



JUST ALGORITHMS ACTION GROUP (JAAG)

Annual Report September 2022

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1. Company Information

Just Algorithms Action Group Limited

A company limited by guarantee

Company number 13174217

Registered office: 6 Rose Cottage Gardens, Hitchin, Herts SG4 9FG

Web site: www.jaag.org.uk

Directors

Sabina Sadagattoulla Ali

Paul Stephen Holdsworth

Dr Martin Hugh Lloyd

Eoin Arthur McCarthy

Dr Siani Lynne Morris

John Stephen White

2. Chairman's Report

I am pleased to report that JAAG has made progress on several fronts since my last report in September 2021. Our membership has grown; various projects have been initiated; and we have put in place procedures and a governance structure to give us a stable base for the future.

JAAG is fortunate in having members with a wide range of experience and expertise. To make the most of their contributions, JAAG's work is organised around projects that are designed to move us towards our objectives.

Over the past year, we have made progress on a number of projects, which are outlined in the Directors' report, and through which we have: contributed to government policy, begun to develop practical solutions to AI ethical problems and started to promote effective teaching and learning about digital ethics. This is the result of many hours of pro bono work by our members. We continue to develop a funding strategy that will enable our work to grow, whether from donations, grants, or income from the products we are developing.

JAAG is not alone. We are part of a world-wide eco-system of civil society and non-governmental organisations who are concerned about the ethical use of new technologies. The potential for technology, and machine learning systems in particular, to benefit mankind is awesome. But so too are the dangers. JAAG is exploring with others how we can best work together. JAAG has engaged with the UK All-Party Parliamentary Group on Artificial Intelligence and we are pleased to note that the issues transcend divisions between political parties. We keep abreast of developments in the EU and the USA.

Our priorities for the next 12 months are the further development of our Audit Tools project and to continue our contributions to government policy and our dialogues with regulators.

Martin Lloyd, September 2022

3. Directors' Report

Just Algorithms Action Group (JAAG) was founded in 2019. Our goal is “transparency and fairness in digital systems for a safe, interconnected world”.

JAAG’s aims are presented in detail on our website at <https://www.jaag.org.uk/aims>.

Values and Principles

The fundamental values that pervade JAAG are Peace, Equality, Simplicity, Truth, Integrity and Sustainability. We have derived specific principles from these, including:

- We are a membership organisation which depends on volunteer effort supplemented by some paid specialist input.
- The way we operate shall reflect our values.
- JAAG is an Action Group: we seek impactful outcomes.
- Because the issues we address are so profound, JAAG is also a think tank. We seek better technology, better technical approaches, and better standards so that systems can be conceived, developed, constructed, operated, and maintained, and finally decommissioned in an ethical manner.
- We seek alliances, we do not have a monopoly on ethical approaches.

Objectives

Society faces challenges posed by rapidly advancing technological developments, often based upon the use of personal data. JAAG’s motivation sprang from one of our founder members, Eoin McCarthy, who met a victim of the UK’s Universal Credit (UC) Benefits System; he was homeless and living rough because an “algorithm” in the UC System had deprived him (temporarily) of benefits to which he had been entitled. Blaming algorithms has become a pervasive excuse for injustices in our society; these are not restricted to the most vulnerable and socially excluded members of society; they happen in some form or other to all of us. But an algorithm, or any system of Artificial Intelligence, is designed by humans and there is no reason why it should lead to individuals being treated unfairly.

Our short-term strategy (3 to 5 years) is to build JAAG into an organization which will endure for as long as it takes to establish a just equilibrium between humans and digital technology. In view of the way technology is developing, we assume this will take decades. This means setting some specific objectives against which we can measure progress. Our short-term focus is on the following:

- Campaigning for changes to the law and regulatory practices in relation to the effect of digital systems on individuals and society more generally,
- Contributing to the development of government legislation,
- Building our technical credibility and influence by undertaking Research and Development in collaboration with others and then applying the results of our work, and
- Becoming financially independent by building a JAAG business that undertakes consultancy, ethical audit, and related activities.

Membership

We aim for significant growth because we need a self-sustaining body of support. We are keen to attract members from a wide diversity of backgrounds, whether or not they have a good understanding of technology. The challenges we face are too important for the future of society at large to be left to specialists.

