeting;
- describe the procedure for moving a motion;
- explain various kinds of motions;
- outline the rules for dealing with amendments;
- describe the modes of interruption in course of debates;
- explain different voting procedures and methods;



- state what is meant by privileges in speech and the kinds of privileges that may be allowed;
- describe the process of drafting, circulation and confirmation of minutes; and
- state the duties of a secretary before, during and after meetings.

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## 21.1 INTRODUCTION

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In the previous unit, we have discussed the requisites of a valid meeting, rules governing meeting, preparations to be made for holding a meeting etc. In this unit, you will study the general principles of meetings relating to debate and discussion, order of business, motions, amendments, resolutions, voting procedures and methods to ascertain the sense of meetings, privilege in speech, minutes and proceedings, their drafting, circulation and confirmation, and secretary's duties in connection with meetings.

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## 21.2 RULES GOVERNING DISCUSSION AND DEBATE IN MEETINGS

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There are some general rules governing the discussion and debate in meetings. These rules are based on established practices, customs and conventions. Sometimes, the bye-laws or the Articles also prescribe some specific requirements and the chairman should ensure that these provisions are complied with.

The general rules may be outlined as follows:

1. After it is ensured that the meeting is properly convened and duly constituted, the meeting should be called to order by the chairman and the item of the agenda then taken up one by one.
2. The business of the meeting should be conducted in the same order as set out on the agenda unless changed with the consent of minutes present.
3. The routine items of the agenda including confirmation of the minutes of the previous meeting and matters arising out of the minutes should be first disposed of.
4. Other items on the agenda should then be taken up for discussion based on motions i.e. definite proposals submitted to the meeting for consideration.
5. Motions and amendments should be in writing and signed by the mover and the seconder.
6. Discussion should be confined to the motion or amendments before the meeting and should be relevant to the matter being debated.
7. No discussion should be allowed without a formal motion or amendment before the meeting.

8. The chairman should allow only one speaker at a time and he should also determine the order of speakers.
9. All speakers should address the chair only: A speaker should stop speaking if and when the chairman rises to speak. He can resume his speech with the permission of the chair after the latter stops and sits down.
10. A member should be allowed to speak on the formal motion or on amendments thereof only.
11. As far as possible one person should be allowed to speak once only except the mover of the motion who should be allowed also to reply to the debate.
12. Any motion, once introduced, cannot be withdrawn without the consent of the meeting.
13. During the discussion, points of order may be raised by any member and the chairman should give his ruling on them which will be binding on all.
14. After the discussion is over, the motion should be put to vote, if it is so required. In case of unanimity, there is no need to call for polling.

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### **21.3 ORDER OF BUSINESS**

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The agenda of the meeting contains the order of business to be transacted in the meeting. The chairman should see to it that all the items are taken up one by one in the same order unless the meeting decides to deviate. Ordinarily, the agenda item are set in the following order:

1. Reading the notice to convene the meeting.
2. Noting apologies for absences.
3. Reading motions of condolences and congratulations.
4. Confirming minutes of the previous meeting.
5. Discussion on matters arising out of the minutes of the previous meeting.
6. Taking the items of the agenda
7. Taking any other item not listed in the agenda with the permission of the chair.
8. Closing of the meeting.

Then, the subsequent procedure follows as listed below:

1. After going through the preliminaries like checking the validity of the meeting, quorum, etc., the chairman will call the meeting to order. He will ask the secretary to read the notice to convene the meeting. This is a formal announcement to ensure and record that a proper notice has been given and the meeting is duly constituted.

2. After this the secretary will read out the apologies for absence received from any member or an invitee.
3. The motion of condolence regarding the death of any member or any other important person will then be put by the chairman or he will ask the secretary to do so. Similarly, if the meeting wishes to record members' appreciation of the distinctions or achievements of any person, a congratulatory motion will be put before the house. All such motions are duly recorded in the minutes and the copies of the same are sent to the concerned persons.
4. The chairman will then ask the secretary to read out the minutes of the last meeting. However, if the minutes have already been circulated among members, they should be taken as read. If certain objections regarding the correctness of the minutes are received then they will be taken up for discussion and, if necessary, corrections will be made in the records. All alterations in the minutes must be initiated by the chairman and the secretary. The chairman will then put the motion before the house by saying, "if the members agree the minutes should be confirmed." If passed by the house, he will confirm the minutes by putting his signature just after the recorded minutes.
5. It is possible that some items of the previous agenda needed reports or statements. Some items the members may ask to what action has been taken on the resolutions passed in the last meeting. In all such cases the chairman, the secretary, or any other concerned member will present the report or convey the necessary information. Similarly, any unfinished item of the last agenda which could not be taken up due to lack of quorum or want of time or any other reason, will now be discussed and gone through.
6. After this, new items of the agenda will be taken up one after another. Usually, the agenda is so drawn that routine or non controversial items on which no lengthy discussion is expected, are put first, so that minimum time is spent in going through them. But, there is no such legal compulsion. Further, the items on the agenda depended on the type of the meeting also. For instance, if it is a Statutory Meeting of a Company, matters relating to Statutory Report, Statutory Accounts, legal requirements for incorporation, etc., will be put and discussed. If it is an Annual General Meeting of any registered body, items such as Chairman's Reports, adoption of the Audited Accounts, election of new office bearers or directors, appointment of auditor, and disbursement of profits, will be taken up. If it is an Extra-Ordinary General Meeting then only the item for which the meeting has been called will be discussed. However, all decisions Liken in a meeting must be duly recorded by the secretary in the manner and style they are passed.

After all the items listed in the agenda are over, the chairman should ask the secretary whether there is any other item which came up after the issue of agenda but needs immediate attention and decision. If so, the secretary will present the same one by one. Any member present in the meeting can also raise such matters which may be taken up with the permission of the chair.

Finally, a vote of thanks will be proposed and seconded by the members and the chairman shall announce the closure of the meeting.

If certain items of the agenda remain unfinished due to any reason, the chairman, with the consent of the members, will adjourn the meeting and also announce the date, time and place and the next meeting. No discussion is permitted on such adjournment motions.

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## 21.4 MOTIONS, AMENDMENTS AND RESOLUTIONS

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The primary function of every meeting is that of translating the business on the agenda and arriving at decisions based on the deliberation of members present. This involves consideration of motions or proposals, relating to the items on the agenda, made by members debate and discussion on the motion and amendments that may be proposed, and finally the motion along with the amendments, if any, being voted upon as formal resolutions.

The rules and procedures relating to motions, amendments and resolutions are explained in the following sections.

