



Internet Watch Foundation

BOARD MEETING

**10.00am - Tuesday 09 September 2014
CEOP/NCA, The Cathedral room,
33 Vauxhall Bridge Road, London, SW1V 2WG**

MINUTES

- Present:** Sir Richard Tilt (RT) (Chair)
Mary MacLeod (MM) (Independent Vice-Chair)
Jonathan Drori (JD)
Uta Kohl (UKO)
Peter Neyroud (PN)
Jonny Shipp (JS) (Industry Vice-Chair)
Brian Webb (BW)
Andrew Yoward (AY)
- Apologies:** Catherine Crawford (CC)
Philip Geering (PG)
Sue Pillar (SP)
Emma Hardy (EH) (Director of External Relations - DER)
- IWF Staff:** Susie Hargreaves (SH) (CEO)
Fred Langford (FL) (Director of Global Operations - DGO)
Heidi Kempster (HK) (Director of Business Affairs - DBA)
Sandrine Harvey (SJH) (Minutes)

IWF Board Closed session

There was a closed session of the IWF Board from 10.00am to 10.10am.

1. a) Welcome and Apologies

The meeting began at 10.10am.

The Chair welcomed Uta Kohl, co-optee Human Right Board member, and there were apologies from Catherine Crawford, Philip Geering, Sue Pillar and Emma Hardy.

b) Declarations of Interest

There were no declarations of interest.

2. Draft minutes

a) 03 June 2014

The minutes of the meeting held on 03 June 2014 were approved by the Board.

b) 15 July 2014

The minutes of the meeting held on 03 June 2014 were approved by the Board.

3. Actions arising

The chair noted the good progress made on the actions.

4. Audit Committee report

Judith Coplowe, PEM, IWF's Auditor joined the meeting to present the draft audited accounts for y/e 31/3/2014.

It had been a year of major change for the IWF which included the changes to the membership fees, increases in staffing and the need to procure and move to new offices. This resulted in a budget and cash flow that was changing on an almost daily basis.

The main issue she brought to the attention was that the gift aid from 2012/2013 had not been transferred between IWL and IWF within the required 9 month limit. This resulted in a tax charge due to Inland Revenue of £28,484.

The Trustees asked the executive to account for how this had happened. HK, the current DBA did not take up post until June 2013 and the accounts for 2012/2013 had been prepared by a chartered accountant who had worked with the IWF on a freelance basis between July 2012 and September 2013. She had designed the current accounting system which was extremely robust. Unfortunately she did not make the transfer as part of the year end procedures, and the current DBA was not able to pick this up as she inherited a cash flow changing on a daily basis given the state of constant flux the company was in when she arrived. The number of variables in play meant that normal monthly procedures were impossible to implement.

SH stated that she accepted full responsibility for this omission.

The Board agreed that the omission was unfortunate but understandable in the circumstances and was assured that the situation would not occur again as:

- a) the trading company IWL will be made dormant so licence fees will go through IWF; and
- b) HK always included this as a standard process in her year-end procedures.

However, the Board felt that given the exceptional circumstances of unprecedented activity in the nine months following the year end, we should appeal to HMRC to ask for a dispensation.

The year-end audited accounts for IWF were approved by the Board subject to the resolution corporation tax issue.

Action: HK to write to HMRC explaining the circumstances and requesting dispensation.

The 2014 Q1 management accounts for IWF were approved further to the following amendment:

In the "Income and expenditure for 12 months to 31 March 2014", the sentence "Expenditure at year end was 2% better than expected" should be read as "Expenditure at year end was 2% **less** than expected."

Action: HK to amend accordingly.

The Chair queried the reasons behind holding such a substantial sum on an instant access deposit account. The DBA is due to review the investment policy.

Action: HK to review the investment policy.

A Board member raised some concerns about the income from grant funding/campaign and the IWF International not meeting their targets. As there is no track record of grant campaign/funding, it is difficult to predict the outcome. A similar discussion had taken place at the audit committee in June 2014 and the committee reached the conclusion that the budget would need to be revised accordingly as the grants come in. The Board acknowledged that as the CEO led any fundraising efforts, it tended to happen when she had time so there was no consistent effort.