JAAG now has 72 paying members, mostly based in the UK, but a few on the continent of Europe and beyond. To date, over 20 of these have been actively engaged (pro bono) in JAAG's work. Over 150 people have opted to receive our newsletters. This level of support has been achieved in the absence of any significant publicity over a two-year period in which the Covid pandemic has swept the world. Most recruitment has been through personal contacts.

We aim to grow our membership sufficiently to attain a critical mass of grass-roots members capable of making our concerns known at local and national level.

Projects

In the course of the year, we have worked on the following projects. Through these, we have contributed to government policy, started to develop practical solutions to AI ethical problems and started to promote effective teaching and learning about digital ethics.

Project 7: Audit Tools

JAAG has entered into partnership with a software development company who have generously offered pro bono work to develop an audit tool that can be used in a variety of technical audits. We plan to expand this to be able to meet the demands of ethical AI audit.

The working prototype configured for one type of audit is now ready for evaluation. After this, the prototype will be extended and tested for real world usage.

Project 37: Tech@Work

We are in the planning stages of a study into the use of technology in the context of employment. Human interaction in the workplace and the meaning of work are being reshaped by the use of new technologies. There have been numerous recent reports of harmful practices enabled by new technologies such as profiling, spying etc. Preliminary research and discussions with actors in the field, have shown that JAAG can add value in helping to develop ethical solutions to promote fair innovation. We look forward to building a partnership with trade unions, industry, co-operatives, and other organisations, individuals and businesses. JAAG is actively seeking a workplace in which to pilot this project.

Project 38: Horizon - Karlstad University

In November 2021 JAAG was part of a consortium of European academics and industry partners headed by Karlstad University (Sweden) which submitted a project proposal entitled "Human Centred Privacy, Ethics and Transparency (PRET)" to the Horizon Europe MSCA Industrial Doctoral Network. The goal of the project was to contribute to a more resilient, inclusive and democratic society, through the application of human-centred design methodologies to develop ethical systems that protect privacy and improve accountability. Unfortunately, this project was not successful in receiving funding and no further follow up is planned.

Project 42: UK Data Reform

In November 2021, JAAG responded to the consultation "Data – a New Direction" issued by the UK Department for Culture, Media and Sport (DCMS). JAAG noted that the proposals for changes

to the regulation of use of personal data would significantly weaken the rights of individuals and would undermine their ability to challenge misuse of their data and loss of confidentiality. The proposed changes were numerous and far-reaching, but the consultation exercise was rushed. Nevertheless, a team of nine JAAG members led by Siani Morris and Paul Holdsworth managed to craft a detailed, 55-page response to the 350 questions contained in the consultation.

Following the consultation, the government in July published the Data Protection and Digital Information Bill. JAAG had expressed disagreement with over half of the proposed elements in the new Bill, but it appears that Ministers intend to put into law the majority of the proposals upon which they consulted. JAAG is now identifying the proposals upon which it should focus its efforts, is collaborating with other groups that share our concerns, and will keep members informed of how they can help.

Project 43: External Relations

JAAG has established productive working relations with other organisations. This project is an attempt to co-ordinate our efforts within JAAG, bearing in mind that our network of contacts increases exponentially with our growing membership base.

As an “Action Group” we are focused on bringing about positive, beneficial change. While opposition and publicity are sometimes called for, progress is often better achieved through informal contact behind the scenes. In particular, we see the need for legislation, standards, and regulation in digital technology. We have been using our experience in other sectors, specifically safety and the environment, to help explain why action is needed and how it might be taken. In the digital sector, we are steadily building political contacts and engaging in dialogue with them.

At a meeting of the UK All-Party Parliamentary Group on Artificial Intelligence in December 2021, co-chair Stephen Metcalfe MP somewhat memorably said that there is an urgent need to “pull the corners of the Landscape together.” JAAG is working to join with other groups to explore how to fulfil this need.

Project 44: Digital and AI Ethics in Schools

JAAG has conducted successful pilots that introduced 12- and 13-year-olds at Tewkesbury School to ethical issues connected with artificial intelligence and machine learning. The school leadership accepted JAAG’s offer to conduct an ethics workshop on artificial intelligence and machine learning. The pilots were externally evaluated by an Emeritus Professor from De Montfort University and a former headteacher. Arising from the success of these pilots, JAAG was invited to undertake a similar project with 6th formers. This project offers resources and lesson ideas for schools that allow collaborative debate and imaginative and creative responses to the integration of technology into human experience. It allows teachers to adapt the resources to fit the needs of their students.