### 21.4.1 Motions

A motion signifies a proposition or proposal on any item of business submitted to the meeting for consideration and decision. In other words, a motion may be regarded as a proposed resolution which may be altered or amended if so desired by the members, before it is put to vote.

The following conditions must be satisfied for a motion to be valid:

1. A motion should ordinarily be put in writing, dated and signed by the mover. However, if permitted by the chairman, verbally placed before the meeting for discussion, but before its final adoption as a resolution, it should formally be written in black and white.
2. A motion should also be duly seconded by some other member. When the chairman of the meeting himself moves a motion, it need not be seconded.
3. A motion must be within the scope of the meeting and relevant to the business on the agenda.
4. It should be in the positive or affirmative form though in some cases, the motion may be negative in form e.g., "That the question be not now put."
5. It should begin with the word "That".

6. It should be constructed in such a way that it can be formally adopted as resolution.
7. It should be clear and unambiguous.
8. It should not contain any argument, interference or any defamatory expression.
9. The motions should be moved in the order of business set out on the agenda.
10. All motions are to be handed over to the chairman of the meeting unless the rules prescribe that motions have to be sent by a certain date to the secretary. In the latter case, it should be done accordingly.
11. No formal notice of a motion on procedural matters is necessary. Moreover, motions are not required to be sent for the following purposes:
  - i) Appointment or election of the chairman.
  - ii) Changing the order of items of the agenda.
  - iii) Rectification of typing errors, if any.
  - iv) Motion for condolence or congratulations.
  - v) Motion for the adjournment or closure of the meeting.
  - vi) Motion for adoption of the minutes of the previous meeting or the accounts.
  - vii) Vote of thanks to the chair.

### **Withdrawal of a Motion**

The mover of a motion has the right to speak on the motion. He can also withdraw a motion before it is put to vote with the consent of the meeting. Once it is put to vote, it cannot be withdrawn.

### **Procedure for Moving a Motion**

If a notice of motion has already been given, the chairman asks the mover to formally move his motion. In the absence of notice, the proposer of the motion may arise and, with the permission of the chairman, formally introduce the motion. If the bye-laws require, the motion must be seconded immediately. Otherwise, the chairman may allow the mover to speak for a while and can afterward ask for seconding of the motion. If seconded, further discussion on the motion is allowed. If not, the motion is grounded.

After adequate discussion including my discussion on amendments, the motion is put to vote and members can vote for or against it or be neutral. The result is ascertained by counting of the votes and is declared by the chairman. If the motion is passed, it becomes the resolution of the meeting.

It should be noted that if the chairman thinks that any unscrupulous group is trying to push a motion through illegitimate means, or where the motion is

not relevant to the business of the motion, he may rule out the motion. But he should exercise this power very judiciously and without any bias or prejudice to any member.

### 21.4.2 Amendments

An amendment is an alteration proposed in the terms of a motion. Any member can propose an edition, commission or substitution of words, figures, names or any other terms on the original motion before it is put to vote. An amendment is not intended to be a substitute for the original motion, but only qualifies the latter. Moreover, an amendment to a motion should not be confused with an amendment of law or of a resolution in force. Amendments to the original motion can be brought about in the following manner

1. By adding certain words to the original motion, e.g., "that the words 'exclusive of all allowance' be added after the words Rs. 5,0001 "
2. By omitting certain words in the original motion, e.g., "that the words 'leasing' may be omitted".
3. By substituting certain words in the original motion e.g., "that the word 'should be' substituted by 'must be'.
4. By inserting certain words in the original motion, e.g. "That the words 'University of Delhi' should also be inserted after the name of the college".
5. By changing the position of some words.

#### General Rules Regarding Amendments

There are certain basic rules which should usually be adhered to while dealing with amendments. They are as follows:

1. An amendment should relate to the main motion and should not negate it or introduce a new topic.
2. It should not be obstructive or dilatory to the proceedings. It should be introduced with the intention of amending the original motion only.
3. An amendment should be in writing, affirmative in form and duly seconded.
4. It should be moved and seconded by persons who have not spoken on the main motion.
5. The mover of an amendment has no right of speech again to give a reply
6. Any member of amendment can be moved to in original motion.
7. An amendment can be introduced only before the motion is put to vote.
8. Once an amendment is accepted by the chairman for discussion, it cannot



be drawn except with the consent of the meeting.

9. Amendment gets precedence over original motion as far as voting is concerned.
10. If an amendment is carried it is incorporated in the original motion. If it is lost discussion on the original motion is resumed.
11. If the original motion is withdrawn, all amendments to it fall through

### Procedure for Handling Amendments

When an amendment is moved to an original motion and the chairman accepts the same, discussion on the original motion is stopped. Now the discussion on the amendment takes place. Only those persons who have not spoken on the main motion, are allowed to speak. After sufficient discussion, the chairman puts the amendments to vote. If it is carried, it is incorporated in the main motion; if defeated, discussion on original motion is revived.

All amendments to the same motion should be taken up one by one and, at any time, only one amendment should be under discussion. It should be noted that if an amendment is passed by voting, it does not mean that the main motion is accepted. It is, therefore, necessary that a fully amended motion should be put to vote again for its acceptance or rejection by the meeting.

### Amendment to an Amendment

When a proposition is made to amend or alter an amendment to original motion, it is known as **amendment to an amendment**. Here, the purpose is to omit, substitute, insert, or add certain words, figures or terms in the amendment only and should not introduce a new topic to the same.

As soon as an amendment to an amendment is moved and the chairman accepts the same, it should be discussed first and then voted. If passed, it is incorporated in the amendment and, if later, the amendment is also passed it finds a place in the main motion which now becomes a substantive motion. But, if an amendment to an amendment is defeated, it will lapse and the discussion on amendment revives; or if the original motion is withdrawn, the amendment to an amendment automatically lapses.

### 21.4.3 Resolutions

A resolution is a motion that has been carried by the majority of the persons present and voting in the meeting. It expresses the formal will or opinion of the meeting. Thus, if a motion is the beginning, a resolution is the end of a matter put before the meeting. Once a motion turns into a resolution, it becomes binding on the body including the disagreeing minority, provided the resolution is lawful and is not contrary to the rules of the body concerned.

A resolution once adopted cannot be amended or withdrawn except by passing a repealing resolution in the subsequent meeting. A resolution

concludes the discussion on an agenda item and indicates that the next business on the agenda should be taken up.

A resolution should be so drafted that there is no ambiguity or vagueness. It should be clear, exact and stated in the affirmative. Usually, the words "Resolved that" precede the main part of the resolution. Sometimes, a brief explanation is given earlier and then the main resolution starts with these words.