Cashflow

It has been brought to the attention of the DBA that the cashflow assumptions should reflect those members with 90 day payment terms (90 days after the invoice has been issued).

Action: HK to adjust the wording of the cashflow assumptions accordingly.

5. Funding Council report 22 July 2014

The Board noted the Funding Council (FC) report. The Chair and the CEO both attended the last meeting and are pleased about the open and courteous relationship with the FC.

6. Chair's report

The Chair reported that the last three months have been European focussed. He attended the EURODIG conference in June 2014 in Berlin as a panellist. The IWF's work had been well received and there were no criticisms about censorship.

He and the DGO also attended the INHOPE working group "Horizon" held in July in Berlin following the IWF's concerns about the future of INHOPE.

7. CEO report

2. Strategic developments

2.1 2015-2018 Strategy

The new strategy will be presented at the November Board meeting.

2.2 2014-2015 Business Plan review

Only a few objectives have not been reached yet; overall, the SMT is ahead of the schedule.

2.3 UK Government liaison and projects

Child Abuse Image Database (CAID) - The CEO mentioned that four new analysts will work on the grading of the images for CAID as agreed at the audit committee meeting on 30 August 2014 to spread the workload and the impact on their welfare it might have. The analysts are aware that due to the intensity of the work, they can require further psychological support sessions, should they wish to.

The IWF has still not received the letter confirming access to the hash dataset and it has been escalated within the Home Office.

Torrent Project – On 3 September 2014

It was explained that there has been a hold up due to access issues with one of the project participants and the Home Office had escalated this internally.

The project was due to go live on 1 September however it has been delayed until 1 October 2014.

Splash pages – the new wording for the splash pages has been agreed by the Lucy Faithfull Foundation.

2.4 **Obscene Adult Content**

The CEO will meet with the Home Office, ATVOD and BBFC on 17 September 2014 to discuss the issue in more details.

Action: SH to report back progress in November 2014

2.5 **Trademarking OCSARP and/or IWF**

This issue has been deferred to the November Board meeting.

Action: SH to present at the Board in November 2014.

3. **Conferences**

- 3.1 The CEO and Press and Public Affairs Manager attended the IGF in Turkey the CEO presented on four different panels three of which were on Child Online Protection and one on Multi Stakeholder working. SH and KC attended a number of other sessions and had a range of side meetings.

Further to an invitation sent by the European Commission, DG Home Affairs, the CEO will be attending the US Global Alliance conference in Washington at the end of September.

6. **Membership**

One Member has not renewed its membership due to some internal issues and might renew once it is solved.

The CEO also mentioned that there still were some issues with two Members. To date, both companies still have not paid their membership fees The Board agreed that the executives should meet with the parent company member to resolve the issue. If no solution can be found by the end of September, an invoice for the parent company Member should be raised according to the metrics, including Tumblr.

Action: HK to meet with the parent company member to resolve the issue.

A Board member asked when the next membership review has been planned for. The review is due one year after implementation of the new fees (April 2015). However, following a request from Funding Council to tie in with budget setting the process will be brought forwards and the membership review working group will meet at the end of September to start the process with the aim of reaching agreement by November 2014.

The Chair also underlined that the one off cost for the office move meant that the office move would be funded from reserves. It was essential to restore the reserves back to the 50% agreed level as soon as possible and certainly within three years.

A Board member also mentioned that a solution should be in place, should Scotland become independent.

8. Communications report

The Chair asked if the organisation had already met the new MEPs. Political Intelligence is setting up a round of engagements in early 2015 which will give the new MEPs time to settle in.

A Board member suggested that the IWF should get more engaged with the Children's Commissioner.

Action: SH/EH to invite the Children's Commissioner to IWF events in future.

- 2.2 Further to a query from a Board member, the CEO explained the peak in media coverage in July 2013 following the PM summit, the Facebook reach drop for 2014 and she would ask the DER to explain the numbers of reach in Facebook in October 2013.

Action: EH to explain the number of reach for Facebook to UK.

6. Harm reduction campaign

- 6.1 A discussion took place around the impact that the campaign will have in the long-term. As well as the IWF campaign. It was suggested that awareness of the issue could be built in the national curriculum, in the school life. The CEO will put the idea forward to UKCCIS and Safer Internet Day.

