



INTERNET WATCH FOUNDATION BOARD MEETING

**9am – Tuesday 19th July 2011
At the Magdalene Room, The Belfry Hotel, Cambourne, Cambridge CB23
6BW**

MINUTES

Present: Eve Salomon (Chair)
Stephen Locke (Resigned as the Independent Vice-Chair)
Rodney Brooke
Naomi Cohen
Mary MacLeod
Jonny Shipp (Industry Vice-Chair)
Suzy Walton
Brian Webb
Andrew Yoward

IWF Staff: Deborah McGovern (DCEO) ("DM")
Helen Redman ("HR")(minutes)

In attendance: Susie Hargeaves

Apologies: Peter Robbins (CEO)

Closed session

There was a closed session of the Board from 9am – 10.15am.

1. Welcome, Apologies and Declarations of Interest

The Chair welcomed Susie Hargreaves to the meeting.

Apologies were received from Peter Robbins.

There were no declarations of interest.

2. Minutes of the last meeting

The Board approved the minutes of the Board meeting held on 24th May 2011.

3. Matters arising - including action summary



The Chair said that Stephen Locke had resigned as Independent Vice-Chair with immediate effect, and that the Independent Trustees had agreed to appoint Suzy Walton as the new Independent Vice-Chair.

5.4 – Trustee Expenses – discussed as part of Agenda Item 10.

7.5 – Self-Certification – DM said that the sub-Committee would meet in September. The “A” companies have been removed from the IWF’s website and the “B” companies are in the process of being contacted.

11.6 – dealt with under Agenda Item 10.

16.11 – DM said that discussions were on-going with the IWF’s solicitors and insurers.

20.14 – The Chair said that the Board had subsequently decided not to co-opt, and that a new Independent Trustee would be recruited.

The Chair said that she had decided to stand down. The recruitment for a new Chair will commence with a view to an appointment being made by the end of the year. The Chair agreed to continue as Chair until such time as a new Chair is appointed.

4. Report on the Eligibility Criteria for Independent Board Members.

The paper was noted by the Board.

In the past, the Nominations Committee had considered applicants on a case by case basis and had exercised its discretion to discount applicants who met the eligibility criteria, but who in the Committee’s opinion, were not independent. The Board considered it would offer the most flexibility for the IWF not to add further formal prohibitions for the time being. However, the Board considered that it would be questionable whether a serving police officer would have the necessary independence to be eligible to be an Independent Trustee.

Agreed

The Board decided that it would be appropriate for the Nominations Committee to continue to exercise its discretion, and make decisions on a case by case basis, when considering applicants for appointment as an Independent Trustee.

5. Annual Report from the Audit Committee

RB spoke to the paper. RB said that further to comments made by the Auditors in the Key Issues Memorandum, the Audit Committee was recommending to the Board that all confidential Board and Committee meeting minutes should be made available to the Auditors. HR will be asked to hold copies of all confidential minutes on behalf of the Board and to give them to the Auditors as a matter of course.

DM said that in terms of mis-statements, only one was an error, the others were necessary adjustments required to be carried out by the Auditors.



(a) IWF Trustees' Report and Financial Statements

The Board approved the IWF's Trustees' Report and Financial Statements for the year ended 31st March 2011. The Chair was authorised to sign the accounts on behalf of the Board, subject to a minor amendment being corrected.

(b) IWL Directors' Report and Financial Statements

These were noted by the Board. RB said that the Audit Committee had asked DM and LB to investigate alternative ways of managing IWL income, and to report back to the Committee.

(c) Auditor's Management letters

The Letter of Representation for IWF was approved by the Board, subject to minor amendment.

(d) Key Issues Memorandum

This was noted by the Board.

(e) Risk Register

DM said that feedback from the December risk workshop had been incorporated into the new Risk Register, and that input had been received from the Audit Committee.

The developments regarding Article 21 were noted and it was decided that work regarding splash pages should be re-visited and expedited in the light of this.

(f) Health and Safety

This was noted by the Board.

(g) ISO Compliance

This was noted by the Board.

Agreed

All confidential Board and Committee meeting minutes are to be made available to the Auditors automatically. HR will hold copies of all confidential minutes on behalf of the Board.

Action 1

DM and LB will report to the Audit Committee at its next meeting about the management of IWL income.

Action 2



HR is to ask the Auditors to make a minor amendment to the IWF's accounts.

Action 3

HR is to ask the Auditors to amend the Letter of Representation for IWF.

Action 4

DM will add additional strategic risks to the Risk Register to cover risk to self-regulatory bodies and risk resulting from resignation of the Chair.

Action 5

JS will ask the FC for a status update on members' use of splash pages. JS will then update DM.

Action 6

Fred Langford is to be asked to advise on any technical implications of the IWF hosting splash pages.

Action 7

The Board is to have an annual discussion on risk. HR is to insert into the annual Board planner.

Action 8

DM will take the revised Risk Policy to the next Audit Committee meeting.

Action 9

There is to be a protocol for leak incidents.

Action 10

The Chair will write letters of thanks to those Ministers who have lent support to the IWF in the discussions surrounding Article 21.

6. KPIs

DM said that the Audit Committee had discussed KPIs at their last meeting. The Chair of the Board had asked that the whole suite of information be brought to the Board. DM said that the Audit Committee had decided that it will measure Delivery against annual plan and finances at each of its future meetings.