This work has been funded by a generous grant of £3000 from the Yew Tree Fund of Mid-Thames Area Quaker Meeting. The next phase of the project will involve an on-line pilot, enabling more schools to participate.

Outreach

Our communication working group continues to be active posting details of our work on our web site, twitter feed, and LinkedIn account, writing letters to the press and advertising for new members, etc.

JAAG was one of the civil society signatories to a letter to the UK Government highlighting the lack of consultation with civil society on the proposed new Data Reform Bill.

JAAG has been represented at conferences and workshops; in addition, individual members have made presentations to a number of local groups.

The next twelve months

The next year will be a time for JAAG to consolidate the progress it has already made.

We will continue with the projects outlined above, while taking up ideas raised by members. For example, we have hopes of establishing an initiative in Ethics and digital healthcare.

Currently, our main priorities are to continue with:

- a. development of the prototype audit tool into phase 2 of the project, involving the implementation of a version of the tool for the Cross-Industry Standard Process for Data Mining, and
- b. our contributions to government policy and our dialogues with regulators.

Governance

People who pay the JAAG subscription are members of the organisation, which has been incorporated as a not-for-profit company, Just Algorithms Action Group Limited. Its board of directors currently consists of six JAAG members.

A separate company, JAAG Trading Limited, has been incorporated with the objective of generating funds for its parent company's activities. JAAG Trading Limited also has a board of directors who are members of JAAG.

We have made progress in defining governance procedures for JAAG, to ensure that it will endure for the long term.

We conduct our business according to an adapted form of the Quaker Business Method (QBM).

Stewardship Board. JAAG's corporate structure is designed so that all stakeholders – for example: members, partners, customers, end-users, distributors, the tech teams, the community, the other staff, and our commercial and government partners – have an ongoing stake, useful in real time. In this context, the JAAG Board has approved the terms of reference of a Stewardship Board; these are set out in an annex to this report.

The JAAG Stewardship Board exists to ensure that the board of JAAG Ltd operates according to its strategic aims and in a way that complies with JAAG's principles and purpose. One of its duties is to balance and protect the benefits it delivers to JAAG's stakeholder groups. The Stewardship Board also functions as a nominating body and brings forward names to serve on the JAAG Boards and the Stewardship Board.

A Nominating Group has brought forward the names of Roger Ramsden, Paul Hodgkin and Siani Pearson (Morris) to be the first members of the Stewardship Board.

