

Lisa MacLeod, First  
Financial Times Limited  
September 2011  
Exhibits: LM1 – LM15

IN THE MATTER OF AN INQUIRY UNDER THE INQUIRIES ACT 2005  
INTO THE CULTURE, PRACTICES AND ETHICS OF THE PRESS

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**WITNESS STATEMENT OF  
LISA MACLEOD**

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I, **LISA MACLEOD**, editorial executive, of 1 Southwark Bridge, London SE1 9HL **WILL SAY AS FOLLOWS:**

1. I am employed by The Financial Times Limited ("FTL") as the Managing Editor of the Financial Times.
2. I understand that colleagues of mine at FTL have been requested by the Inquiry to provide statements in compliance with Notices sent to them on 8 August 2011 pursuant to section 21(2) of the Inquiry Act 2005.
3. I wish to provide a voluntary statement to the Inquiry and I understand that it has been agreed I may do so in a telephone conversation on or around 5 September 2011 between Tim Bratton, General Counsel of the Financial Times, and Ms Nicola Enston, Deputy Solicitor to the Inquiry. I wish to provide this statement since certain of the information and document requests set out in the Notices to my colleagues pertain to issues for which I am responsible at the Financial Times newspaper.

4. I have provided this statement in good faith and to the best of my recollection. I believe my statement to be true. I am happy to expand on any aspect of it if required to do so.

#### **Role of Managing Editor**

5. I have been Managing Editor of the Financial Times since April 2010, having been with the company since September 2003 in a number of different editorial positions. Before taking up my current role, I was Chief Production Editor, commissioning editor on the Special Reports section and a production editor prior to that.
6. I would like to explain the role of the Managing Editor at the Financial Times. I report to the Editor and my primary responsibilities are management of the editorial budget, day-to-day staff management and liaison, resource allocation, departmental administration (for example, management of expense policies and payments), acting as primary editorial contact for operational areas of the business such as circulation/operations/IT etc. and assistance with editorial strategy.

#### **Editorial Code of Practice & Investment Register**

7. I understand that other witnesses from the Financial Times have provided copies of and explained the purpose of the FT's Editorial Code of Practice (the "FT Code") which refers to the FT's Investment Register. It is the responsibility of the Managing Editor's office to administer the Investment Register and ensure that editorial staff are aware of its existence. The purpose of the register is to ensure that editorial staff disclose their investments or confirm that they do not hold investments, to mitigate against the risk of a situation occurring where they are responsible for editing or writing a story regarding a company in which they hold a financial interest. The electronic version of the Investment Register has been in place since 2004.
8. As a result of the resignation by a member of staff employed by Thomson Reuters in 2010 following an alleged breach of their code of conduct, editorial management took the decision to remind editorial staff of their obligations under the Code and in particular the company's rules regarding personal investments by journalists – this message was emphasised in an email sent by Lionel Barber to editorial staff on 28 October 2010 (attached as Exhibit LM1) which announced a new requirement that all members of staff sign a form confirming that they have read and understood the FT Code and have made

an entry on the Investment Register. I attach a copy of the form as Exhibit LM2 . We also make staff aware of the PCC Code and the FT Code by referring to it in their employment contract (Exhibit LM3).

The FT Code is also published on the company's Intranet and is promoted by the daily practices of all management and staff. The process of peer review, the editing process and the day-to-day expectation that all employees and contributors will be guided in their reporting by the ethical principles that underpin the FT Code means that there is a wide awareness and appreciation of its terms.

