

Internet Watch Foundation**BOARD MEETING****10.00am - Tuesday 16 October 2018****Pennington Manches LLP
125 Wood Street
London
EC4V****MINUTES**

Present: Andrew Puddephatt (AP) (Chair)
Jonathan Drori (JD) (Vice Chair)
John Parkinson (JP) – joined the meeting by phone for part 1 to
Claire Bassett (CB)
Sue Pillar (SP)
Jacquie Mellor (JM)
Uta Kohl (UTA)
Jonathan Lea (JL)
Becky Foreman (BF) (Industry Vice-Chair)

Apologies: Emma Hardy (EH) (Director of External Relations – DER)
Helen Dent (HD)
Katie O'Donovan (KOD)

Observer: Matthew Eltringham (ME) (Funding Council Chair)

IWF Staff: Susie Hargreaves (SH) (CEO)
Fred Langford (FL) (Deputy CEO - DCEO)
Heidi Kempster (HK) (Chief Operations Officer - COO)
Emma Douglas (ED) (Development Director – DD)
Sandrine Harvey (SJH) (Minutes)

IWF Board Closed session

There was a closed session of the IWF Board from 10.00am to 10.05am.

1. a) Welcome and Apologies

| ACTIONS | SUMMARY |
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| | <p>The meeting began at 10.10am. There were apologies from Helen Dent, Katie O'Donovan and Emma Hardy.</p> <p>The Chairman welcomed Emma Douglas, recently appointed Development Director at the IWF, who was asked to introduce herself briefly to the Board.</p> |

b) Declarations of Interest

| ACTIONS | SUMMARY |
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| | <p>There were no declarations of interest.</p> |

2. Draft minutes

| ACTIONS | SUMMARY |
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| <i>SJH to amend the minutes accordingly.</i> | <p>The minutes of the previous meeting were approved subject to the following amendments:</p> <p>7. Policy matters</p> <p><i>7.c) Adult industry report:</i> The word “not” should be removed in the first sentence of the first paragraph and it should read as “...agreed that reputational risks should be minimised...”</p> <p><i>7.a) Transparency/Accountability:</i> In the fourth sentence of the first paragraph, the sentence starting with “The Board’s role, as Trustees of the charity, was to remove CSAM...” should read as “The charity’s role was to remove CSAM...”.</p> |

3. Actions arising

| ACTIONS | SUMMARY |
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| | <p>17.07.18 – 6. Chair’s report: The CEO mentioned the paper re. Grooming would be brought to the December meeting after the Hackathon in Seattle.</p> <p>The Board noted the paper.</p> |

4. FC Communique

| ACTIONS | SUMMARY |
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| | <p>The Chair of the Funding Council reiterated the Members’ support for the accountability and transparency report.</p> <p>The Board noted the paper.</p> |

10.10am – JL joined the meeting.

5. Audit committee report

| ACTIONS | SUMMARY |
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| <i>SH to thank the teams for the good work on the accounts and Trustees’ report.</i> | <p><i>a) Management letter</i></p> <p>No issues were reported. The auditors were pleased with the whole audit, there were no findings and the process went well. Only a minor adjustment of £20K related to exchanged currency had to be made.</p> <p>The Chair asked to record his thanks to the team for the excellent work on the accounts and on the Trustees’ report</p> |

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| <p>To amend the Trustees' report accordingly.</p> | <p>b) Trustees' report</p> <p>A Board member pointed out that the Trustees' report was a good report and very comprehensive. However, there were some typos, which needed to be corrected.</p> <p><i>"Financial Review" - page 19:</i></p> <p>In the third paragraph of the "Reserves" section in the first sentence, the number "£275k" should be amended as "£75k".</p> <p>In the "Investments" section, the Chair of the audit committee mentioned that a new phrase had been added to reflect the position at the end of the year-end.</p> <p>The Board approved the report subject to a final proofreading exercise and subject to the amendments mentioned above.</p> |
| <p>AP to sign the letter of representation.</p> | <p>c) Letter of representation</p> <p>The Board approved the auditors' letter of representation.</p> <p>The CEO indicated that the auditors would be retained for another year subject to a change of Audit Manager.</p> |
| | <p>d) Management accounts Q1</p> <p>The COO indicated that:</p> <ul style="list-style-type: none"> • Q1 was the quietest quarter during the year and that the impact of the restructure will hit Q2 • There was an unexpected increase in the cost of maternity leave requiring an estimated £80k which was not budgeted. <p>The Board discussed the issue around the maternity leave policy under point e) Staff policy maternity leave.</p> <p>The Board approved the Q1 management accounts.</p> |
| <p>HK to amend the staff maternity leave policy accordingly.</p> | <p>e) Staff policy maternity leave</p> <p>The Board discussed the maternity leave policy and agreed to change it as recommended by the Senior Management Team as follows:</p> <p>Pregnant employees must have completed two years' service with IWF prior to commencing maternity leave, to be entitled to the enhanced IWF maternity benefits. If there is less than two years' service, then the employee will be entitled to statutory maternity pay only.</p> <p>This decision will bring the IWF in line with other charities and the policy will be put in place as soon as been approved.</p> <p>The paternity leave policy would remain unchanged.</p> |

