

**INTERNET WATCH FOUNDATION
Board Meeting**

10.30 am, Tuesday 18th September 2007

At IWF offices, 5 Coles Lane, Oakington, Cambridge, CB24 3BA

MINUTES

Present: Amanda Jordan (Chair), Emma Ascroft, Sonia Livingstone, Hamish MacLeod, Tink Palmer, Jim Reynolds, Camille de Stempel, Ian Walden, Suzy Walton

IWF Staff: Peter Robbins, Brian Wegg

Also in attendance: Stephen Locke (observer)

Apologies: Rodney Brooke, Naomi Cohen

1 Apologies, welcome and introduction of new Directors

Chair welcomed everyone to the meeting and noted the apologies.

(a) Panel recommendation on the appointment of directors

Board unanimously **approved** the Panel's recommendations on the appointment of four new directors.

Chair welcomed Suzy Walton and Stephen Locke to their first Board meeting. Stephen's term of office commences on 1 January 2008 and he was attending as an observer on this occasion.

2 Minutes of previous Board meeting – 3rd July 2007

These were **agreed** as a true record of the meeting.

3 Matters arising - (including action summary from 3rd July)

Board noted the position with regard to an application to the Charity Commission to remunerate IWF Trustees.

All other 'actions' had either been carried out or were part of today's agenda.

(a) To consider the key strategic themes for IWF over the next three years

Board noted the key themes identified and Chair outlined some of the issues raised at Executive Committee when the Chair and Vice-chair of Funding Council joined the meeting.

Following further discussion, CEO reminded Board that in order to formulate a budget and develop a funding model, it was necessary to agree on the key strategic aims for the next three years.

ACTION 1: Further discussion on strategic aims and budget formulation at the next Board.

Concern was expressed about plans to form a new police team to deal with 'notice and takedown' for content relating to religious hatred. The overlap in some aspects of incitement to racial and religious hatred and the potential for confusion on where to report such content were noted.

ACTION 2: CEO to discuss the position with online content inciting religious and racial hatred with appropriate government officials and report back at next Board

4 Minutes from Executive Committee of 11th September - for information (to follow)



5 Governance:

(a) Sub-committee feedback – Communications:

Chair reported that the committee had not met since the last Board meeting. The plans for raising awareness through further road shows and a targeted campaign were noted.

- (i) Press cuttings
Noted.

(b) Sub-committee feedback – Audit – Hamish MacLeod

The committee had met recently and the Chair, Hamish MacLeod, gave a brief summary of the issues covered. Hamish reported that the committee had received and considered a comprehensive risk and security policy which would be presented to the November Board meeting.

ACTION 3: Risk and Security policy to next Board meeting.

Current financial year - 2007/8:

- (i) Exception report to August 2007
- (ii) Group balance sheet Apr-Aug 2007/8

Board noted the feedback from Audit Committee that all variances had been examined and the financial position against budget was broadly neutral. The group balance sheet was noted.

Review 2006/7 year end accounts:

- (iii) IW Ltd accounts

Board noted that this financial year was the first full year of charity accounts with IW Ltd operating as a trading subsidiary of IWF and this made comparables very different.

- (iv) IWF accounts

These were the consolidated accounts for the charity and the trading company and Board noted that the Audit Committee had received a presentation from our company auditors, Peters Elworthy and Moore, during which there was the opportunity to review and examine the accounts in detail.

The accounts were **approved** unanimously

- (v) Management letter

Audit Committee had reviewed the issues set out by the auditors, particularly with regard to the reserve, and noted the decision to open a time deposit facility. In response to the letter a fuller review of investment policy would be undertaken and reported to Board through the Audit Committee.

(c) Membership update

Board **approved** the three membership applications from GSMA (£5,000), St Bernard Software (£500) and Image Analyzer (£500).

Board noted the membership resignation of Verizon Business and expressed concern that after 8 years of supporting IWF the company had chosen to resign. Following further discussion, Board **agreed** that the Chair should write to Verizon Business and ask them to reconsider their decision.

ACTION 4: Chair to write to Verizon



(d) Funding Model – discussion document for further development

CEO introduced the paper and stressed that this was a discussion document which needed further development and input from Board and industry. He explained the extensive research that had gone into formulating the paper and the difficulty in developing a model which was consistent across companies of varying size and sector.

