

**INTERNET WATCH FOUNDATION
BOARD MEETING**

10.30 a.m. - Tuesday, 30th June 2009

At Peters Elworthy & Moore, Salisbury House, Station Road, Cambridge CB1 2LA

MINUTES

Present: Eve Salomon (Chair), Rodney Brooke, Mark Gracey, Stephen Locke, Hamish MacLeod, Tink Palmer, Ian Walden (non-industry Independent Vice-chair)

IWF Staff: Peter Robbins (CEO), Keren Mallinson, Brian Wegg

Apologies: Emma Ascroft (industry Vice-chair), Naomi Cohen, Suzy Walton

1 Apologies and welcome

Eve Salomon welcomed everyone and noted the apologies.

2 Minutes of previous Board meeting – 19th May 2009

These were **approved** as a true record.

3 Matters arising - (including action summary from 19th May 2009)

Board members noted that it had been agreed that the timeline for making the Board appointments would be pushed back and recruitment would start from late September onwards.

ACTION [carried forward from the Board meeting on 19th May 2009] – Executive to circulate the Board member job description and person specification.

All the other actions from the previous Board minutes had been carried out and there were no other matters arising.

Reports to the Board:

4 Chair's report

a) Executive Committee

The Chair outlined some of the key issues from the committee meeting on 16th June:

(i) Committee restructuring

The Chair introduced the paper and said that the Executive Committee supported the recommended changes which were designed to focus the Board on governance responsibilities. The Chair had discussed the proposals with the absent Board members who all supported the changes. Following discussion the Board unanimously **approved** the recommendations that:

- The committee structure is revised so that the Remuneration Committee reports directly to the Board and the Communications Committee is discontinued;
- The Remuneration Committee remit is extended to include:
 - *'Overseeing the process for determining remuneration policies and systems, and other significant terms and conditions of employment; and*
 - *Any other related matters which the Board may direct'.*
- The Remuneration Committee will have delegated powers to agree the Chief Executive's reward package in consultation with the Chair of the Audit Committee and the Board Chair;
- The Appointments Panel will be renamed the Nominations Committee; and

- The committee line-up and numbers would be reviewed following the appointment of new Board members at the end of the year.

The Chair stressed the importance of ensuring that Naomi Cohen's communications expertise was harnessed to the work of the IWF and that the staff made use of members' individual skills and contacts generally.

ACTION 1:

- a) Committee terms of reference to be revised as agreed;
- b) Board skill-sets and experience to be captured and used more systematically by the executive.

(ii) Payments to Board members – a review

Rodney Brooke, Stephen Locke, Tink Palmer and Ian Walden asked the Board to note that they had a pecuniary interest in this matter. The Chair invited all Board members to participate in the discussions.

The Chair introduced the paper and noted that the Board had found the calculations for the current attendance allowance policy complex. As a result, the Chair had asked the executive to bring forward the one-year policy review, seek further legal advice and bring forward recommendations for a simplified attendance fee. The Chair said that the Board Executive Committee had discussed the matter, considered the risks identified, and supported the recommendations.

The recommendations from the review were as follows:

- That three IWF trustees are paid an annual attendance allowance fee of £2,400 for Board meetings in accordance with the permission in our memorandum of association. No additional fees (other than expenses) would be paid for attendance at Committee or other meetings;
- That in the event a trustee cannot attend a Board meeting they will ensure a written copy of their views on all significant agenda items is sent in advance of the meeting to the Chair and secretariat;
- That the policy document on payments to Board members of IWF is revised; and
- That IWF Articles are amended in order to refer to permitting payments to IWL directors for their services to that company.

The recommendations were **supported unanimously**.

The start date for the revised attendance payments for IWF trustees will be 1st July 2009 and a letter setting out the revised arrangements and the payment period would be sent to all trustees.

ACTION 2: Secretariat to write to all trustees setting out the new payment arrangements.

b) Meetings past and future

The meetings schedule was noted.

(c) Non-photographic images – update

The Chair introduced the update paper and asked Board to note that the Ministry of Justice had written to her on 22nd June asking the IWF to extend its national Hotline reporting service to enable the public to lodge reports of non-photographic visual depictions of the sexual abuse of children if those images are hosted in the UK.

The Chair said that this was a decision for Funding Council and that the Board would consult the Council on whether they wished this content to be regulated by the IWF. The Board agreed to forward a paper to Funding Council as a matter of urgency seeking their views on the matter from the Funding Council meeting on 15th July. The Board asked that the consultation document should include an impact assessment and reference to any resource implications for the IWF.

The Chair asked industry directors if they could use their best endeavours to formulate an industry response in time for the Board to consider at their meeting on 29th September

ACTION 3:

- a) Executive to forward a consultative paper for Funding Council to consider on 15th July; and
- b) Funding Council response to be added to the Board agenda for 29th September.

d) Oral evidence to ApComm on internet traffic –update

The Chair confirmed that IWF had been invited to give evidence and that the Chief Executive and independent Vice-chair would attend in the two places offered by the committee secretariat. The Chair stressed that in our evidence we would not take any industry related questions but focus on:

- The success of self-regulation;
- The wide support that this approach attracts; and
- That blocking is only one part of the approach to minimising CAI content.

