

An Annual General Meeting, commonly referred to as an AGM, is a formal meeting which is held once a year. It is a legal requirement for voluntary organisations that have company status. It is good practice for charities to have an AGM to act as a review of the year and deal with issues such as the election of committee/board members and reviewing the annual accounts. Each individual organisation should have a section of its Constitution which deals with AGMs, and this gives guidance as to how the AGM should be run and what matters should be dealt with. Although it is a formal meeting, it can also be a good opportunity to communicate with members, clients, partners and other interested parties.

### **Timing**

Again, each organisation should find guidance in its Constitution regarding when an AGM should take place. It does need to take place following the end of your financial year when accounts have been audited.

### **Committee/Board Nominations**

Your Constitution should give guidance on electing committee or board members. It is advisable to ask for nominations before the AGM, which should be proposed and seconded. Check whether your constitution has rules about who is allowed to stand as a committee or board member.

### **Publicity and Invitations**

It is usual for organisations to be required to give advance notice of the AGM. Your Constitution may state that this notice needs to be made public, e.g. through the local newspaper, and by writing to members 21 days prior to the event. A copy of the agenda (see below) should be sent along with the invitation. Committee and Board members should attend, and normally staff and other volunteers are encouraged to attend. Invitations may also go out to clients, and local decision-makers as appropriate.

### **Venue**

The venue needs to be as accessible as possible. Try to find out beforehand if attendees have particular requirements, e.g. wheelchair access, translation services. It is useful if the venue has a microphone.

### **Running the AGM**

The AGM is normally conducted by the Chair of the organisation. Minutes of the meeting should be taken by the Secretary. A typical AGM agenda will cover the following items:

- Opening remarks/Welcome
- Apologies
- Minutes of previous AGM

## CVS Falkirk Resource Library

### Annual General Meetings – An overview



- Matters arising from the Minutes
- Presentation of Annual Report (Chair/Secretary)
- Adoption of Annual Report
- Presentation of Accounts (Treasurer)
- Adoption of Accounts
- Appointment of Auditors/Independent Examiner
- Election of Management Committee/Office Bearers
- Motions to be put to the AGM
- Any Other Competent Business
- Closing remarks

More details on each of these headings are available below.

#### Apologies

Apologies from individuals who have been unable to attend are read out and recorded.

#### Minutes / Matters Arising

It is usual to place copies of the minutes, the annual accounts and any other papers, on the seats of those attending, if it has not been possible to send them out beforehand. Matters arising from the minutes should be taken in the order they appear. In some cases the Chair may ask that matters arising be dealt with during the course of the meeting. The minutes of the previous AGM should be formally adopted by a proposer and a seconder, whose names should be recorded.

#### Presentation of Annual Report

The annual report can be presented by the Chair or the Manager/ Coordinator. The Chair doesn't usually read the whole annual report but provides a summary of the main information in the report, perhaps highlighting the key successes and achievements and providing some information on future plan. They usually include thanks to for example funders, staff and volunteers.

Charities have to provide specific information in their annual reports and OSCR provides guidance on this required content.

#### Presentation of Accounts

The accounts are presented by the Treasurer. It is usual for copies of the accounts to be given to those attending. The Treasurer will highlight some of the figures in the accounts, explaining any that need explanation, and give a general overview of the financial position of the organisation. It is usual for them to thank the auditor/independent examiner if appropriate.

#### Auditor or Independent Examiner?

An audit by a registered auditor is required:

- If the organisation's gross income, or expenditure in the current or preceding two years is in excess of £500,000 (this applies both to Charities with Company status and to Unincorporated Charities – that is Charities that don't have any other legal form apart from Charitable Status)
- If there is a requirement in the organisation's governing document
- If the voluntary management committee choose to appoint one

If none of these requirements apply, the organisation may only need to have its accounts examined independently. This does not have to be carried out by a registered auditor and is not usually as expensive.

However, Charity Law in Scotland now has certain requirements regarding who is eligible to act as an independent examiner, depending on whether your organisation's accounts are kept in the Receipts and Payments format or are fully accrued. For more details, please consult OSCR's guidance booklet on Independent Examination.

If there is a requirement for a full audit, the audit must be undertaken by a registered auditor i.e. someone who is a member of a professional organisation that registers auditors. If your organisation is a constituted community group that does not have Charitable or Company Status, then an independent examination should meet your requirements. In this case, an independent examiner can be any independent person who the committee believe has the ability and experience to examine the accounts such as a banker, business person, or accountant. It should not be carried out by a member of the committee or a related family member.

### **Appointment of Auditors/Independent Examiner**

If an organisation is happy with the performance of its auditors/independent examiner it is usual to move for adoption of the existing auditors/independent examiners. If for some reason there is to be a change of auditor, this can be arranged by the committee during the coming year.

### **Election of Management Committee/Office Bearers**

The constitution will provide guidance on the election of committee or Board members, including the length of time they should serve. Each individual wishing to stand needs to have a proposer and a seconder.

### **Voting Procedure**

Check your constitution to find out who is eligible to vote at the AGM. If the constitution does not provide clear guidance on what to do in the event of a tie, then it is usual practice for the Chair of the organisation to have a casting vote. The existing committee need to be clear about voting procedures as laid out by the constitution before attending the AGM.

## **Motions to be put to the AGM**

A Motion to be put to an AGM should usually be received by the organisation an agreed time before the AGM, so that it might be included with the papers sent out to those attending. Some organisations do not allow motions to be put at the AGM on the spur of the moment. Motions may take a number of forms. There may be a motion to petition the Scottish Parliament, or the local authority; in support of the actions of another organisation; to change the direction or the organisation or increase/limit the extent of its work.

## **Amendments**

Any proposed amendments to the constitution are also discussed at the AGM. These have usually been discussed by the present committee and the Chair may wish to take a few moments to explain why the Committee believe that the change is needed. Amendments are often made to update the constitution in the light of new legislation or new circumstances. When the motion or amendment has been presented a vote will take place.

## **Any Other Competent Business**

Some organisations choose not to include this on the agenda. AOCB can double the length of a meeting and throw up many unexpected questions and comments. On the other hand, it can be a useful opportunity for those who are involved with, or interested in your organisation to have their say.

## **Conclusion of Business**

The meeting is formally brought to a close by the Chair.

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