

A Miller

28 September 2011

LEVESON INQUIRY INTO THE CULTURE, PRACTICES AND ETHICS OF THE PRESS

WITNESS STATEMENT OF ANDREW MILLER

I, Andrew Miller, of Guardian Media Group, Kings Place, 90 York Way London, N1 9GU, WILL SAY as follows:

1. I am the Chief Executive Officer of Guardian Media Group PLC (GMG). I have been the Chief Executive Officer of GMG since July 2010. Unless stated otherwise, the facts set out in this witness statement are within my own knowledge and belief. Copies of the documents to which I refer in this witness statement are shown in the exhibit marked AM1.
2. I make this statement in response to a Notice dated 5 August 2011 served on me under section 21(2) of the Inquiries Act 2005 and the Inquiry Rules 2006, by Lord Justice Leveson, as Chairman of the Inquiry. These require me to provide evidence to the Inquiry Panel in the form of a written statement and/or to provide documents as requested in the Notice.
3. GMG and Guardian News and Media Limited have carefully considered the Inquiry's request to waive privilege and have decided not to do so as a matter of principle. Accordingly anything I say in this witness statement is not intended to waive privilege and should not be read as doing so. We have otherwise done our best to assist the Inquiry as to the general position in relation to issues arising as to the newspapers' legal procedures
4. The notice states as follows: "If you cannot answer these questions, or take the view that they could be more fully answered by someone else, you must nonetheless provide answers to the extent that you can, and to the extent that you cannot you must provide the Inquiry as soon as possible with names of those who would be able to assist us further."
Where that is the case I have referred to the witness statements of others.
5. **Q (1) Who you are and a brief summary of your career history in the media**

I became chief executive officer of GMG in July 2010, having joined the Group in August 2009 as chief financial officer.

Prior to joining GMG, I was chief financial officer of Trader Media Group (TMG) for six years. Previously I had worked in various finance roles in non-media companies including Pepsico's Frito-Lay division, Bass PLC and Procter & Gamble.

I am a member of the Institute of Chartered Accountants of Scotland, having gained my accountancy qualification with Price Waterhouse.

6. Q (2) How the system of corporate governance is supposed to work at the Guardian and the Observer and Guardian News & Media Ltd, of which you are a proper officer, with particular emphasis on systems to ensure lawful, professional and ethical conduct and by reference to any relevant documents

Guardian News & Media (GNM) is a wholly owned subsidiary of GMG which is itself wholly owned by the Scott Trust Limited (the Scott Trust).

The Group has a portfolio of investments which provide financial stability for its core business of GNM.

GMG was historically owned by a trust, the Scott Trust, which was established in 1936 to secure the financial and editorial independence of the Guardian (formerly the Manchester Guardian) in perpetuity. The Scott Trust has delegated to GMG responsibility for all the commercial activity of the Group. The financial priority of GMG is to provide long-term financial security for the Guardian rather than short term profitability. This is achieved by investing in and holding a series of diverse investments not directly tied to GNM.

The holding structure of GMG was reorganised in 2008 to replace the Scott Trust with a company, The Scott Trust Limited ("The Scott Trust"). However, its objectives and financial priorities remained unchanged from those of its 1936 origins.

The structure is deliberately designed to keep separate the editorial and commercial parts of GNM's business, in order to guarantee the editorial independence of all journalistic content.

Prior to the creation of the Scott Trust, the core values of the Guardian were set out in an essay published, on 5 May 1921, on the Guardian's centenary: <http://www.guardian.co.uk/commentisfree/2002/nov/29/1>

This established the fundamental tenet that the commercial side of the business should not interfere with the editorial independence of the newspaper.

The Editor - in - Chief and I sit as executive directors on the boards of GNM, GMG and of The Scott Trust.

Independence between the financial and editorial sides of the business is maintained by a separation of management of the editorial and commercial sides of the business. While The Editor - in - Chief is employed by GMG, he is accountable to the Trust rather than to me as CEO of GMG. However as a director of both GMG and GNM he is expected to keep the board informed about significant issues arising in his own areas of the business.

The witness statement of Dame Elizabeth Forgan Chair of The Scott Trust provides more detailed information about the Editor - in - Chief's relationship with The Scott Trust and his accountability to that body in practice.

I refer also to the witness statement of Alan Rusbridger the Editor - in - chief, his answer to question 2 sets out in detail the systems used to ensure lawful, professional, and ethical, conduct within the editorial part of the business and refers to the Press Complaints Commission code, GNM's own Editorial Code and the independent appointment by The Scott Trust of an internal ombudsman for the Guardian ("The Readers Editor"). The Observer also has a Readers' Editor.

As CEO of GMG, I am ultimately responsible for all non-editorial aspects of corporate governance.

The practical application of this is that all board directors of GNM and GMG (with the exception of the Editor- in - Chief) report to and are accountable to me. In turn I am accountable to the Chair of GMG as well as to my fellow directors (trustees) of The Scott Trust).

Since becoming CEO I have taken steps to create a simpler management structure for the company with fewer layers bringing together the GNM and GMG senior commercial teams.