Action: SH to put the idea forward to UKCCIS and Safer Internet Day.

9. DBA report

The DBA updated the Board on the completion of the roof's repairs following the torrential rain.

IWF is currently advertising for two positions:

- (i) Commercial Relationship manager; and
- (ii) Technical Projects Officer, who will work alongside Fred Langford.

10. Technical report

The Board noted the report and welcomed the new charts which show the impact of the proactive work.

1.1.1 Operational Trends

The Chair queried whether the grading of the images for the project CAID will have an impact on the results of the proactive work. The DGO said that it would for August and September as at the beginning of the project, there was no certainty about the number of images which could be processed; the Chair asked the DGO to add a note explaining the reasons for the drop of proactive activity for these two months.

Action: FL to add a note explaining the drop for August – September.

Figure 3: The Chair mentioned that the proactive work is a very good story, and another Board member found the graph impressive.

The Board discussed the issues around the two countries (The Netherlands and Canada) which were hosting the most CSAM and how it could be solved. A Board member informed that there will be some changes in the Dutch police, so the IWF might consider to liaise with CEOP to improve the process in place.

Action: FL to liaise with CEOP to improve the process in place with the Dutch hotline.

16.1 There was a typo in the paragraph, the sentence should read "...not to exceed 18 months starting from 1 January 2015" and not "... starting from 1 January 2014".

Action: SJH to correct the typo.

11. P2P

The Chair thanked the DGO for a very good paper. The Board **approved** that the following actions are explored further as long as there is no trespass in unknown areas:

A1 Reporting – anonymous reporting of CSAM distributed via P2P to the IWF

B1 Disrupt – Police gather hashes/fingerprints

B2 Disrupt – Use image recognition/image analysis technology to scan P2P networks for known content

B4 Disrupt – IP address reporting to ISPs meaning that IP addresses that were regularly found to be trading suspected illegal content on P2P could have their accounts disabled/terminated as a disruption tactic that could be considered.

B6 Disrupt – Research into the scale of the problem on P2P using technology to match keywords, hash values/PhotoDNA values against images and sets of images traded across P2P networks.

The Board **agreed** that these options required a high level debate with NCA-CEOP prior to being presented to the Funding Council. The work on P2P will also be presented at the AGM in November.

Action: FL to explore further the options mentioned and meet with NCA-CEOP before presenting to the Funding Council.

The options B3 (seed fake files/P2P poisoning to potentially reduce content availability (seeding warning messages) and B5 (letters written to bill payers alerting them of illegal activity on their network) were **rejected** by the Board as these options were too risky.

12. Network encryption

The Board noted the paper.

13. EU bid

The Board unanimously **approved** that IWF submit a bid for Lot 2 for the EU Bid to run the EU central CSA database. The CEO and DGO will attend the next Funding Council to discuss the bid.

Action: FL to submit the EU bid and email any developments to the Board.

Action: FL & SH to attend the next FC meeting on 16 September 2014 to discuss the bid.

The DGO clarified that should the Funding Council reject the bid, there is a possibility to withdraw it.

The Board explored the political and governance issues the IWF might encounter.

14. AOB

Mark Hedley, Chief Inspector for process and appeal reviewed the current process and his conclusion is that it is very sound requiring only the inclusion of an additional stage – appeal to Chief Inspector. The final procedure will be presented to the Board in November for approval.

Action: Mark Hedley's recommendations to be presented at the November Board meeting.

The Board was reminded of the following dates:

05 November 2014 – Office opening with Minister Ed Vaizey

25 November 2014 – Board meeting in the morning followed by the AGM in the afternoon at the IWF's new premises. An afternoon tea will be served after the AGM.

The dates for next year were all **agreed** by the Board. It has also been **agreed** that the Board meeting will take place alternatively in London with a start at 10.00am and in Cambridge with a start at 11.00am. A schedule including the Board meetings and the dates when the Board papers are sent will be circulated to the Board.

Action: SJH to circulate the schedule to Board members.

The meeting ended at 12.55pm. Following the lunch, Johnny Gwynne – Director of the NCA-CEOP presented to the Board.