

**AUDIT BUREAU OF CIRCULATIONS LTD**  
**AUDIT PROGRAMME**  
**FOR RETURNS OF**  
**CONSUMER MAGAZINES**



**MAGAZINE TITLE**

*Please insert detail*

**AUDIT PERIOD**

**Return for the Audit Period Ending June 2011**

**COMPLETION CHECKLIST**

**Initials:**

**A.** General Administrative Procedures

**B.** Reporting to ABC

**C.** Verification of Total Circulation Figures

**D.** Verification of Circulation Detail

**E.** Requested Circulation

**CONCLUSION**

All the procedures specified in this Audit Programme have, in our opinion, been satisfactorily completed in accordance with the Reporting Standards - Consumer Magazines/Republic of Ireland Consumer Magazines, and are fully documented in our working papers.

Exceptions have been reported in section B2 of this programme and on the eReturn.

There are no matters which we wish to bring to the attention of the ABC as a result of our audit.

Name ..... Signed .....  
*(in blocks)*

Company ..... Date .....

- NOTES:**
- i) A copy of this Audit Programme is required to be submitted to the ABC together with the Return to which it relates.*
  - ii) Guidance notes on the completion of this Audit Programme are set out on page 2.*
  - iii) An Audit Programme is required for each separate ABC return submitted.*

Auditors e-mail address (if applicable) for contact purposes

## GUIDANCE NOTES

### **General**

*This Programme has been designed for the use of Auditors who are responsible for audits of the Returns of Consumer Magazines. In accordance with the Reporting Standards, the proper completion of this Programme is mandatory in the case of all circulation audits. However, Auditors should not be restricted from using any other programmes or checklists that they consider appropriate provided that these are only used in addition to this Audit Programme. The primary objectives of the Programme are as follows:*

- *To assist Auditors in performing their Circulation audits on an efficient and cost-effective basis;*
- *To provide the ABC with an assurance that all circulation audits are being performed to a common standard;*
- *To provide a record of the procedures adopted in respect of each individual audit.*

*To provide an assurance that all the above objectives are met, Auditors are required to submit a copy of the completed Audit Programme to the ABC.*

### **Completion of the Programme**

*Auditors are recommended to use the Programme both as a checklist and as a means of directing their work. The first three elements of the Programme, covering General Administrative Procedure, Reporting to ABC and Verification of Total Circulation Figure, are applicable to all circulation audits, whilst section D of the Programme is required to be completed only in respect of those categories of circulation claimed in the Return.*

*The Programme has been designed to enable Auditors to record details of completion and working paper reference concerning each audit procedure required to be undertaken. Auditors are, however, permitted to complete the Programme in whichever way best suits their normal practice provided that the copy of the Programme that is submitted to ABC clearly indicates that all the required procedures have been satisfactorily completed.*

### **Objectives and Audit Testing**

*The objectives relate specifically to the Audit rules and are categorised into their relevant areas of circulation or areas of work. You must ensure that your audit work is sufficient to meet both the objectives and the specific work detailed in sections B to D.*

*Audit work should be directed on the basis of a risk analysis. Auditors should use their judgement as to the appropriate level of testing that needs to be undertaken in respect of each of the procedures. In certain instances, they may be able to place reliance on the system of internal controls operated by the Publisher, provided that appropriate documentation and compliance testing is recorded in their work papers*

*The issues selected for testing, and samples sizes used should be appropriate for the level of risk. Samples should be selected using standard sampling techniques, and errors should be quantified exactly or by a pro-rata calculation from the samples.*

*For those issues which are not specifically tested, the Auditor should conduct a review to confirm the reasonableness, or otherwise, of the untested figures as compared to those which have been tested.*

*The materiality level that the Auditor uses should be based on the total net circulation claimed (not financial value of the copies). If the Auditor has any concerns they should contact ABC for advice.*

### **Exceptions Reporting**

*Auditors are not required to report the detailed results of individual tests to ABC. Instead, section B2 of the Programme is to be used for the purpose of reporting any exceptions identified during testing together with an explanation of how those exceptions were resolved. For example, if an audit sample is found to contain a number of errors as a result of which the Auditor is obliged to extend his test-work to achieve an acceptable conclusion to the test, details of this problem should be recorded in section B2 even where the matter is subsequently resolved to the Auditor's satisfaction. Any exceptions that can not be resolved to the Auditor's satisfaction should be taken up directly with ABC, preferably well in advance of the deadline for submission of the Return in question.*