Specimen of resolutions of a sports club:

- 1) "Resolved: That a sub-committee with the Secretary as a convener, be appointed by the chairman to organise a Football Tournament on the occasion of the Silver Jubilee celebrations of the club."
- 2) "Resolved: That the audited Annual Accounts for 1992-93 and the Auditor's report thereon be, and are hereby, adopted."

The resolutions passed in a general body meeting can be either ordinary resolution or special resolution subject to the Dye-laws of the organisation.

The resolutions passed in a meeting should be duly recorded in the minute book in the same form as it is a permanent record of the decisions taken at the meeting. They should also be filed with the Registrar or any other appropriate authority, if so required under the relevant law.

### Check Your Progress A

1. State whether the following statements are True or False.
  - i) Discussion on agenda items should start as soon as the meeting is called to order by the chairman.
  - ii) All speakers at a meeting should address the chairman even when the debate is on.
  - iii) Discussion on matters arising out of the minutes of the previous meeting takes place after confirmation of the minutes.
  - iv) The order of business set out in the agenda cannot be altered even if members attending the meeting want it.
  - v) A motion may be verbally moved for discussion or put in writing and sent to the chairman.
  - vi) Every member must vote for or against a motion when it is put to vote.
  - vii) A member can move a motion only with the chairman's permission. withdrawn under any circumstances.
2. Fill in the blanks selecting appropriate word(s) from those given within brackets:
  - i) A resolution expresses the formal \_\_\_\_\_ of the meeting

(desire/opinion/intention)

- ii) A motion once introduced cannot be withdrawn except with the consent of \_\_\_\_\_. (the chairman/all member)
- iii) Formal notice of a motion is not required to be given in the case of matter. (minor/procedure/personal)
- iv) When a motion is voted upon and passed, it becomes a \_\_\_\_\_ ( decision/resolution/general opinion).
- v) The mover of an amendment \_\_\_\_\_ have the right to reply. (does not/does/must)

3. Define the term 'motion'.

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4. What is a substantive motion?

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#### 21.4.4 Interruptions

Sometimes when a debate on a motion is in progress, some member interrupts the same with a view to seek clarification, alternation or shelving further discussion. It is known as interruption of debate. There are various customary ways to do so in a proper and formal manner. But the chairman should be cautious enough to realise whether any interruption will serve a useful purpose, or it is an effort on the part of the member to take undue advantage of the situation.

Debates may be interrupted for different purposes which are usually the following:

- 1. Amendments
- 2. Point of Order
- 3. The Closure
- 4. Previous Question
- 5. Next Business

6. A Question lying on the table
7. Adjournments
8. Postponement

**Amendments:** Amendments are suggested alterations in the main motion. Any member can rise, with the permission of the chairman, and interrupt the debate by proposing an amendment. After its introduction, discussion on the main motion is suspended till the amendment is disposed of. Similar procedure is followed in the case of amendments to amendments.

**Point of Order:** A point of order is interruption to draw the chairman's attention to an irregularity of procedure or some other point. It can be raised by any member at any moment during a meeting when anything is done or proposed to be done which is contrary to the general rules and procedures relating to the conduct of the meeting. For instance, point of order may be raised in any of the following situations.

- i) On the absence of quorum: If at any time during the conduct of a meeting, the number of persons present is short of quorum, as required under the bye-laws of the association, the attention of the chairman may be a point of order.
- ii) On a motion: If a motion or an amendment to a motion is not within the scope of the meeting, a point of order may be raised by my member.
- iii) On breach of standing order or rules: where the organisation has standing orders or rules regarding the procedure or conduct of a meeting, and when the same is not being adhered to, any member can draw the attention of the chairman by raising a point of order. For instance, where a motion, needing a proper seconding, is being discussed without having been seconded.
- iv) On use of abusive language or misbehaviour: If any speaker uses objectionable language or misbehaves with any other person present in the meeting, any member may appeal to the chairman to prevent him from doing so by raising a point of order.
- v) On procedural formalities: If the chairman overlooks to take action on an infringement of rules or irregularity, on whispering during the discussion, on holding private conversation loudly, or indulging in any activity which disturbs proper conduct of the meeting, any member can raise a point of order for the chairman to exercise his authority.

A point of order should be raised immediately as and when an irregularity is observed. It may also be raised when any member is speaking. It is always addressed to the chairman by saying "Mr. Chairman, may I draw your attention to a point of order ....." On raising the point of order, the speaker will sit down, and the chairman will allow a short discussion on the point raised. But if the chairman feels any irregularity in the point of order

itself, he may disallow it by giving his ruling. The chairman's ruling is not to be put to vote. It is final and cannot ordinarily be challenged unless it is grossly incorrect or obviously contradictory to the rules and regulations. He may, however, consult other members or officials before giving his ruling. When a point of order is settled, the speaker who is interrupted may resume his speech.

Unnecessary points of order raised to obstruct the conduct of a meeting should be strictly discouraged by the chairman as they waste time and spoil decorum.

**The Closure:** When enough discussion has taken place it is not feasible to prolong it any more on a certain motion, a closure motion may be moved. Any member may rise and move "that the question be now out." This motion is known as a "Closure" or "Gag". This need not be seconded unless my bye-laws so provide. If the motion is carried, discussion on the original motion is stopped and it is immediately put to vote. If the closure motion is lost discussion on the main motion is resumed.

The chairman has discretionary powers to reject a closure motion if he thinks that more discussion on the motion would be useful, or where it is being used unfairly by the majority to impose their will on the minority.

**Previous Questions:** Any member who has not already spoken on the main motion may move a previous question motion with a view to prevent a vote being taken on the main motion or to shelve it. The member rises and moves "that the question be not now put." If seconded, it is put to vote at once. If the motion is carried, the original motion is dropped and no further action is taken on it at that meeting. But if it is defeated, the original motion is put to vote without further discussion. No amendment can be made to a previous question motion.

There is an important drawback in the previous question motion. If it is defeated, the original motion is put to vote immediately, thus, it may be used by unscrupulous members as an obstructive tactic. If the motion is carried, discussion on the main motion stops automatically. It cannot be resumed again in that meeting and a reasonable time should elapse before the question can be revived. The chairman, therefore, should exercise some discretion to avoid such a situation in the best interest of the organisation.

**Next Business:** Other than the previous question motion, this is another way of shelving discussion on a motion in hand. When a motion "that the meeting now proceeds to the next business" is moved and duly seconded. If the 'next business' motion is carried, the original motion is dropped at once, and the next item of the agenda is considered. If the 'next business' motion is lost, discussion on the original motion is revived, but after a specified time limit, the 'next business' motion can again be moved. The 'next business' motion may be brought before the house even when an amendment to the main motion is being discussed. The object of next business motion is to prevent a

decision to be taken on the: motion or to drop the matter due to frivolous or undesirable nature of the motion.