Action 11

The KPIs are to be refined going forward so that they include additional qualitative KPIs.

7. Membership Update

This was noted by the Board.

Agreed

Applications for full membership from Logicalis, and for associate membership from WeSee, were approved by the Board.



Agreed

Future decisions on membership were delegated by the Board to the Executive, subject to the Executive drawing the Board's attention to any concerns.

8. Chair's Report

No meetings to report.

9. CEO's Report

This was noted by the Board. The Board noted Sarah Robertson's resignation. Stephen Locke said that the outcome achieved on Article 21 was very good.

Action 12

HR will liaise with Jonny Shipp about a possible speaker at the AGM about PhotoDNA.

10. Audit Committee Report

(a) Draft Committee meeting minutes - 22nd June 2011

These were noted by the Board.

The Chair of the Audit Committee said that the Committee had decided that a discrepancy between the Chair of the Board's contract and the IWF's Financial Delegations ought to be rectified. The proposed wording for the Financial Delegations was circulated to the Board and approved. The Chair had agreed minor amendments to her contract to reflect the change.

The Chair of the Audit Committee said that the Chair of the Board had complied with the terms of her contract in taking legal advice but that the auditors had recommended to avoid any possible uncertainty that the Board formally approve the legal expenditure incurred.

The Audit Committee had further agreed that in future the CEO would approve trustee expenses, consulting with the Chair in the event of any exceptional claims.

It was noted that all of the recommendations resulting from the Hotline Inspection had been implemented or were in progress, except those regarding age assessment training and staff training. The Audit Committee will keep the implementation of recommendations under review, until such time as all are either signed off or abandoned.

PR's note regarding discussions about the Hotline Report was noted by the Board.

(b) YTD Consolidated Balance Sheet

This was noted by the Board.



(c) YTD Profit and Loss Account – (attached)
This was noted by the Board.

Agreed

The IWF's Financial Delegations are to be amended to reflect the Chair's contract.

Agreed

The Board approved the legal expenditure set out in the Financial Delegations paper which was provided by DM to the Audit Committee on 18th July 2011.

Agreed

The Board agreed that a summary of the Hotline Inspection Report should be published together, with the recommendations and timelines for implementation. The entire Report is to be made available to the Funding Council with staff names redacted.

Agreed

The Board will have a discussion about confidentiality of reports to the Hotline.

Action 13

HR is to amend the Financial Delegations.

Action 14

The Chair's contract is to be amended.

Action 15

The Hotline Inspection Report is to be published on the basis approved by the Board.

Action 16

HR is to add discussion about confidentiality of reports to the Board planner.

11. Organisational Values

DM spoke to the paper. The Board endorsed the values agreed by staff.

Agreed

The Board will hold a joint values session with staff with a view to there being a single set of organisational values. The session will be held in Cambridge after the November Board meeting.

Action 17

HR is to revise location and time of November Board meeting.

12. Funding Council Report

JS said that the Funding Council had three questions to put to the Board. These were:-



1. What are the total unplanned costs arising from the resignation of the CEO?
2. What are the plans for improving relations between the Board and FC? The FC has requested a copy of the Independent Vice-Chair's Job Description.
3. When was the Strategic Plan 2011-2014 approved by the Board?

Susie Hargreaves has been invited to attend the Funding Council meeting on 19th September 2011 but will meet some members of the FC prior to this date.

Action 18

DM will provide Jonny Shipp with details of the unplanned legal and recruitment costs arising from the CEO's resignation.

Action 19

Jonny Shipp will respond to the Funding Council regarding question 2.

Action 20

DM will give Jonny Shipp the date that the Board approved the Strategic Plan and details of the Board's consideration of proposed amendments submitted by Funding Council.

Action 21

DM and Stephanie Ayres will liaise regarding Susie Hargreaves meeting members of the FC.

Action 22

Appointments will be made for Susie Hargreaves to meet with Board Members.

13.Hotline Operational Report

This was noted by the Board. Henceforth, the full Report will be made available to Trustees between meetings, with highlights featured in the CEO's report.

Action 23

Consideration is to be given to the hotline data being made available in the private area of the IWF's website, and to there being an annual hotline operational report showing year on year trends.

Action 24

Board Members are to be given access to the private area of the IWF's website.

14.AOB



The Chair said that the Board would like the Executive to review the amount of documentation that is issued for Board meetings.

It was noted that Peter Robbins would resign as Company Secretary of the IWF at the same time as resigning as CEO. The Board agreed that Helen Redman was to be appointed as Company Secretary of the IWF from 1st August 2011, subject to review.

The Board asked that their thanks to Peter Robbins for his services as the IWF's CEO be recorded, and wished Peter every success for the future.

Action 26

Susie Hargreaves is to review Board agendas with the Chair with a view to increasing the time available for discussing policy and strategy.

Action 27

The appropriate Companies House and Charities Commission returns are to be made to deal with the resignation and appointment of Company Secretary.

15.Date of next meeting

The date of the next Board Meeting is 27 September following the AGM and Joint Industry Event in London.

The meeting ended at 12.20pm.

Note: Subsequent to the meeting the Board asked that it be recorded that Suzy Walton had stood down as Chair of the Remuneration Committee, in view of her appointment as the new Independent Vice-Chair, Naomi Cohen had been appointed Chair of the Remuneration Committee, and Stephen Locke had been appointed as a Remuneration Committee member.