

**Internet Watch Foundation
Board Meeting
2 pm - Tuesday, 23rd September 2008
Wren Suite, St Paul's Cathedral, London EC4M 8AD**

MINUTES

Present:

Amanda Jordan (Chair)

Emma Ascroft (industry Vice-chair)

Rodney Brooke

Mark Gracey

Hamish MacLeod

Tink Palmer

Ian Walden (non-industry Vice-chair)

Suzy Walton

IWF Staff:

Peter Robbins (CEO)

Keren Mallinson

Brian Wegg

Apologies:

Naomi Cohen

Stephen Locke

Also in attendance:

Simon Persoff, Chair of Funding Council

1 Apologies and welcome

Chair opened the meeting, noted the apologies and welcomed Simon Persoff, Chair of Funding Council, to the meeting as an observer.

2 Minutes of previous Board meeting – 8th July 2008

Board considered a proposed amendment to the minutes with regard to the record of discussions on permitted payments to Board members. A copy of the amendment was circulated and Board unanimously agreed that they did not wish to accept the proposed amendment to the minutes. The following text changes were agreed:

- Agenda item 10d) – amend the wording to, 'Ministry of Justice'.
- Agenda item 7 – penultimate paragraph, last line, amend to, '...and that Board had now taken action to address this matter.'

The minutes were approved subject to the above changes.

3 Matters arising - (including action summary from 8th July 2008)

The 'action summary' and responses were noted and there were no further matters arising.

4 Feedback on the morning's joint event

Chair expressed her thanks to the secretariat for the morning's arrangements and her appreciation to the three speakers.

ACTION 1: Executive to write and thank speakers

Simon Persoff asked Board to note that the morning's events had been well received by his industry colleagues and the success so far of the IWF partnership in the UK combined with the issues raised by speakers begs the question – where are we going now? What are the ramifications of this success and is there migration to other platforms. Board members supported the view that some important matters had been raised and concluded that it was essential to have a debate on the key issues.

ACTION 2: Executive to prepare a discussion paper on the issues raised by the morning's speakers and the subsequent debate – an outline paper which scopes the issues to be presented to the November 25th Board meeting (with further more detailed discussions at the January 2009 Board meeting).

The executive was encouraged to think expansively as the paper was assembled and prepared for further discussion.

Chair drew attention to her announcement that she would not be seeking a second term of office as Chair and initiated a discussion on appointing a replacement Chair. It was noted that a present non-industry trustee had expressed an interest in applying for the Chair post but the company Articles of Association specified a 6 year maximum for the time trustees may serve. The 6-year maximum period presented difficulties for any trustee who had already served for a significant period of time.

Board noted that two terms of three years was generally regarded as best practice but industry colleagues pointed out that with a limited pool of industry members who were able to serve as Board members, the 6-year maximum could present difficulties. Board considered the implications of any changes and asked the secretariat to seek legal advice on varying the maximum period of office for Chair appointments.

ACTION 3: Secretariat to seek legal advice on how the Chair's maximum period of office could be varied.

It was noted that the Chair appointment was subject to 'an open selection process'.

Board considered how to manage their affairs in the interim and concluded that the non-industry Vice-chair should assume the role of Acting Chair from 1st January 2009 until the appointed Chair was able to take office and that an election of an Acting non-industry Vice-Chair would need to be conducted.

The two Vice-chairs along with an agreed independent person from outside the Board would normally form the Appointments Panel for the Chair selection process. It was agreed that on this occasion the industry Vice-chair would chair the panel and Board would nominate a non-industry Board member to assume the role of Vice-chair for the selection process. It was agreed that in the initial stages Board would oversee the recruitment process and asked the executive to invite Rockpools and Odgers to quote for the work of recruiting a Board Chair who could take office from 1st April 2009.

ACTION 4: Secretariat to:

- a) circulate a draft job description and person specification for the office of Chair;
- b) brief the preferred recruitment consultants; and
- c) ensure that the election of an Acting non-industry Vice-chair takes place.

5 Minutes from Executive Committee of 9th September

These had been circulated separately and were noted.

6 Operational matters:

a) outline report

The report was noted.

b) KPIs and the strategic plan

The Director of Policy and Performance introduced the paper, explained the background and asked Board to note that this was a new management approach and performance framework for IWF and some of the performance indicators required further development.

Some Board members expressed concern that the text set alongside some of the indicators described the Board as being 'held accountable' for performance indicators where the factors were clearly outside their control. It was acknowledged that some of the indicators were measuring operational activities and although Board should be aware of these trends they should not be described as being accountable for the trends. Following further discussion, the meeting concluded that at Board level they would be looking for strategic indicators of IWF's progress.

Board noted that the framework was an extremely helpful document in capturing a range of indicative data and was 'work in progress'. The executive acknowledged that text accompanying some of the performance indicators needed further refinement and the framework would be developed taking into account Board comments.

ACTION 5: The executive to develop the performance framework and bring back an updated version to the November Board meeting.

7 Online content – policy matters:

a) Extreme Pornography

Chief Executive outlined his recent discussions with regard to this content and the introduction of the legislation. Board was apprised of the arrangements for joint training, the negotiations on a protocol with the police and IWF's ongoing work on a technology response and a communications strategy. Industry Board members stressed the need for robust partnerships and reassurances about the impact on IWF resources before the matter went back to Funding Council for information.

b) CAIC - Self-certification - Working Group report

Mark Gracey introduced the paper from the industry working group, outlined the process and explained that the paper had been 'parked' awaiting the recommendations from Board on a remedies and sanctions proposal as part of the validation process. Concern was expressed that the proposed self-certification process would only allow the lodging of an annual certificate when the process was working which could be misleading if the testing was unsuccessful in the last quarter only. Industry Board members explained that the validation process was 'work in progress' and further development may be necessary when the proposals on remedy and sanctions were considered at the next Board meeting.