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| <p>HK to amend the Board expenses policy accordingly.</p> | <p>f) Board expenses policy</p> <p>The Board approved the Board expenses' policy subject to the following amendment on point 9.4 and remove the ways of payment by cash and cheque and BACS remaining the only option.</p> |
| | <p>g) Investment policy</p> <p>The Chair of the audit committee indicated that the reviewed policy dealt with the investment of the part of the reserves and the decision of investing £500k in a Rathbones portfolio.</p> <p>He also referred to the treasury policy related to cash management, which should be complete by the next meeting in December.</p> <p>The Board approved the policy.</p> |

6. Chair's report

| ACTIONS | SUMMARY |
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| <p>SH to establish a pilot for a transparency report.</p> | <p>The Chair reported he had met with the Home Office representatives to discuss the white paper regarding potential future regulation. A meeting with a range of contributors representing the Home Office, industry other partners and the IWF has been arranged at the end of October to discuss the issue. The government has also delayed the publication of the white paper to February 2019.</p> <p>The Chair also informed the Board that a working party composed of three Board members, the Chair and the CEO had a conference call to discuss the issue of transparency. The CEO tabled a paper, which reflected the conversation held between the working group members. The Board agreed the issue was complex and actions should be taken. The Board also agreed that a pilot project for a year would be useful involving a sample of Members supported by a working party from the Board with the Executive to shape the process. The report on the pilot year would be reported back to the Board. There might be an impact on the resources needed on the organisation.</p> |

7. Policy matters

| ACTIONS | SUMMARY |
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| | <p>7.a) Hotline review</p> <p>The DCEO presented the technical, strategical, political changes since the last review in 2016 and also outlined his technological predictions and the impact they might have on the Hotline in coming years. One of the main issues for the Hotline is the increased volume of public reports received and the continuing inaccuracy, which is time consuming and not an effective use of the Hotline resources. However, thanks to proactive work and increasing automation the Hotline has been able to process more actionable reports. A continuing challenge is balancing the speed of automation</p> |

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| | <p>with the need for human assessment and ensuring we prioritise the Hotline team's welfare.</p> <p>The DCEO had undertaken a major review of every aspect of the Hotline and Technical department and was cognisant of the 2016 hotline review. The review considered the speed of technological change and stated there will be a requirement to carry out a review of these areas every two years to ensure the Hotline and technical functions keep pace with changes.</p> <p>He had concluded that certain operational processes and priorities could be refocused to do less in certain areas which would enable the team to be more effective in removing illegal CSAM overall.</p> <p><i>11.10am JP left the meeting.</i></p> |
| <p>ED to price the newsgroup service.</p> <p>FL to implement all the recommendations as agreed by the Board.</p> <p>HK to review the Hotline staff terms and conditions and benchmark the salaries as</p> | <p>5. Implementation of recommendations</p> <p>5.1 Increasing the headcount of the technical team</p> <p>At this stage the DCEO was not recommending increasing the Analysts headcount but proposed enhancing the technical team with the creation of a second Senior Developer to provide future development capacity and resiliency. The Board approved this.</p> <p>5.2 Refocus/prioritisation of Hotline tasks</p> <p><i>Newsgroups</i></p> <p>The DCEO recommended in future to offer a newsgroup service as a separate service from the IWF membership, whilst this might result in a loss of Members, the fees would be more than covered by charging an accurate fee for this work. The usage of newsgroup in the UK is very low as this method is old-fashioned.</p> <p>The Board agreed with the recommendation to disrupt this service as part of the membership and replace it as a paid separate service. The Board asked the DD to develop a pricing policy for all services including a new Newsgroup service.</p> <p><i>Torrent project</i></p> <p>The Board agreed to continue with the Torrent project as recommended and that the torrent searches are run bi-annually rather than monthly.</p> <p><i>Hotline Chase up (HTCU)</i></p> <p>The Board agreed with the recommendation to increase the number of days from two to seven days with other INHOPE hotlines. This action will have no impact on content hosted in the UK and if there is no hotline in a country, the Hotline will go directly to the host to remove the content.</p> <p><i>Hashes/Crawlers</i></p> <p>The Board agreed with the recommendation to take hashes directly from CAID once a suitable information sharing agreement has been put in place and digested directly into the IWF crawler suite.</p> |