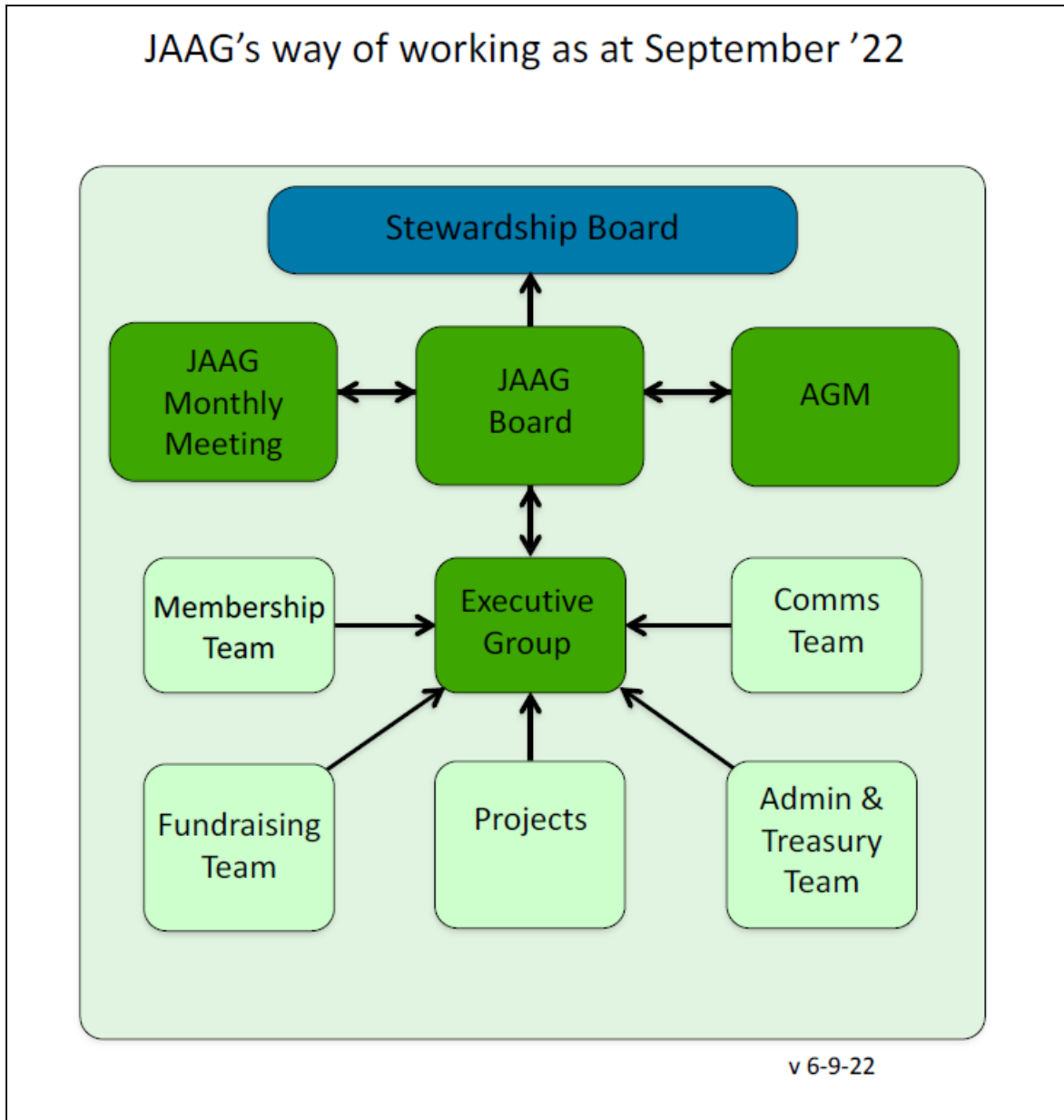
If these names are accepted, the members of the Stewardship Board will begin their first term of office on 1 November 2022.

Executive Group. The JAAG Executive Group was constituted on 15 December 2021, with the following remit:

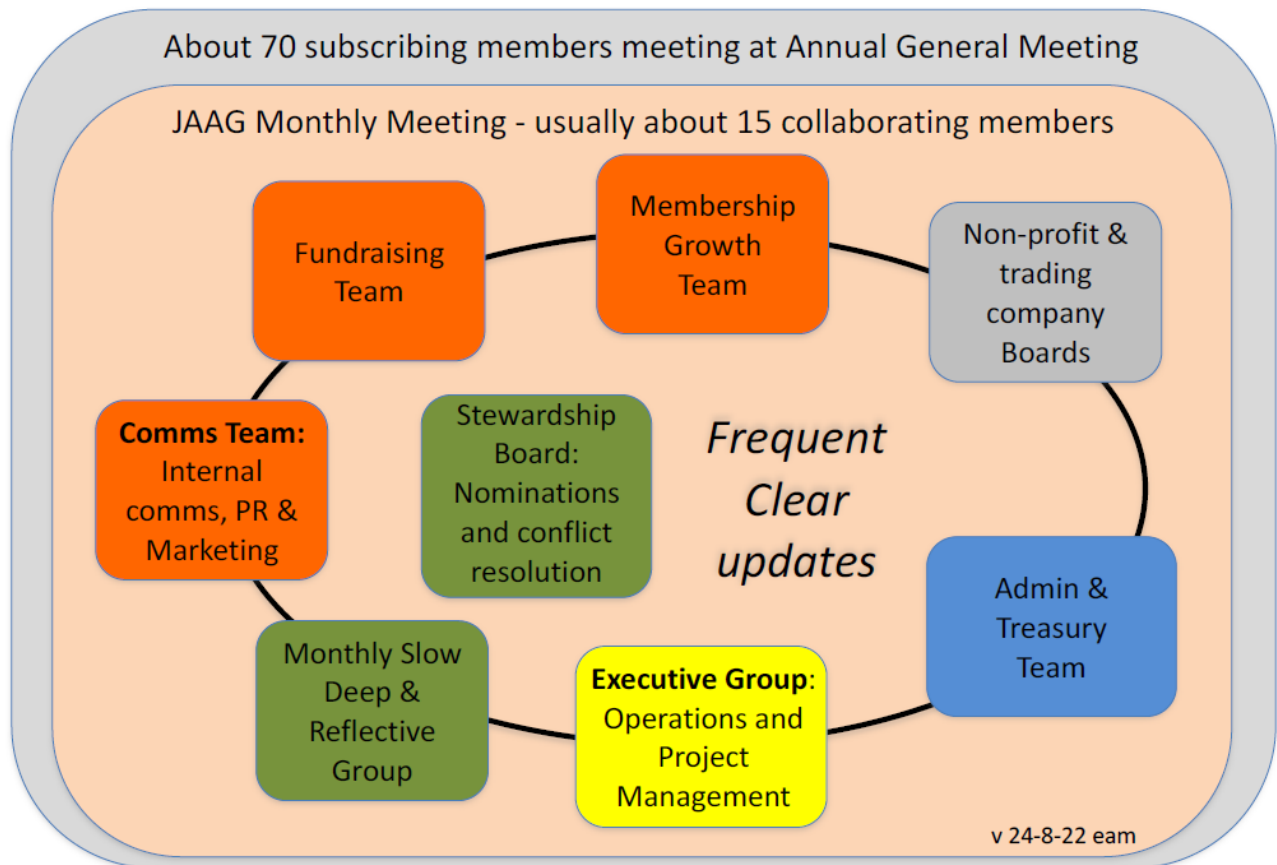
“The role of the EG is to take charge of operational matters including procedures. Typically, it will meet monthly and also take decisions by email between meetings when any such decisions will be minuted. The EG complements the more strategic role of the JAAG board which will meet three times a year.”