This transformation has included the removal of the role of Managing Director of GNM. As a consequence I now occupy the role of Executive Chair of GNM in addition to that of CEO of GMG.

This structural simplification while achieving closer corporation and collaboration between the commercial and editorial elements of the business has not in any way affected the core value of editorial independence in terms of journalistic content, consistent with the objectives of The Scott Trust.

I refer to the statement of Darren Singer, Chief Financial Officer of GMG. In answer to question 2 he sets out the various financial governance policies and the anti-bribery and corruption policy adopted within GNM.

7. Q (3) How you understand the system of corporate governance to work in practice at the Guardian and the Observer and Guardian

News & Media Ltd of which you are a proper officer with particular emphasis on systems to ensure lawful, professional and ethical conduct

I refer to the statement of Alan Rusbridger which explains, in answer to question 2, the supervisory structures in place for editorial staff and the hierarchy of editorial roles which are designed to ensure that matters of lawful, professional and ethical conduct are capable of escalation.

I also refer to the statement of John Mulholland editor of The Observer which sets out in answer to question 3 the supervisory structures in place for The Observer's editorial staff.

With regard to the commercial business of Guardian News & Media Ltd corporate governance works in practice by a combination of the following supervisory structures; (i) a formal executive board which consists of operational and non executive directors which meets regularly, generally once a month to report to me on matters of significance within the business, (ii) accountability to me by individual board directors responsible for mitigating certain business risks, (iii) advice from in-house or specialist external lawyers on legal or regulatory matters of relevance to the company, (iv) department hierarchies which assist with the supervision and training of junior or new employees and (v) policies, procedures and guidelines which staff, and where appropriate suppliers and contractors, are required and expected to follow.

Where necessary in order to raise awareness of a specific policy or issue of lawful, professional or ethical conduct staff training and education may be provided in-house or by external providers. An example is the recent introduction of a new anti-bribery and corruption policy within GMG ahead of the commencement of the Bribery Act 2010. Again I refer to the witness statement of Darren Singer, which sets out in detail the preparation and introduction of GMG's anti-bribery and corruption policy and accompanying training.

The statement of Dame Elizabeth Forgan explains the process by which the Editor - in - Chief is accountable to the Scott Trust.

8. **Q (4) What your role is in ensuring that the corporate governance documents referred to above and all relevant policies are adhered to in practice. If you do not consider yourself to have been/be responsible for this, please tell us who you consider to hold that responsibility.**

As CEO, I am ultimately responsible for ensuring that policies relevant to the commercial side of the business are put in place and communicated across the company by individual directors and heads of department with responsibility for particular areas of the business.

The Editor - in - Chief is responsible for setting the ethical journalistic standards of the Guardian and The Observer and I again refer to witness statement of Alan Rusbridger for an explanation of this.

9. **Q (5) Whether the documents and policies referred to above are adhered to in practice, to the best of your knowledge**

To the best of my knowledge I have no reason to believe that the policies referred to above or set out in the witness statements of Darren Singer and Alan Rusbridger are not adhered to in practice.

10. **Q (6) Whether these practices have changed, either recently as a result of the phone hacking media interest or prior to that point, and if so, what the reasons for the change were**

I refer to the witness statement of Alan Rusbridger. I also refer to the witness statement of Darren Singer and in particular his answer to question 4 which explains in detail the introduction GMG's anti-bribery and corruption policy in June 2011 in preparation for the commencement of the Bribery Act 2010.

11. **Q (7) Where the responsibility for checking sources of information (including the method by which the information was obtained) lies: from reporter to news editor/showbiz editor/royal editor to editor, and how this is done in practice (with some representative examples to add clarity)**

I refer to the witness statements of Alan Rusbridger and John Mulholland. The question can be more fully answered by them.

12. **Q (8) To what extent board members are aware, and should be aware, of the sources of the information which make up the central stories featured in your newspapers each day (including the method by which the information was obtained)**

It would be undesirable and impractical for board members to be aware of the private/confidential sources of information which make up many of the central stories published by GNM. Such awareness would be inconsistent with the deliberate separation between the editorial and commercial sides of the business consistent with the objectives of The Scott Trust. In addition commercial board members are employed to undertake other duties and they cannot reasonably be expected to be involved in the creation of editorial content, not least because of the sometimes complex news gathering processes that GNM's hundreds of journalists are involved in on a daily basis.

More importantly information is often not forthcoming unless a journalist agrees to keep the identity of the source confidential to him or her. It would therefore be inappropriate in any event for board members to require or have information of this kind.

Both GNM's Editorial Code and the Press Complaints Commission ("PCC") Code of Practice require journalists to protect the confidential sources.

I am also aware that there is legal authority in support of this important principle of individual journalists being entitled to protect their sources of information.