ACTION 6: A remedy and sanctions paper to be presented alongside the self-certification proposals to the November 25th Board meeting.

c) CAIC testing by IWF/IWL

The Director of Policy and Performance introduced the paper and outlined the recommendations. Board considered the potential conflict of interest arising from IWF supplying the list and testing its application. Some Board members expressed the view that no conflict of interest arose, since the testing carried out by IWF would be on the success of the blocking process which IWF did not supply and IWF was simply offering a service as a contractor carrying out third party testing. Alternatively, some Board members had concerns about the perception that IWF was testing its own solution.

Chair noted the diverse views being expressed by Board members on an important matter of principle and proposed that the matter be carried forward for a decision at the November Board meeting.

ACTION 7: An updated paper with more detailed cost data to be brought back to the Board meeting on 25th November

d) Incitement to racial hatred

The letter from the Home Office was noted. Chief Executive updated Board on his recent discussions on the matter.

e) The Byron Review Action Plan - Harmful content on the internet and in video games - a briefing report

Chief Executive explained that at this stage the paper was an information item and the paper was noted.

8 Audit Committee – Hamish MacLeod, Chair:

Current financial year - 2008/9 – financial reports:

a) Group management accounts (P & L) and balance sheet

Hamish MacLeod pointed out that the Audit Committee had not met since the last Board meeting. The latest financial reports had been circulated to all committee members and he asked Board to note that the reports indicated that IWF remained financially sound.

b) Revised Investment Policy

Hamish pointed out that the Audit Committee was in the process of ensuring that IWF's reserves were held in accordance with the revised policy but continuing market volatility had resulted in the need for a further review of the policy principles approved at the last Board meeting in July. Hamish stressed that it may be necessary for the Audit Committee to take emergency action outside the principles set out in the policy and report the matter to the Board.

ACTION 8: Audit Committee to review the position at their meeting on 13th October and report any emergency decisions to Board.

9 Remuneration Sub-committee Suzy Walton, Chair

Suzy Walton asked Board to note that the Remuneration Sub-committee had met on 15th September and considered the following matters:

- Bench marking the CEO salary - the proposed procedure and decision making process;
- Reviewing the detailed policy on the application of Board attendance allowances following Board approval on July 8th 2008 – The committee is proposing an amendment to the policy application with the secretariat being given delegated powers to make any substantive in year adjustments as may be necessary, and any adjustments to be reported to the Board annually;
- The rate at which the daily attendance allowance should be paid – a process for reviewing this on a periodic basis has been agreed but two committee members had a pecuniary interest and will be reporting the process to the Audit Committee for review and seeking the committee's view on the process for approving the revised daily rate; and
- Total reward for staff was also considered, and whether this should form part of the employment package on offer to staff. The difficulty of operating such a scheme without an in-house HR facility was noted and the committee will discuss this further.

Chair ruled that attendance allowance payments should be reinstated and Board unanimously agreed that the approved Board attendance allowance policy and any subsequently approved revised daily rate should be backdated to 1st July 2008.

10 Communications Committee – Naomi Cohen, Chair (not present at the Board meeting):

a) Press cuttings

These were noted.

Board noted that the committee had not met since the last Board meeting and there were no further matters to report.

11 Membership matters:

a) The funding model and access to services

Chief Executive said that a first draft paper had been assembled but there were a number of complex issues which needed further development before a set of recommendations could be brought to Board. The two Vice-chairs and the executive were looking at these issues together and a paper would be brought to the November Board meeting for further discussion.

ACTION 9: First draft paper to be refined for presentation at Board on November 25th

b) Member survey

Chief Executive said that the survey had been circulated for information and that the level of responses had been disappointing. Simon Persoff said that he would be picking up on some of the issues raised with his industry colleagues.

c) Membership update

The applications for membership from Bluecube Technology Solutions, Viatel, Censornet, Nominum, Scansafe and eSafe Education were approved.

Chief Executive asked Board to note that consolidation in the industry was continuing and this could impact future membership income.

12 Governance matters:

a) Trustee expenses – revised policy

Section 4 of the policy to now read:

4.1 IWF will meet travel expenses incurred by a Board member whilst undertaking approved official business on behalf of the organisation. Board members are expected to use the most cost effective form of transport which will enable them to manage their commitments.

4.2 Under the terms of this policy this includes reimbursement for:

- Fares on public transport;
- Taxi or cab fares;
- Car parking fees;
- Car mileage based on IWF rates for Board members.

Subject to the above amendments to paragraphs 4.1 and 4.2, Board unanimously approved the revised policy.

b) Board Executive Committee – a review of its role

Board resolved to retain the Board Executive Committee in its present form and to clarify its role within the governance structure.

ACTION 10: The secretariat to revise the committee's terms of reference as part of the annual review of committee terms of reference.

c) Policy on responses to public

The note at the first asterisk on page 2 of the policy should read, 'The views of Associate and non-industry members will be taken into account'.

Subject to this change Board unanimously approved the policy.

13 Chair and CEO matters:

a) Chair's report

Noted.

b) Chief Executive's report

Noted.

14 AOB

Chair asked Board members to note that the event in the Scottish Parliament on the 24th November would now be a reception starting at 6 pm and not a dinner as previously discussed.

15 Board dates for:

2008:

- Monday 24th November – reception at 6 pm in Scottish Parliament, Edinburgh
- Tuesday 25th Nov. 9.30 am, Edinburgh – Board meeting

2009 - All Tuesdays :

Jan 27th, March 24th, May 19th, June 30th, September 29th, December 1st

The meeting closed at 5.05 pm.