The current members of the Executive Group, appointed by the JAAG board, are: Martin Lloyd, Siani Morris, John White, Sabina Ali and Paul Holdsworth.

Structure. Each of JAAG's bodies is accountable to the others - see the Governance and Management Diagram below.



JAAG Governance and management



Risk. JAAG maintains a Risk Register identifying risks to which the organisation could be exposed. The risk register is reviewed on a regular basis; impact and likelihood are discussed with management, with actions planned to minimise identified risks. Actions are recorded in the register for ongoing review and action.

Diversity. JAAG maintains a Diversity Register identifying the cultural, ethnic and gender diversity of workers. The diversity register is reviewed on a regular basis; possible actions are identified and discussed with management. Actions are recorded in the register for ongoing review and action.

‘Slow, Deep and Reflective’ In January 2021, JAAG established a ‘slow deep and reflective’ discussion group to consider matters in the longer term. By the end of 2021 this group's five members brought forward some ideas that were subsequently taken up and incorporated into JAAG’s effort to assemble a holistic view of the landscape. Through 2022, the group has continued to meet with a new membership.

4. Financial Statement

This section presents a Statement of Financial Activity (SoFA) for the period up to 31 March 2022, and a Balance Sheet (BS) for JAAG on 1 April 2022. The first set of accounts to be submitted to the Registrar of Companies for Just Algorithms Action Group Limited will cover all financial activity up to 31 March 2022.

Arrangements have been made for the figures to be independently examined before being submitted to the Registrar of Companies.

A great deal has been achieved so far with very modest financial resources. We have benefited from effort freely given by our members for which we are very grateful.

To achieve future financial stability, we are planning for a strategic mix of financial sources:

- Members, regular donors, and generous one-off donations from individuals with no strings attached.
- Grants from big organisations (public and private)
- Crowd funding
- Surpluses from JAAG Trading Limited's operations in consultancy, ethical audit, collaborative R&D, and other opportunities.

Our ambition is for all members and regular supporters to pay a regular monthly amount by bank standing order. This method has minimal technology risks; members can cancel their payments whenever they like; and JAAG's costs of tracking renewals and sending reminders are greatly reduced. However, to encourage donations from visitors to our website, we plan to establish an online payment platform for one-off payment processing.