9. I followed up Lionel Barber's email of 28 October 2010 with a reminder email of my own sent on 6 December 2010 (Exhibit LM4) reminding editorial team leaders of the need to ensure staff returned the completed forms.
10. In July 2011, we again emphasised the need for staff to sign the above mentioned compliance form and fill in the Investment Register as announced in an email sent by Lionel Barber to editorial staff (Exhibit LM5), partly in response to the phone hacking events concerning News International. I re-emphasised the importance of Lionel's email in a further email to all editorial staff on 19 July 2011 (Exhibit LM6).
11. As of the date of this witness statement, approximately 75% have returned the signed compliance form and completed the Investment Register. We are continuing to request responses individually from the remaining staff who have not completed the form. I would like to emphasise that the compliance sign-up programme is supplementary to, and not in lieu of, the other initiatives we undertake to ensure awareness of, and compliance with, the FT's Code.
12. It is my intention as Managing Editor to introduce an annual sign-up process to the FT Code by the newspaper's editorial staff and to ensure that all new starters sign the Compliance form on joining the company and regularly update the Investment Register as necessary.

#### **Disciplinary Issues**

13. The Inquiry requested information from the FT's Company Secretary regarding disciplinary action taken to enforce the company's ethical and/or professional standards in relation to journalism and/or editing and/or sources of information. In answering this

question on behalf of the newspaper I have discussed the issue with the FT's Global HR Director. Like any large organisation, clearly difficult issues with employees do arise from time to time and for the purposes of considering this question we have compiled a list of disciplinary action taken in respect of editorial staff. The question posed to the FT's Company Secretary in this regard is very wide ranging. The disciplinary issues which I am aware of regarding newspaper staff relate to what I would describe broadly as "performance issues" such as timekeeping, ability to interact with colleagues, long-term illness, lack of organisation and so forth and I do not believe are relevant to the Inquiry's focus (needless to say, if the Inquiry disagrees and wishes the Financial Times to provide more details then we can do so). To the best of my knowledge none of these performance issues had any actual impact on the professional standards achieved by the newspaper.

14. I believe that the FT's Code is substantively complied with at the Financial Times. I am aware that technically a breach of the Code occurs when a member of staff fails to complete the Investment Register and, as I have described, we are working to resolve this anomaly. I do not, however, believe that this technical breach of the Code will have resulted in editorial staff writing about investments in which they have an interest, because this policy is so well-known throughout the editorial department for the reasons I have described earlier in this witness statement.

#### **Expenses**

15. I attach at Exhibits LM7 to LM11 the following policies:

- UK Editorial Expenses Guidelines (LM7)
- US Editorial Expenses Guidelines (LM8)
- Foreign correspondents in Europe expenses guidelines (LM9)
- Editorial Contributor Expenses Policy (LM10)
- Editorial Bureau Expenses Policy (LM11)