13. Q (9) The extent to which you consider that ethics can and should play a role in the print media, and what you consider 'ethics' to mean in this context

I consider that ethics does and should play a key role in print media. Both GNM's Editorial Code of Conduct and the PCC Code of Practice set out the ethical standards our journalists are required to meet. Ethics may govern both content and the means used to obtain it. Newspapers can have great influence in published political and social debates and as a result great influence over the lives of their readers. As to the means used by journalists, I believe there is a key role for an agreed standard of ethics to guide media activity on such topics as truth and accuracy, fairness, use of subterfuge, confidentiality of sources and the balancing of the public interest against any intrusion on privacy.

14. Q (10) The extent to which you, as a proper officer of the company, feel or have felt any financial and/or commercial pressure from others, and if so from whom, and whether any such pressure affected any of the decisions you made as a proper officer of the company (such evidence to be limited to matters covered by the Terms of Reference)

None

15. Q (11) The extent to which you, as a proper officer, had a financial incentive for your newspapers to print exclusive stories (NB. It is not necessary to state your precise earnings)

None

16. Q (12) Whether, to the best of your knowledge, your newspapers used, paid or had any connection with private investigators in order to source stories or information and/or paid or received payments in kind for such information from the police, public

officials, mobile phone companies or others with access to the same: if so, please provide details of the numbers of occasions on which such investigators or other external providers of information were used and of the amounts paid to them (NB. You are not required to identify individuals, either within your newspaper or otherwise)

I am aware that the Observer newspaper was named in a report published by the office of the Information Commissioners ("ICO") in December 2006 entitled What Price Privacy Now. The report followed the ICO's Operation Motorman investigation into alleged data protection breaches by a Hampshire detective. The ICO included the Observer in a list of newspapers that had used the services of the detective. Both the report and the period of investigation, pre-date my time at GMG.

On this issue I refer the Inquiry to the witness statement of Alan Rusbridger and note that he refers to the use of a corporate security company in relation to a report commissioned by the Guardian in 2000, which was never published.

I know of no other occasion on which such investigators were used.

17. **Q (13) What your role was in instructing, paying or having any other contact with such private investigators and/or other external providers of information**

None

18. **Q (14) If such investigators or other external providers of information were used, what policy/protocol, if any, was used to facilitate the use of such investigators or other external providers of information (for example, in relation to how they were identified, how they were chosen, how they were paid, their remit, how they were told to check sources, what methods they were told to or permitted to employ in order to obtain the information and so on)**

Please see my answer to question 12. I refer to the witness statements of Alan Rusbridger and John Mulholland concerning these matters.

19. **Q (15) If there was such a policy/protocol, whether it was followed, and if not, what practice was followed in respect of all these matters**

Please see my answer to question 14.

20. **Q (16) Whether there are any situations in which neither the existing protocol/policy nor the practice were followed and what precisely happened/failed to happen in those situations. What**

factors were in play in deciding to depart from the protocol or practice?

Please see my answer to question 14.

- 21. Q (17) The extent to which you are aware of protocols or policies operating at the Guardian and the Observer in relation to expenses or remuneration paid to other external sources of information (whether actually commissioned by your newspaper or not). There is no need for you to cover 'official' sources, such as the Press Association**

I am aware of the protocol in relation to the payment for information contained within GNM's Editorial Code and the company's anti - bribery and corruption policy. In addition there is a company expenses policy which staff are required to follow. Details of this policy are more particularly set out in the witness statement of Darren Singer.

- 22. Q (18) The practice of your newspapers in relation to payment of expenses and/or remuneration paid to other external sources of information (whether actually commissioned by the Guardian and the Observer or not). There is no need to cover 'official' sources such as the Press Association**

Please see my answer to question 17. I also refer to the witness statements of Alan Rusbridger and John Mulholland concerning these matters.

- 23. Q (19) In respect of editorial decisions the editor has made to publish stories, what system of oversight, if any, there is and examples of how that has worked in practice**

The Editor-in-Chief has editorial independence from the commercial side of the business therefore I do not seek to involve myself in editorial decisions to publish stories, nor do I consider would it be appropriate to do so given the objectives of The Scott Trust.

The Editor is required to give consideration to both the PCC Code of Practice as well as GNM's own Editorial Code before a decision is taken to publish.

I refer to the witness statement of Dame Elizabeth Forgan in which she sets out a description of the accountability of the Editor - in - Chief to The Scott Trust and how the governance of the Editor-in-Chief works in practice.

- 24. Q (20) Whether you, or the Guardian and the Observer (to the best of your knowledge) ever used or commissioned anyone who used 'computer hacking' in order to source stories, or for any other reason**

To the best of my knowledge I have never used or commissioned anyone who has used "computer hacking" in order to source stories or for any other reason. In relation to the position of the Guardian and The Observer I refer to the witness statements of Alan Rusbridger and John Mulholland paragraphs 22 and 20 respectively.

25. Q (21) Whether the company has conducted any inquiry into phone hacking or computer hacking or "blagging" or bribery or corruption and, if so, your role in the inquiry and the outcome

I refer the inquiry to Gill Phillips' witness statement on the material supplied by, and dealings with, the ICO following the What Price Privacy Now Report in 2006.

I believe that the contents of this witness statement are true.

28/9/11
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Date