**A Question Lying on the Table:** This is a motion which, when moved and seconded, takes priority over the business in hand. The motion is not debatable. If it is carried, the man - 1 motion is postponed till the members vote to take it up from the table. It differs from the next business motion in the sense that it can be taken up again at any time either at the same or at a future meeting.

**Adjournment:** Adjournment means postponement with the object of resuming in future. Thus the Adjournment can be of i) a discussion, and ii) a meeting.

- i) **Adjournment of a discussion:** A debate on a particular motion may be postponed if it is felt that some more information is needed or more time is required for consideration to come to a sound decision. A motion may be moved and seconded to this effect specifying the time and date of resumption. If the motion is carried, the debate on the original motion is stopped until the time specified. If the motion falls, the original motion is revived.
- ii) **Adjournment of a meeting:** Adjournment of a meeting is an act of discontinuing 1 meeting with the object of resuming it at a later date. The meeting can be postponed for a specified time or sine die, i.e., for an indefinite period. Ordinarily, no notice is necessary for the adjourned meeting but if the rules so specify or the members agree then notice specifying the date, time and place may be issued.

The motion of adjournment may be used in the following circumstances;

- i) Due to want of quorum
- ii) Due to disorder
- iii) For taking poll
- iv) On demand of members

Where the specified quorum for a meeting is not present, the chairman, on his own or on the indication of a member, may move the motion to adjourn the meeting. The chairman can also adjourn a meeting if he finds it uncontrollable on account of disorderly behaviour of members, or if he finds that the meeting is not in a mood or position to carry on the business. On the insistence of the majority of members present, the chairman is bound to accept the motion to adjourn the meeting to a future date. Separate notice may not be issued if the adjourned meeting is decided to be held after a specified period.

However, if it is not possible to determine outright when it will be convenient to reassemble the meeting may be adjourned sine die with a view to reconvening it at the most appropriate time to be decided later a notice of the same will be accordingly given.



Interruption on account of adjournment have serious consequences. Therefore, it is desirable that bye-laws regarding power of adjournment, notice of adjourned meeting, inclusion of new agenda, etc. should be explicitly provided.

**Postponement:** If a meeting has been properly convened, it cannot be postponed or cancelled by a subsequent notice unless allowed by the bye-laws. A meeting can be postponed to a future date if the circumstances create such a situation as to make it inconvenient to hold the meeting. However, the better course in such a situation will be to hold the meeting and then adjourn it to a future date. In such a case it is advisable to issue a new notice specifying the date, time and place of the adjournment meeting.

If a meeting is not properly convened then it cannot be held at all. It has to be cancelled. The members will have to be informed through a fresh notice. The procedure for adjournment or postponement will not apply in such a case.

The distinction between a postponed meeting and an adjourned meeting is that the former signifies that the meeting has not yet taken place while the latter is a continuation of a meeting held but adjourned.

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## 21.5 VOTING PROCEDURES AND METHODS

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Every motion which is introduced and debated in a meeting should reach its logical conclusion i.e., either carried or fall. To determine fate, the chairman of the meeting seeks the opinion of the house. This is known as ascertaining the sense of the meeting. As the mind of a majority of members makes the sense of the house by acclamation, that is by clapping of hands or cheering, it is not advisable to adopt this method in formal meetings. The lung power of an enthusiastic minority may show a different result because of the different majority. However, this process can be adopted in case of formal motions like a vote of thanks to the chairman, or appointment of an official, etc. For all serious and important businesses, a proper system of voting should be adopted.

### 21.5.1 Methods of Voting

There are several ways in which votes for and against a motion may be recorded. Some of the common methods are the following:

1. Voice vote
2. Show of Hands
3. Standing Vote
4. Division
5. Ballot
6. Poll

Now let us discuss them one by one.

**Voice Note:** This method of voting is generally adopted in legislative bodies. It involves indication of the members approval or otherwise by saying 'Aye' (for the motion) or 'No' (against the motion) as and when the chairman invites opinion. The Chairman compares the volume of sound of the two responses and declares the result by saying. "The 'Ayes' or 'Noes' have it" as the case may be. However, this method of voting is not preferred as it does not permit exact counting of votes in favour and against.

**Show of hands:** In meetings, voting by show of hand is adopted to determine the sense of the house. After the debate on a motion is over, the chairman puts the motion to vote by first requesting those who are in favour of the motion to raise their hands. The 'teller' then counts the hands and reports to the chairman. Later, those who are against the motion, raise their hands and their count is also given to the chairman. Finally, the chairman declares the result. He need not give the details of votes for or against the motion. However, where the show of hands is clear enough to reveal a great difference he should declare the result immediately. **In case of equal votes, the chairman may exercise the casting vote either way. But, if he does not use the casting vote, the motion is lost. Proxy cannot be used here as the voting has to be done by show of hands only.**

**Standing vote:** In the case of voting by show of hands in a large gathering, there is a possibility that some members may raise both hands and create confusion. To avoid this possibility standing vote is preferable. The chairman requests the members voting in favour of the motion to stand if where they are sitting and their number is counted. If the majority opinion is apparent from those standing, count out may be dispensed with unless otherwise necessitated by the provisions of bye-laws. In that case, those who are against the motion also stand up and are counted. In the standing vote system, no secrecy is possible. Similarly, no proxy can be used. Further, it involves much time and effort, creates a lot of noise and causes inconvenience to the member as well as to the teller.

**Division:** Under this method, when the motion is put to vote, the chairman asks the members to form themselves into two groups -one favouring the motion and the other against the motion. They may assemble in two different sides of the meeting hall or go to two different rooms. The teller counts the number of members of each group and conveys the result to the chairman who then announces the same.

In this method a clear picture of persons favouring a motion or otherwise is seen and no secrecy is maintained. Also, proxy is not possible. The method is not only time consuming but also disturbs the whole sitting arrangement.

**Ballot:** When the issue before the house is important and there are apparent differences of opinion among the members who do not wish to disclose their voting preference, they may ask the chairman to determine the sense of the

house by ballot. If the rules so provide, the chairman asks the secretary to distribute a piece of paper of equal size to each member present. They express their opinion by writing 'yes' or 'no'. If the members have to elect a person out of two or more candidates and their names are known much before the voting is to be held, the names are printed on the ballot paper in alphabetical order. Each voter gets a ballot paper and puts a prescribed cross mark (x) or tick mark (✓) against the name he elects. He then puts the ballot in a sealed box. Finally, the ballot papers are collected and the votes are counted.