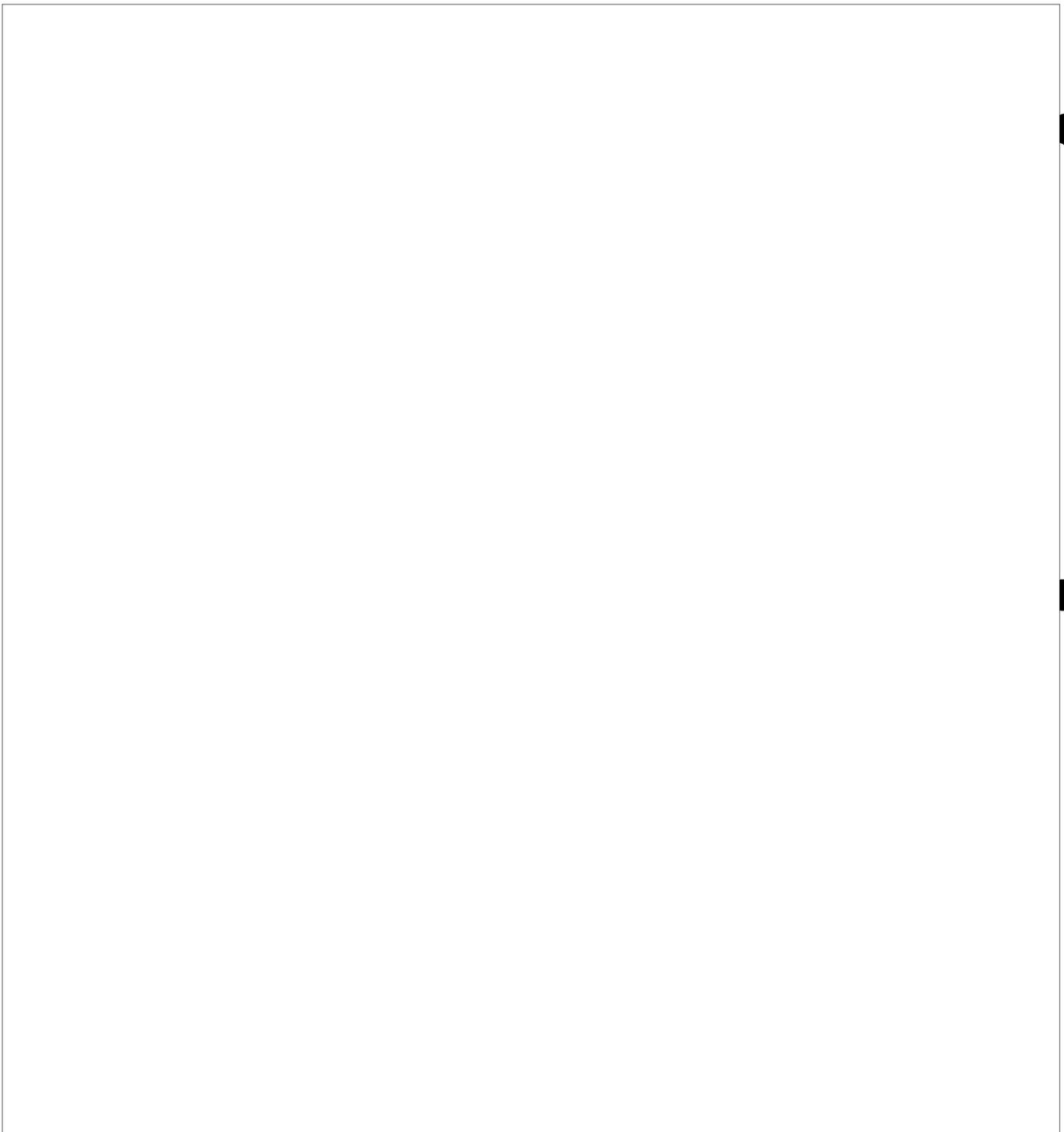
These supplement the company's Global Travel and Expenses Policy (LM12) and have been written specifically for the editorial department. I and my colleagues in the Managing Editor's office are responsible for their implementation and operation.