The Chair asked Board to note that the AGM and joint event with Funding Council on 29th September would take place at Eversheds conference suite in Wood Street, London and the theme would be, *'What is our public purpose? And are we still fit for that purpose?'*

Simon Persoff, Chair of Funding Council, had agreed to jointly lead the event with the Board Chair and would join the IWF and IWL Board meetings in the afternoon which Eversheds had also kindly offered to host.

5 CEO's report

The Chief Executive's briefing paper was noted.

6 Audit Committee report

(a) 2008/9 IWF Accounts

Judith Coplowe, the Director of Charities at Peters, Elworthy and Moore was in attendance for this item.

Hamish MacLeod, committee Chair, explained that the Audit Committee had reviewed the draft accounts, made some minor text changes to the Trustees' Report and were recommending the accounts to the Board for approval.

Judith clarified the level of income from CAIC licences shown in the IWF accounts. In the Trustees' Report, the Chief Executive proposed a minor change to the order of the text shown in line 3 of the paragraph entitled the Review of Activities.

Subject to the text amendment, the Board **unanimously approved** the IWF accounts and letter of representation for 2008/9.

(b) Management letter

The Board noted that no significant matters had been raised and that the recommendation on payroll authorisation had already been implemented by the executive.

The Chair thanked Judith Coplowe for joining the Board meeting for this item.

(c) Update on other matters from 17th June meeting

Hamish MacLeod said that the committee had also looked at:

- The investment market, which was a committee standing item, and the recommendation to Board is to remain cautious via the current investment

- strategy;
- Risk Register;
- Draft standing orders, including financial delegations; and
- Progress on the work from the Hotline audit.

Board **endorsed the recommendation** on investment strategy. Other papers from the committee will be presented to the September Board meeting.

ACTION 4: Papers to the September 29th Board meeting:

- c) Risk Register and summary
- d) Draft standing orders and financial delegations

7 Communications Committee report

(a) Annual Report impact assessment

Tink Palmer introduced the paper on behalf of the committee and asked the Board to consider the key questions about future annual reports raised in the concluding paragraphs.

The Board noted the helpful assessment report and **concluded** that:

- The Board would have a communications strategy discussion at their December meeting;
- A new style of annual report would be explored with the possibility of including a greater emphasis on the human impact of our work – Board members are asked to feed in their ideas for the annual report to the Director of Communications.

ACTION 5:

- a) December Board agenda to include Communications strategy discussion; and
- b) Board members to feed-in annual report ideas to the executive

8 Funding Council report

(a) Code of Practice

Mark Gracey introduced the Code and invited comments. Following a discussion, the Board concluded that they supported the overall principles set out in the Code and noted some minor textual changes which they would wish to see:

Subject to the minor textual changes the Board **endorsed** the Code. Mark invited Board members to send any additional minor drafting suggestions to him by email as soon as possible after the meeting.

(b) CAIC verification – update

Mark Gracey said that the paper for this item had been withdrawn and he would be seeking further views from the Funding Council on some important issues of principle, particularly whether the self-certification scheme would be mandatory.

(c) Wikipedia blocking – impact assessment

Mark Gracey introduced the item and outlined the background to the paper and progress on various streams of work. This was policy work in progress and further discussions would be held by the Board at future meetings.

ACTION 6: The December Board meeting to include a paper on outstanding issues including the independent inspection.

Business and Operational Matters:

9 Financial update

Financial update 2009/10 – (a) management accts to May (b) balance sheet to 31st May

Keren Mallinson, Deputy Chief Executive, introduced the financial reports and asked Board to note that there were no significant variances and that expenditure was slightly below profile. The reports were noted.

10 Funding model – for interactive media

The Chief Executive introduced the paper and explained that this was the third paper in a series of four papers on the funding model and covered the most diverse group of companies. In exploring a potential framework for this group, it had been necessary to look at indicative data to assess relative size and complexity as a basis for funding levels rather than absolute measures of company activity and size. The framework for interactive media was broadly supported by the Board.

The Chair **concluded** the discussion and said that the fourth and final paper containing the full framework from the series of papers would come to the Board meeting on 29th September for final decision and that the approved framework would go to Funding Council for comment.

ACTION 7:

- a) Final paper in the series to the September 29th Board meeting;
- b) Full funding model framework to Board for a final decision on 29th September; after which
- c) The approved framework to Funding Council for comment

11 Membership update

The Board **approved** the membership applications by BlueSquare Data Group, Tiscali International, ByteMobile, Cryptic Software, dns, and Forensic Software.

12 Hotline operational report

The report was noted.

13 AOB

- The secretariat to circulate the draft Board and committee dates for 2009/10 to all Board members; and
- The Chair noted that this was the 156th and last formal IWF meeting for which Brian Wegg would provide secretariat support. On behalf of the Board, the Chair thanked Brian for 10 years of hard work in supporting the Board and helping to develop increasingly robust and professional governance. The Board wished Brian a long and happy retirement.

14 Dates of 2009 Board meetings

Tuesday 29th September:

10 am: AGM; Joint seminar;

LUNCH

2 pm Board meeting:

Tuesday December 1st -

10 am

The meeting closed at 12.45 pm.