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| <p>part of the 2019/2020 budget.</p> <p>ED & EH to work around the messaging to get more accurate public reports.</p> <p>ED to look at a public opinion survey.</p> | <p><i>Staff welfare</i></p> <p>The Board agreed to review the Hotline staff terms and conditions and benchmark their salary. The COO pointed out that due to the unique nature of the Analysts' job, it was difficult to benchmark against similar roles.</p> <p><i>Public reporting</i></p> <p>The Chair of the Funding Council queried what could be improved to increase the accuracy in the reports received from the public. The DCEO indicated that changing our messaging might help in creating fewer spikes when there are media activities around child sexual abuse.</p> <p>The Board agreed that the comms and development departments should work on improving the messaging and it might be useful to look at a public survey to understand better what the public considers as child sexual abuse.</p> |
| <p>SH to create a map on the development of the product.</p> | <p>7.b) IC Notify</p> <p>The CEO presented the project to the Board. A simpler version of the product had been in place for more than 12 years in schools in the South West. The new version of the product will contain both the Hash and URL Lists and will be piloted by a partnership between a council, police force and IWF over a period of six months. South West Grid for Learning continue to be a partner in the overall project but will not be involved in the pilot.</p> <p><i>12.00pm BF left the meeting.</i></p> <p>A Board member indicated that it would be useful for the organisation to log the process about the development of the product: The Board endorsed the project.</p> |

8. CEO report

| ACTIONS | SUMMARY |
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| | <p>2. Strategic Developments</p> <p>2.2 The Independent Inquiry into Child Sexual Abuse (IICSA)</p> <p>The CEO informed the Board that the IWF had applied for status of core participant to the inquiry.</p> <p>2.3 EU Funding</p> <p>The CEO confirmed to the Board that the IWF put a successful bid for the EU grant as part of UKSIC and the grant will be received until 2020. The CEO especially thanked South West Grid for Learning for their work heading up the bid.</p> <p>2.6 Hash sharing agreement with NCMEC</p> <p>There are still some concerns around the hash sharing agreement, which has halted due to outstanding GDPR issues and the Chair and CEO will discuss this during their visit at NCMEC in October.</p> |

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| | <p>5. Projects</p> <p>5.2 Report Remove</p> <p>The Board was updated on this project.</p> |
| | <p>6. Miscellaneous</p> <p>6.2 Pagefield</p> <p>The CEO mentioned that Pagefield agreed to reduce the final invoice by £2k.</p> <p>6.3. The Chair congratulated the CEO for the award she received from “CEO Today Magazine”.</p> <p>The Board noted the paper.</p> |

9. Communications report

| ACTIONS | SUMMARY |
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| | The Board noted the paper. |

10. Technical report

| ACTIONS | SUMMARY |
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| <i>FL to provide a note re. GDPR.</i> | <p>11. Project Arachnid</p> <p>The DCEO updated the Board on this project.</p> |
| <i>FL to correct the typo.</i> | <p>19. IWF Network and Technology</p> <p><i>19.1 IT Network</i></p> <p>The DCEO pointed out that a recent security issue has resulted in the network being down for a period of 2 ½ hours. The problem had been quickly isolated and therefore only affected the outer office network segment with no impact on the Hotline operation. The issue was resolved quickly and the network back up with a minimum of disruption.</p> <p>A Board member noticed a typo and the first sentence should read “The IWF network was available over 99%...” instead of “The IWF network was over 99%...”</p> |
| | <p>23. INHOPE</p> <p>The DCEO informed the Board that his role as President of INHOPE took one and a half to two days per week and this meant that to fulfil his duties as DCEO at the IWF, he needed more resources. He confirmed that the CEO had offered to extend the contract for the current Technical Projects Officer’s cover is extended for a further year.</p> |

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| | <p>The value to the IWF of the DCEO being the President of INHOPE is in the short-term, during the Brexit negotiations, it gives a voice to the UK Hotline in Europe as he is meeting regularly with senior EU officials and open opportunities for the portals.</p> <p>The DCEO also mentioned that the European Commission had been very helpful since he took over the position</p> <p>The Board noted the paper.</p> |
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11. COO Report

| ACTIONS | SUMMARY |
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| | The COO mentioned that, in the next couple of weeks, an automatic disqualification declaration form will be sent to the Board and SMT to complete as this is a new requirement from the Charity Commission. |
| | <p>3. Membership</p> <p>The CEO highlighted the fact that the membership income was down £20k due to some top fee Members leaving; however, we are optimistic that this loss should be recovered once payments due by newly recruited Members are received.</p> |
| | A Board member queried about the investment and whether the transfer was complete. The COO confirmed that the transfer would be executed as soon as possible. |
| | <p>7. Financial implications</p> <p>7.1. The additional unforeseen costs will be reviewed as part of the six-month review to identify possible savings within budget.</p> <p>The Board noted the paper.</p> |

12. AOB

| ACTIONS | SUMMARY |
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| | None. |

13. Dates of next meetings

| ACTIONS | NEXT MEETINGS |
|--|---|
| <i>SJH to send the dates for 2019 to the Board.</i> | <p>Board meetings:</p> <p>11 December 2018, London</p> |
| | <p>AGM:</p> <p>11 December 2018, London</p> |

The meeting ended at 12.35pm.