The merit of this method is that the members can record their opinions without undue influences by others. If the number of votes is large, the task of recording the votes becomes time consuming. Moreover, the rejection of invalid votes is often challenged and counts disputes.

**Poll:** This is a voting method whereby each member with a voting right may deliver his vote to an appointed officer, either orally or in writing. Generally members are supplied with Rolling papers. Each member puts down his signature on the rolling paper after writing the number of votes he can cast on his own (in the case of a company, each member has voted for every share held by him and he can cast all the votes at a poll either in person or by proxy). The rolling papers are collected by the appointed officer and details are entered on a sheet called point list. The chairman appoints scrutineers to examine the proxies, count the votes and report the result to him.

Where the number of voters is very large and votes of proxies are to be counted, polling is the only satisfactory method of ascertaining the majority opinion. A poll may be conducted under the following circumstances:

- i) Where the members are not satisfied with the result of a show of hands, they can demand an immediate poll, as per the bye-laws.
- ii) The rules demand that a poll will be taken on any or all important issues listed in the agenda.
- iii) If the rules do not prohibit, the chairman himself may decide on a poll if he deems it necessary.

The poll may be demanded by a member when he is not convinced with the result of voting by show of hands. In that case, the result from the show of hands is ignored and the poll is taken immediately or on a later date. There can be objections to a poll if it is allowed by the chairman without first trying to show off hands.

Generally, the standing orders or bye-laws prescribe the procedure of taking a poll and it is the duty of the chairman to follow the same. The polling procedure should also be explained to each member.

The advantage of taking a poll are as follows:

1. The sense of meeting can be ascertained with greater accuracy.

2. Where the number of voters is very large, all can take part.
3. Absentee members can cast their votes through proxies, if the bye-laws so permit.
4. Where proxies are allowed, the voting reflects the shareholding strength.

A serious limitation in the polling method appears when a minority group acquires a large number of proxies of disinterested absentee members. Further, it is a time consuming method of finding the opinion of members.

It may be noted that proxy is a written authorisation given to a person to vote on behalf of the voter. The person so authorised to act and vote on behalf of another is also called a proxy. It is discussed in detail in Unit 6 (Section 6.4.4).

### 21.5.2 General Rules for Voting

The procedure of voting to be followed is generally provided in the bye-laws or Rules and Regulations of the association. In the absence of any provision, the chairman of the meeting decides the procedure, in which case he should keep in mind the following general rules:

1. Whenever a departure from the usual voting procedure is to be made, the assent of the meeting must be obtained.
2. All issues should be decided by a simple majority unless a special majority is prescribed.
3. A vote once cast cannot be withdrawn or altered.
4. Absentee votes are not counted in the meeting.
5. Only members present and entitled to vote should be allowed to vote.
6. If proxies are allowed as per rules, they should be checked and verified.
7. The chairman is entitled to vote on a motion. He can also exercise his casting vote in case of a tie.
8. If the chairman does not cast his vote in case of a tie, the motion is lost.
9. Whenever the chairman can assume the sense of the house on ordinary items of business, he may get it recorded if no one present has any objection.
10. Declaration of the voting result by the chairman is final. In case of declaration on a show of hand, members present can demand a poll.

### Check Your Progress B

1. Fill in the blanks. selecting appropriate word(s) from those given within brackets:
  - i) To stop confirmation of discussion on a motion and to put it to vote immediately any member can move a \_\_\_\_\_ Motion (next business/closure/adjournment)

- ii) If a 'previous question' motion is put to vote and carried, discussion on the original motion is \_\_\_\_\_ (resumed after a while/stopped and cannot be revived/postponed)
- iii) When there is voting by show of hand, the chairman \_\_\_\_\_ give the details of votes for and against the motion. (must/should need not)
- iv) Voting through secret ballot reflects the opinion of members which is \_\_\_\_\_ (genuine/free from undue influence/free from prejudice)
- v) By taking a poll, the sense of the meeting can be ascertained more. \_\_\_\_\_ (easily/quickly/accurately).

2. State whether the following statements are True or False.

- i) In a co-operative society meeting, each member has only one vote irrespective of his monetary interest in the society.
- ii) If the chairman does not use his casting vote, it means there is no tie.
- iii) The chairman ruling on a point of order may or may not be put to vote.
- iv) The chairman has power to reject a closure motion after it has been moved and seconded.
- v) Whenever a meeting is adjourned for want of quorum and it is decided to be held after a specified time, a separate notice must be issued in writing to all members.
- vi) If the members object a poll cannot be taken without first tying a show of hands to determine the sense of the meeting.
- vii) Voting by division is the most common practice of ascertaining the sense of a meeting in all organisations.

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## 21.6 MINUTES OF MEETINGS

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### 21.6.1 Meaning and Importance

Literal meaning of the word 'minutes' is a note to preserve the memory of anything. The minutes of a meeting are a written record of the proceedings including the business transacted, decisions taken and resolutions arrived at. The object of keeping minutes to preserve a clear, conscious and accurate record of the conclusions reached in the meeting of a constituted body which would serve as a reminder of the subjects dealt with and the actions to be taken in future. The minutes once confirmed at a subsequent meeting are acceptable as evidence of the proceeding.

Minutes of meetings may be of two kinds:

1. Minutes of Decisions; and
2. Minutes of Narrations



**Minutes of decisions:** Minutes of decisions are also known as minutes of resolutions. Here, the details of the discussion held in the meeting are omitted and only the final decisions taken on every item are recorded in the form of resolutions. These resolutions are usually in the affirmative form and begin with the words “Resolved that .....”, or “It was resolved that .....”.

**Minutes of narration:** These are records of businesses covered in a meeting including the discussions and arguments in favour or against a particular proposition, the number of votes cast for and against a motion, etc. Minutes of narration also record the items like the number of members present, the receipt of apologies for absence, the submission of routine reports, and the passing of a vote of thanks to the chairman.

**Objects of Minutes:** Recording of minutes of a meeting helps in achieving many objectives which can be listed as follows:

1. Human memory is short and it is not possible to remember all of what transcribes or is decided in a meeting after a lapse of some time. Thus to avoid any dispute in future, the recording of minutes is imperative.
2. Minutes constitute a permanent record of the resolutions passed or the decisions taken which show an empirical progress of the body or organisation.
3. Minutes, once confirmed by the chairman in the subsequent meeting, are acceptable as legal documentary evidence in the courts of law in connection with any relevant matter.
4. It is obligatory on the part of every registered body to have a record of proceedings at their respective meetings. So, recording of minutes is necessary to comply with legal requirements as well.