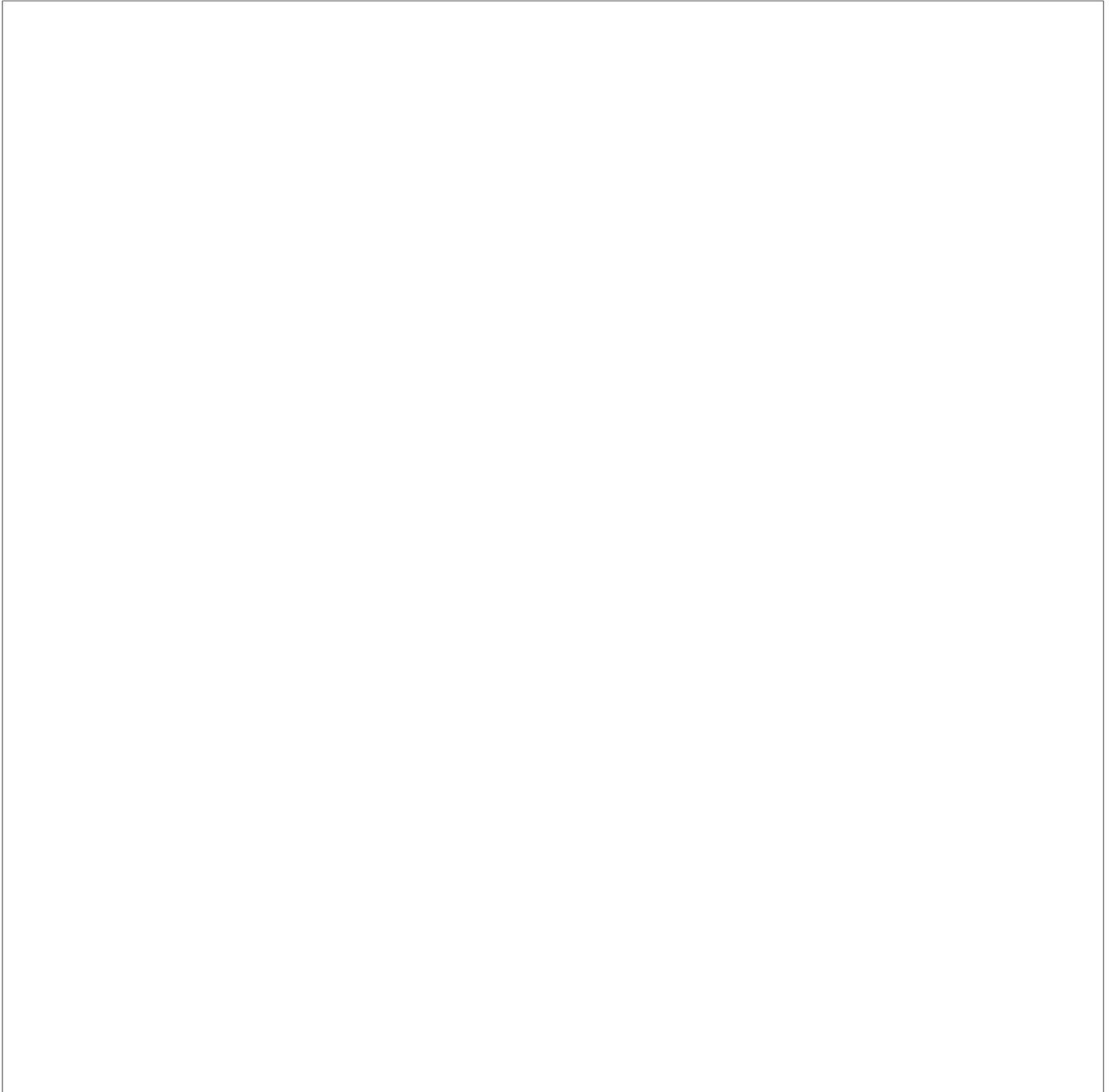
16. I will not repeat the content of each policy but instead will summarise the process for claiming of expenses by editorial staff, all of which must be submitted in accordance with the relevant policy above.
17. London based staff may submit an expense claim electronically and must specify claims by line item and appropriate code (e.g. UK taxi, foreign travel etc). Staff must print out a copy of the claim form submitted electronically and provide it, along with hard copy receipts supporting each claim, to the Managing Editor's office where the claim will be checked, queried if necessary, and approved/rejected. Generally, two individuals will review the claim (one in a level of detail, the other will undertake a higher level review). Our general rule is that if there is no receipt to support a claim, then the claim will be rejected unless there are exceptional circumstances. These claims are approved electronically and the claim will generally be reimbursed by cheque or bank transfer.
18. Overseas staff are unable to use the same electronic approval system, but similar principles apply. They must submit a claim using a spreadsheet designed for this purpose. That spreadsheet must be sent to the Managing Editor's office where again it will be checked as stated above. Again, generally claims will be reimbursed by cheque or bank transfer, although in some foreign bureaux we allow the bureaux to maintain a cash float (in a bank account) from which they can withdraw monies to pay expenses, but they must still submit an expense claim for the same in accordance with the principles set out above. The drawings are checked by my office against the float amount and reconciled against receipts and invoices on a monthly basis.
19. In summary, we operate a system that requires our editorial staff to detail and justify the expenses they are claiming. We adhere to our guidelines very strictly and any exceptions have to be cleared by me or the deputy managing editor or the editorial operations manager.
20. I would like to emphasise to the best of my knowledge that the Financial Times does not pay for sources or otherwise pay for stories. In the event that the Managing Editor's office was asked to approve expenses for a source, that request would not knowingly be approved, the matter would be reported to me and I would report it to the Editor. Such an instance has not occurred whilst I have been Managing Editor. In the interests of absolute transparency, clearly editorial staff will sometimes meet a source over a meal/drink/coffee etc. and staff are entitled to claim reimbursement for the same,