Just Algorithms Action Group (JAAG)

Statement of Financial Activity (SoFA) to 31 Mar 22 and Balance Sheet as at 1 Apr 2022

GBP (£)	18 months to Jun 21	9 months to Mar 22
Income		
Member Subscriptions	1,976	950.44
Grants	3,460	0.00
Individual donations	2,968	9,900.00
Bank interest received	0	0.09
Total income	8,404	10,850.53
Expenditure		
Subcontractors	5,204	5,838.10
Travel Expenses	108	169.02
IT infrastructure, website etc	236	850.00
Subscriptions, Fees and donations	364	1,123.69
Bank charges	7	2.30
Total Expenditure	5,918	7,983.11
Surplus for period	2,485	2,867.42

Balance Sheet as at 1 Apr 2022	Notes	GBP (£)
Fixed Assets		
Tangible assets		0.00
Current assets		
Cash		6,204.14
Creditors		
Amounts falling due within one year	2	-851.50
Amounts falling due after one year		0.00
Total Liabilities		-851.50
Net Current Assets		5,352.64
Total Net Assets		5,352.64
Reserves		
Restricted Funds	3	0.00
Unrestricted Funds		5,352.64
Total Funds		5,352.64

Notes

1. The figures in the left hand column of the SoFA were reported to our first AGM last September. They include all income and expenditure from when JAAG was launched up to 30 June 2021. JAAG was incorporated in February 2021 so the first set of formal accounts to be submitted to the Registrar of Companies will be based on the combined figures from both SoFa columns, and a Balance Sheet at 1 April 2022. The accounting year end has now been set at March each year, so the next set of accounts will be for the 12 months ending 31 March 2023.
2. Accruals for member expense claims not yet submitted.
3. Two grants were received in 2020, but the money was not all spent owing to the Covid pandemic. The donors informed JAAG that they were content for the funds to be retained for unrestricted purposes.
4. Just Algorithms Action Group Limited is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding-up is limited to £1.

JAAG Stewardship Board

Terms of Reference

These Terms of Reference were adopted by the JAAG Board on 28 April 2022

1. Service

1.1. The JAAG AGM shall appoint a Stewardship Board (SB) comprising at least three members, at least one of whom shall be a director of all JAAG companies.

1.2. The SB shall meet at least twice each year, using the Quaker Business Method. It shall appoint a Clerk, who shall keep minutes of all discussions. It shall consider any matter proposed by one or more of its members.

1.3. Members of the SB shall serve for a period of three years, renewable once. Further terms of three or six years are permissible after a gap of at least two years.

1.4. The SB may co-opt additional members, whose co-option shall be confirmed at the next JAAG AGM.

2. Role and responsibilities

The role of the SB is to anticipate and, in consultation with the relevant JAAG Board, seek to avert, issues that threaten fidelity to the values and principles of JAAG. The SB shall fulfil its role through active listening and foresight.

Active listening

2.1. Members of the SB will make themselves available to listen, in confidence, to any stakeholder in order to learn of their concerns or proposals. A named member of the SB shall be responsible for at least the following stakeholder groups:

- Actively engaged JAAG members who either participate in projects and / or are regular attenders at one or more of the different JAAG meetings – monthly, reflective, etc.
- Other less active JAAG members
- Self-employed contractors
- Employees of JAAG companies
- Commercial partners
- Subcontractor and supplier firms
- Clients

2.2. Members of the SB shall listen attentively and compassionately to any stakeholder with a concern about potential risk for JAAG, and decide whether to raise it with the SB or the JAAG board.

2.3. The SB shall receive reports of exit interviews carried out when an individuals end their service in a role.

2.4. On request, members of the SB shall make themselves available, individually or jointly, to the JAAG Chairperson, and to JAAG company boards, for reflection and guidance.

Foresight

The SB shall:

2.5. Maintain a succession plan for the replacement of JAAG directors.

2.6. Provide guidance on the training and development of JAAG personnel for director roles.

2.7. On request, bring forward the names of people of promise for appointment to JAAG companies.

2.8. The SB shall undertake such other reasonable responsibilities as may be determined by the JAAG AGM.

2.9. Members of the SB may charge JAAG for expenses incurred in these activities, which payments may be donated back to JAAG, in part or in whole.

3. Reporting

3.1. The SB shall report to each AGM on JAAG's activities, on the condition of JAAG companies, and the Board's expectations under the headings below. The detail of the report will depend on events during the year so that a null report can be expected for some of these headings.

- Fidelity to JAAG's aims
- Peace
- Sustainability
- Equality
- Simplicity
- Truth and integrity
- Transparency
- Diversity and inclusion