**Importance of Minutes:** In the absence of proper recording and maintenance of the minutes, it may not fulfil an important legal requirement. It may also create differences of views and dispute among the members as to what happened and what was decided in the meeting.

A Minute Book containing all the decisions taken in a meeting is the starting point to take systematic action on any resolution sooner or later. Minutes show the sense of the meeting on any item and the same may have to be conveyed to the person concerned if it is so required.

Recording of decisions regarding appointment, promotion, retirement, leave, etc., of the officers and other employees of the organisation is a routine but very important requirement. If the minutes of such decisions are not available, it may cause serious problems. Problems may also arise in respect of other decisions as well. Thus, the importance of recording minutes of meetings cannot be minimised at any stage in the life of any organisation.

**Distinction between Minutes and Report:** When a summary of the proceedings of one or more meetings is prepared for the information of



members or for the press, it is known as a report. But it should not be confused with minutes though both are records of proceedings of a meeting.

1. Minutes are records of decisions of a meeting which are prepared in the form of resolutions while a report is drafted in a narrative form. A report contains discussions and arguments as well as the decisions taken.
2. Minutes record the exact workings of resolutions. They may include the names of the mover and the seconder. On the other hand, a report gives the gist of the decisions. It may or may not contain the exact wordings of resolutions.
3. Separate minutes are prepared for each meeting while a report may be prepared as a summary of the proceedings of more than one meeting.
4. Minutes are drafted by the secretary while a report may be written by any person who has been assigned the task to perform.
5. Minutes serve as authentic official record of the proceedings and decisions of a meeting and are accepted as legal evidence in the court of law, but the reports are not normally accepted as legal evidence.

### 21.6.2 Drafting of Minutes

It is the responsibility of the secretary to get the minutes of a meeting recorded. He should take notes of the proceedings as the meeting progresses. He should cover all the important points and should write the minutes in a proper minute book soon after the meeting is over.

Delay in the preparation of minutes may result in omissions or use of vague and inaccurate language. Moreover, it is essential that minutes should be recorded in a methodical and business like manner.

While drafting the minutes of a meeting, the following precautions should be taken:

1. Minutes should be brief, precise, factual and free from ambiguity.
2. Minutes should set out exactly what was transacted at the meeting. Exact wordings of the resolutions should be recorded to avoid the risk of subsequent misinterpretation.
3. If no conclusion is reached on any item at the meeting it should be clearly mentioned.
4. The minutes should also include the names of movers and seconders, the manner of voting and the results of voting.
5. Minutes should be written in the past tense, third person and generally in affirmative form. As far as possible superfluous words should be avoided.
6. Minutes should not contain any matter which is defamatory, irrelevant or immaterial to the meetings or detrimental to the organisation.

7. Arguments advanced for and against any motion should not find a place in the minutes. Moreover, partiality or bias towards any person or group should be avoided in writing the minutes.
8. Recording of minutes should follow the same sequence of items as given in the agenda. In case of variation, the exact order in which the business took place should be followed.
9. Pages of the Minutes Book should be numbered and the Minutes Book should be properly bound. Separate minute books should be kept for general meetings and for meetings of standing or permanent committees.
10. Minutes should specifically mention the nature and kind of meeting held e.g., Sub-committee Meeting, Board Meeting, Annual Meeting, General Meeting, etc.
11. Minutes should clearly indicate the date, time and place of the meeting.
12. The minutes must give the name of the presiding officer (chairman), and the names of the members attending the meeting. In the case of a general body meeting only the number of persons present in the meeting may be recorded.
13. Names of absentees and apologies for absence should also be recorded wherever possible.
14. All items of the business transacted in a meeting should be serially numbered and wherever necessary, their heading and subheadings should be given.
15. When any reference is made to any letter, report or statement with regard to any item of business the date of each such document should be mentioned in the minutes.
16. All decisions on items relating to financial statements, accounts, appointment of officers and other employees made, salaries decided upon, etc., expenditure authorised with exact amounts, instructions to directors, secretary or any other official, etc. should all be recorded separately as they appear in the agenda, with no element of vagueness, ambiguity, or scope of double interpretation. The exact text of each resolution should be recorded.
17. Minutes should end with a vote of thanks to the chair.
18. Minutes when signed constitute an official record of the proceedings of the meeting. The chairman should initial each of the pages which contain the minutes, sign in full at the end and note the date. The secretary should also initial the minutes.

### **21.6.3 Circulation of Minutes**

Although it is not a statutory requirement that the minutes of a meeting should be circulated among members. It is generally done in practice. This procedure serves several purposes, viz.,

1. Members who wish to keep a record of the minutes have copies of their own.
2. Members who could not attend the meeting come to know what was transacted in that meeting.
3. Members who attended the meeting may be prepared to point out whether the minutes have been correctly recorded or not.
4. When the minutes are to be confirmed in the subsequent meeting, it will save the because the chairman may say, "Since the minutes of the previous meeting have been circulated among the members, they may be taken as read." If the members have any point to raise, they may do so, otherwise the minutes are improved and the secretary need not read the same.

#### **21.6.4 Confirmation of Minutes**

Confirmation of minutes of the previous meeting is the first item of agenda at the subsequent meeting. Minutes become an authentic record of the proceedings of a meeting as soon as they are confirmed by the chairman at the next meeting. Two situations may arise in connection with confirmation.

Firstly, if the minutes have already been circulated among the members and if there are no objections as to omission or alteration of any part or whole of the contents, they will be taken as read in subsequent meetings. The chairman gets over the formality of asking the members whether the minutes may be taken as read, and then puts his initial on each page and signature at the end of the minutes confirming their corrections. The secretary will also initial the last page of the minutes.

Secondly, where the minutes of the previous meeting have not been circulated earlier, the chairman will ask the secretary to read out the minutes who has to read them from the beginning to end unless all the members present agree that unimportant parts like the attendance, names of the persons present, congratulatory or condolence resolutions etc. may not be read. The chairman will then ask the members whether or not the minutes have been correctly recorded. In case of any error or missing word or figure, necessary correction will be made. No overwriting or use of eraser is permitted. All corrections or alterations should be duly initialled by the chairman and the secretary. If a correction in the minutes recorded is to be made in respect of matters not accepted at a later meeting, another minutes has to be recorded rescinding the former. But in no circumstances should the former be deleted or corrected.

No discussion or alteration is permitted once the minutes have been confirmed by the members and signed by the chairman. The confirmed minutes immediately become authentic official records which can be used for future reference or as written evidence as and when so required.