provided the claim is within the guidelines stipulated by our policies and provided that the staff member is clear what the purpose of the claim is.

21. There is always a possibility that in the past news editors or editors may have paid expenses or payments to sources, but I cannot find anybody who recalls such practice.

**Bonuses**





**Document Requests of FTL's Company Secretary**

28. I am informed by Tim Bratton, the FT's General Counsel, that the Inquiry made a series of document requests of FTL's Company Secretary via a Notice sent to FTL's "Company Secretary" on 8 August 2011 pursuant to section 21(2) of the Inquiries Act 2005 and which Tim Bratton has agreed by telephone with the Solicitor to the Inquiry may be provided by other FT witnesses in their witness statements. I refer below sequentially to those document requests insofar as I am able to provide information relating to them.

**Any (a) current and (b) past (you need not go back before 1 January 2005) training materials, guidance, practices, codes of practice, code of conduct, handbooks or policies on, or bearing upon, any of the following:**

**a. Sources;**

**b. Use of sources**

I attach at LM15 the newspaper's Sourcing and Attribution policy.

**c. Use of private detectives;**

No such materials exist.

**d. Checking of sources;**

See paragraphs (a) and (b) above.

**e. Payment of sources;**

See paragraph 20 above.

**f. Editorial policy (limited to matters within the scope of the inquiry);**

I attach the FT's Code of Editorial Practice as Exhibit LM1.

**g. Oversight of editorial policy (limited to matters within the scope of the inquiry);**

I attach the FT's Code of Editorial Practice as Exhibit LM1.

**h. Editorial guidance (limited to matters within the scope of the inquiry);**

No such materials exist beyond what I have provided.

**i. Editorial decision making (limited to matters within the scope of the inquiry);**

No such materials exist beyond what I have provided.

**j. Internal Inquiries into phone hacking and/or computer hacking and/or "blagging" and/or bribery and/or corruption.**

To the best of my knowledge, none have occurred.

- (b) Any disciplinary action taken by or on behalf of the company in the period 1 January 2005 to the date of this notice to enforce the company's ethical and/or professional standards in relation to journalism and/or editing and/or use of sources of information.

See paragraph 13 above.

- (c) Any documents recording or relating to fees or expenses paid to private investigators, police, public officials, mobile phone companies or others with access to the same (you may exclude official sources such as the Associated Press but must state which official sources you are excluding) in the period from 1 January 2005 up to the date of this notice.

See paragraph 20 above.

- (d) Any documents recording or relating to the payment of bonuses or other performance incentives to editors, sub-editors or journalists and / or the qualifying requirements for such payments.

See paragraphs 22 to 27 above and Exhibits LM13 and LM14.



**Lisa MacLeod**  
**Managing Editor**  
**15 September 2011**

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**EXHIBITS LM1 – LM15**

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Attached are Exhibits marked "LM1" - "LM15" referred to in the First Witness Statement of Lisa MacLeod dated 15 September 2011.

Signed ..

Dated *15 September 2011*

Lisa MacLeod