In answer to a question, the CEO pointed out that until the three-year strategic plan was agreed it was not possible to forecast budget needs and estimate the required subscription levels. Board noted that the paper had explored options with a view to achieving greater clarity and sustainability rather than increasing income.

Some Board members expressed concern about the costs of maintaining the £500 category of membership and felt the viability of this membership level should be reviewed. Although the thrust of the provisional recommendations was not to increase subscription levels, Board members felt it was important to understand what the impact of increases might be on renewals and the recruitment of new members.

Board concluded that 'blue-chip' companies, particularly those providing internet-related services, should be eligible for membership and that consideration should be given to the introduction of a category of 'supporter member'.

Chair thanked the executive for a helpful discussion paper and **summarised the key points** from the discussion as follows:

- The purpose of the review is clarity and sustainability in the membership model;
- That following the development of a three-year strategy, the forecast budget should be examined in order to separate expenditure into areas which should be UK-based internet funded and other expenditure;
- That the cost and viability of £500 membership be reviewed;
- That 'relevant turnover' appeared to offer a sound basis for tiered membership;
- A category of 'supporter member' should be introduced;
- That membership for appropriate 'blue-chip' companies should be considered;
- That the capacity for raising money from other sources should be explored;

6 Policy considerations:

(a) Extreme Pornography

CEO introduced the paper and explained that its purpose was to establish a Board position which could be supported by industry. Board Executive Committee had considered the issues and concluded that the proposals were not a significant change to remit but an amendment to the remit which encompassed new legislation. The Committee noted that obscenity was about impact and the term used in the bill of criminal pornography was new to UK legislation.

CEO confirmed that it was unlikely that the content envisaged would be hosted in the UK so there should not be any significant impact on IWF resources. However, it was difficult to predict the demand in relation to user generated and user distributed content which may come to the attention of IT professionals. The CEO surmised that media attention is likely to surround the introduction of the legislation which might lead to an initial increase in reports. Board members felt that if the legislation was introduced it would be important to extend the FAQs in order to clarify our role.



Chair ruled that the proposed amendment was not a major change to IWF remit but it was important to have an open debate on the issues and to make a Board recommendation to Funding Council.

Board concluded that the new legislation will qualify the terminology and its application in assessing criminal obscenity and noted that as a result, IWF assessments, which were part of our remit under criminally obscene content, would not be made by sole reference to the Obscene Publications Act but would include the new Criminal Justice Bill. In consulting industry it was important to have legal clarity with regard to the impact on our remit.

ACTION 5: Professor Ian Walden agreed to provide legal clarification with regard to the proposed Criminal Justice Bill and its overlap with the Obscene Publications Act.

Board unanimously **supported** the view that IWF should take on this work and that to do so would not be a significant change to the current remit.

(b) CAIC:

Board noted that the list of companies being supplied with the CAIC URL list had been published on 4 July 2007.

(i) Validation – industry feedback

No substantial concerns had been raised from industry feedback and a practice document would need to be established. Board noted that the IWF executive would invite Funding Council to establish a working group to take this work forward.

CEO confirmed that a detailed costing had not been calculated for IWF to carry out validation for individual members because of concerns expressed that IWF would be compiling the list and then verifying its delivery and effectiveness for a member company to certify back to the IWF that it was compliant with the initiative.

7 Chair and CEO matters:

(a) Chair's report – oral update

Chair reported that she had exchanged letter with government ministers and had met Vernon Coaker recently when there had been the opportunity to raise a number of issues.

(b) Chief Executive's report – information

CEO confirmed that the relationship with our US counterparts had improved following a meeting in London and the Hotline Manager's visit to NCMEC.

Board noted that the possibility of an EU data base was back on the agenda and that IWF had offered to assist with the drafting of a specification to enable INHOPE to progress the programme.

8 Operational matters:

(a) Hotline Operational report – information

The report was noted.



9 AOB

There was no further business.

10 Board dates for:

(a) 2007: 27th Nov. – Tuesday, 10.30am.

(b) 2008: Draft meetings schedule – dates **confirmed**.

The meeting closed at 1.10 pm.