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## 21.7 DUTIES OF SECRETARY

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Meetings are essential for proper functioning of any association of persons, and it is the secretary of the association who has the responsibility of making them meaningful. He is required to make necessary preparations before the meeting, take notes and assist the chairman during the proceedings, and finally do the needful to implement the decisions after the meeting.

Thus the secretary, elected or nominated, honorary or a paid employee, has to act as a recorder, executive of operations, and a general steward of the meeting. On the one hand he has to take care of the statutory requirements, and on the other, he should perform all the routine operations. The secretary must be alert performing his duties before, during and after the meeting.

### 21.7.1 Duties before the Meeting

1. In consultation with the chairman, the secretary should decide the date, time and place of the meeting depending upon the nature and importance of the meeting and expected gathering.
2. The secretary should then arrange to book the hall or conference room if it is a general body meeting. But if it is a small meeting like the Board Meeting or a Committee Meeting, it can be arranged in the organisation's premises or in a small conference room.
3. The secretary must prepare the notice and agenda and, after getting the approval of the chairman, will get the same printed, if necessary.
4. He will make arrangements for the issue of notice and agenda papers under postal certificate. If it is a small meeting consisting of local members only, papers may be hand delivered.
5. If the meeting requires the presentation of accounts, Audit Report, Annual Report or any other statement, the secretary will get them ready. Draft Annual Report is generally prepared in advance and approved by the chairman. After all these papers are ready, they may be printed, if it is required to be sent to the members along with the agenda papers.
6. The secretary will arrange for necessary furniture, stationery and refreshments required for the meeting, Advance order must be placed with the concerned suppliers and caterers.
7. If the chairman is required to make a speech or present a report in the meeting, the secretary has to provide necessary information to him beforehand. As a matter of fact, he may have to assist the chairman to write his speech or report. In certain cases, he may himself prepare the draft and present the same to the chairman for approval.
8. The Secretary has to get the chairman's speech or Report or any other financial Statement printed, and circulate the same among members either before or during the meeting. In the case of financial reports, the secretary is required to work with the accountant.

9. The secretary must collect relevant correspondence, documents, files and forms concerning the items of the agenda and keep them handy for references, if required. Minutes of the previous meeting must be written and kept ready for confirmation.
10. The secretary may hire the services of assistant, attendant, stewards, for the day of the meeting to attend various petty jobs.
11. Immediately before the meeting, he must arrange for proper entry of members. Their attendance cards may be checked and arrangements made for recording their attendance if it is a General Body meeting or Extra Ordinary or Special Meeting.
12. If proxies are also allowed, the secretary should make arrangements to receive, check and list the proxies in a systematic order. He may appoint outside scrutinisers to check the proxies if necessary.
13. He has to make all arrangements for a vote or poll on any item of the agenda. Necessary stationery, ballot boxes, locks, list of members, etc, should be available. scrutinisers for counting votes, whether on show of hands or by ballot, must be appointed in consultation with the chairman.
14. If the proceedings are to be reported in newspapers, arrangements should be made to invite the reporters and proper assistance and hospitality should be provided to them.

### **21.7.2 Duties during the Meeting**

1. On the day of meeting, the secretary should be present at the venue much before the meeting commences to oversee the various arrangements. In case he is unable to come before the meeting starts, he must make alternative arrangements.
2. He should check the seating arrangements both on the dias as well as in the main hall. He should assign duties to the stewards to check the admission cards, if any, and to guide the members to their respective seats. Separate arrangements should be made for members from the press.
3. He should personally check that supplies of stationery, pencils, writing paper, pins, etc., are available and kept at their proper places. He must also double check the drinking water arrangements and distribution of refreshments to each and every person present.
4. He should see that attendance is properly recorded in the Attendance Register. He should know the correct number of people attending before the commencement of the meeting to ascertain whether necessary quorum is present or not.
5. If the copies of Chairman's Speech, Secretary's Report, or other Financial Statements are to be distributed among members, he should make proper arrangements for distribution. The papers may be handed over to members either at the entrance, or the set of papers can be placed on each



desk or table before the beginning of the meeting. He should give instructions accordingly.

6. He should check that minutes, books, notices, reports, etc., are available by his seat which should be close to the chairman's seat.
7. In case there is no permanent chairman or the permanent chairman is not present, the secretary should see that a person is nominated as chairman of the meeting, as per rules and regulations.
8. After the chairman has taken his seat, the secretary has to read the notice convening the meeting, minutes of the previous meeting, and other reports as and when called upon.
9. The secretary should give all assistance to the chairman in conducting the meetings. He must convey necessary statutory or other information to the chairman if necessary to decide on matters arising during the meeting.
10. He should arrange for members to propose and second such resolutions as are particularly desirable lobbies moved in the meeting especially on matters like election and remuneration.
11. The secretary should make suitable notes on the agenda papers or on any other paper. He should ensure that all the important points have been noted. Exact wordings of each resolution should be recorded. All these notes should be used for writing the minutes in a proper order.
12. At the end of the meeting he should thank the members as well as propose a vote of thanks to the Chairman.

### **21.7.3 Duties after the Meeting**

After the meeting the secretary should do the following:

1. He should prepare the draft minutes with the help of notes taken at the meeting, and get them approved by the chairman.
2. After the chairman's approval, the secretary should write the minutes in the Minutes Book. Wherever required, he should arrange to circulate copies of the minutes among members within the stipulated time. He should keep the Minutes Book in safe custody.
3. The secretary should then carry out his arrangements, send letters and copies of resolutions and returns to the concerned authorities.
4. He is to implement all decisions like appointments, despatch of papers, dividend warrants, share certificates, etc., and comply with necessary formalities relating to such decisions.
5. He should also arrange to send press reports, wherever so required.
6. He should proceed to make arrangements to convene the next meeting.



### Check Your Progress C

1) Define the term 'Minutes'.

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2) State whether the following statements are True or False.

- i) Minutes record the sense of the meeting on various items and constitute a permanent record of the decision taken.
- ii) Minutes as well as report of meeting both are accepted as evidence in court of law.
- iii) Arguments for and against any motion must be incorporated on the minutes.
- iv) Minutes must include the name of the chairman and names of the members present.
- v) If the minutes of a meeting are circulated among members, the same may be continued, subject to corrections without being read out by the secretary.
- vi) If a decision recorded in the minutes is not accepted by the members at a subsequent meeting, the earlier decision should be deleted from the minutes.
- vii) The list of members invited to attend a meeting should be reality available before the meeting starts as well as during the meeting.
- viii) At the end of a meeting, the secretary should immediately write the final minutes in the Minutes Book and circulate copies among members.
- ix) The Press Reports should be sent to newspapers under the chairman's signature.
- x) It is the responsibility of the secretary to keep the minutes Book in safe custody.

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## 21.8 LET US SUM UP

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The general rules governing the discussion and debate in meetings are based on established practices, customs and conventions. Specific requirements are sometimes prescribed in the bye-laws and Articles also.

The most important rule in connection with debate and discussion is that these should be confined to the motion and amendments before the meeting and should be relevant to the matter being debated.

The order of business to be transacted in a meeting should be the same as set out on the agenda unless the meeting decides to divide. The routine items should be disposed of before taking up other items on the agenda one by one.

A motion is the starting point of a business on the agenda of a meeting. The purpose of a motion is to introduce a certain business in a formal manner and suggest that all discussion should be held accordingly. Motions should be formally moved and seconded except the condolence or congratulatory motions.

A motion can be altered by moving an amendment by any member who has not spoken on the main motion earlier. The amendment, duly moved and seconded, should not introduce any change in the meaning of the main resolution but it can add, delete, or substitute certain terms in the matter of the motion. Similarly, an amendment to an amendment can be moved by any person who has neither spoken on the main resolution or on any amendment to it. A resolution is the end result of a motion if the majority of members give positive votes in its favour. A resolution is a decision of the meeting which is binding on all the members even if some of them disagree. It should be clear and exact and finally recorded in the Minutes Book.

There are various formal ways of interruption during the discussion on a motion with a view to getting more information to make a sound decision.

Amendments may be moved to make the main motion more specific, exact, clear or convenient. Points of order may be raised to clarify some points, or to remove any irregularity in the conduct of meetings.

Formal motions may be moved in the form of a closure, previous questions, or next business, for temporarily shelving the debate for a short period, or postponing it to the subsequent meeting.

Adjournment of a debate or a meeting could also be moved in order to collect more information on the matter under discussion, or to remove any irregularity, or avoid any undesirable situation caused by the misbehaviour of some members present.

A meeting can be postponed to a later date if it is inconvenient to hold it on the date and place announced in the notice. Postponement does not mean cancellation.

To ascertain the sense of a meeting the chairman may adopt any of the recognised methods of voting. It could be either by show of hand, standing vote, division, ballot or pooling. The chairman has to follow the prescribed procedure, if any, given in the rules and regulations.

Minutes are the record of proceedings of a meeting. They should contain all the information pertaining to the meeting that can be of some future use. It is essential to keep proper documentary evidence of what resolutions have been passed and when, and only the minutes can serve this purpose.

Drafting of minutes needs full attention and command over expression by the writer which is generally the secretary of the organisation. He should record all the details as to date, time and place of the meeting, attendance, abstentions, business transacted, and resolutions passed. The draft minutes should be only a factual statement without any prejudice or bias towards anyone present or not in the meeting. Drafting minutes signed by the chairman may be circulated among the members, if it is the agreed practice. In that case, minutes can be taken as read and confirmed in the subsequent meeting and, after the approval by the members, they are confirmed and signed by the chairman.

Confirmation of minutes is only a means of ensuring correct recording of the proceedings. Any corrections or alteration in the minutes can be done only before confirmation.

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## 21.9 KEY WORDS

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**Adjournment:** Discontinuing a meeting with the object of resuming it at a later date.

**Amendment:** Proposed alteration in the terms of a motion moved in a meeting.

**Ballot:** Ascertaining the sense of a meeting on any issue which involves members giving their vote or opinion on a ballot paper.

**Closure:** A motion moved in a legislative body by any member drawing the attention of the minister and requesting him to explain a point raised.

**Division:** A method of ascertaining the sense of a meeting whereby members favouring the motion and those against it form themselves into two separate groups.

**Minutes:** Written record of the proceedings of a meeting including the business transacted and decision taken and resolutions passed.

**Motion:** A proposal on any item of business submitted for consideration and decision at a meeting; a proposed resolution.

**Next Business:** A motion to stop discussion on the main motion forthwith and to take up the next item on the agenda.

**Point of Order:** An interruption during the proceedings at a meeting to draw the chairman's attention to an irregularity of procedure or some other point.

**Postponement:** Decisions to hold a meeting on a future date due to an inconvenience proceeding to prevent a vote being taken on the main motion or to share it.

**Resolution:** A motion carried by the majority of persons present and voting in a meeting.

**Show of Hands:** A method of voting whereby members are required to raise their hands respecting for and against a motion.

## 21.10 ANSWERS TO CHECK YOUR PROGRESS

- A** 1 i) False ii) True iii) True iv) False v) True  
vi) False vii) True viii) False
- 2 i) Opinion ii) The Meeting iii) Procedural iv) Resolution v) Does Not
- B** 1 i) Next Business ii) Stopped and cannot be Received iii) Keep Not iv) Free from Undue Influence v) Accurately
- 2 i) True ii) False iii) False iv) False v) True  
vi) False vii) True viii) False
- C** 2 i) True ii) False iii) False iv) True v) True  
vi) False vii) True viii) False ix) False x) True

## 21.11 TERMINAL QUESTIONS

- 1) State the important rules governing debate and discussion in meetings.
- 2) What is meant by 'Order of business' in a meeting? Enumerate the items of agenda in a serial order.
- 3) Define the term 'Motion'. Describe the procedure for moving a motion.
- 4) What are the conditions to be satisfied for a valid motion? How can a motion be withdrawn?
- 5) What are the various ways in which a motion may be amended? State the basic rules to be followed while dealing with amendments.
- 6) Define a resolution. How does it differ from a motion? What is the effect of a resolution as regards members?
- 7) Write explanation notes on:
  - i) Point of order
  - ii) Closure
  - iii) Next Question
  - iv) Previous Question
  - v) Minutes
- 8) Distinguish between:
  - a) Minutes and Minutes of Narration
  - b) Adjournment and Postponement
  - c) Minutes and Reports of Meetings
- 9) What is meant by 'Interruption' in a meeting? What are the ways in which debate or discussion may be interrupted?
- 10) Explain and distinguish between 'Closure' and 'Previous Question' in relation to a meeting.

- 11) Describe the usual methods of ascertaining the sense of a meeting.
- 12) When and how can a vote by 'Poll' be demanded? Discuss the proper procedure of taking a poll.
- 13) Discuss the principles which the secretary should keep in view while drafting the minutes of a meeting. Distinguish between 'Minutes of Decisions' and 'Minutes of Narration'.
- 14) What are the duties of a secretary before the commencement of a meeting and during a meeting?
- 15) Enumerate the duties of a secretary after a meeting.

**Note:** These questions will help you to understand this unit better. Try to write answers for them. But do not submit your answers to the University for assessment. These are for your practice only.



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