**A. GENERAL ADMINISTRATIVE PROCEDURES**

A. Ref.		Initials	W/P Ref.
<b>1</b>	<b>Engagement Control Procedures</b>		
1.1	Check that an engagement letter signed by the Publisher and Auditor, is held by ABC.	<input type="text"/>	<input type="text"/>
1.2	Ensure any correspondence between ABC and the Publisher and ABC and the Auditor is reviewed and acted on where applicable.	<input type="text"/>	<input type="text"/>
1.3	Ensure that ABC has been informed, in writing, of any changes to audit personnel or auditing company that have occurred during the period.	<input type="text"/>	<input type="text"/>
1.4	Check that there is a letter of confirmation from any third-party used by the Publisher, giving full and free access to all records (financial or otherwise) to the Auditor and ABC.	<input type="text"/>	<input type="text"/>
<b>2</b>	<b>Completion of the Return</b>		
2.1	Check that details of any issues excluded from the average are supported by an official ABC Exclusion Note and that details of these exclusions are properly stated on the Return.	<input type="text"/>	<input type="text"/>
2.2	Check that the number of publishing days during the period is properly stated on the Return and that those issues included were distributed in the period (Refer to rule 5.7 for guidance on how to determine the distribution date for each issue).	<input type="text"/>	<input type="text"/>
2.3	Check that the average number of copies of each issue printed and charged for by the Printer to the Publisher during the period is correctly stated on the Return.	<input type="text"/>	<input type="text"/>
2.4	Check that the Basic Cover Price as published on/in the last issue distributed in the period, is correctly stated on the Return. (Where multiple cover prices exist, rule 6.1).  Where the Cover Price at the end of the period is for a double or special issue and is not representative of other issues, ensure the Publisher has entered the cover price for the previous issue instead.	<input type="text"/>	<input type="text"/>
2.5	Check that the Return correctly states, where applicable, UK, RoI and OTHER COUNTRIES subscription rates and range, for the last issue distributed in the audit period, as published in the magazine or as registered with ABC. Check also that the page/registration number is stated.	<input type="text"/>	<input type="text"/>
2.6	Check that satisfactory explanations have been received by the Auditor, for all significant variations in the classification/analysis of circulation, both within the audit period & when compared to the previous period.	<input type="text"/>	<input type="text"/>
2.7	Check that where mailed copies have been claimed, the details of mailing list date and any duplications have been properly stated on the Return. This only applies where the mailed circulation exceeds 1% of the total circulation.	<input type="text"/>	<input type="text"/>
2.8	Where the title includes an edition structure, check that the Return has been correctly completed to include the edition titles. Where there is change advertising* between editions, ensure that the "Average Net Circulation" has also been completed with the separate edition circulation figures. See also ref B1.4. <i>(* Note: if advertising between editions changes by more than 30%, then the editions must be in separate membership of ABC and certified separately (rules 5.3 and 5.4)).</i>	<input type="text"/>	<input type="text"/>
2.9	Where issue specific/bulk sales are claimed, check that the Return has been correctly completed.	<input type="text"/>	<input type="text"/>
2.10	Ensure that the circulation totals for all issues are correctly reported on the return.	<input type="text"/>	<input type="text"/>
2.11	If the publisher has opted to report issue by issue/monthly circulation data on the certificate or ABC Report, ensure this data has been reported correctly.	<input type="text"/>	<input type="text"/>
2.12	Where the Publisher has chosen to include a geographical analysis, ensure that the analysis is correct (rules-section 17).	<input type="text"/>	<input type="text"/>
2.13	Check Return is signed and dated by both the Chief Circulation Executive and the Auditor (The eReturns system requires password submission by the Chief Circulation Executive and the Auditor).	<input type="text"/>	<input type="text"/>
2.14	Ensure that this audit programme is forwarded to ABC in hard copy at the same time as submitting the return.	<input type="text"/>	<input type="text"/>

**B. REPORTING TO ABC**

B. Ref.		Initials	W/P Ref.
<b>1</b>	<b>General Reporting Requirements</b>		
1.1	Check that any estimates and/or assumptions used in the preparation of the Return Form (excluding estimates for final net circulation on unclosed issues – i.e. provisions) are notified to ABC along with the Return Form.	<input type="text"/>	<input type="text"/>
1.2	Ensure that full and free access to all necessary records (financial or otherwise) including those of any third-party used has been obtained.	<input type="text"/>	<input type="text"/>
1.3	Check that the Publisher (and any third-party the Publisher may use) is aware that all records relating to the Return must be retained until the ABC certificate for the subsequent corresponding Audit Period has been issued by ABC.	<input type="text"/>	<input type="text"/>
1.4	If this is a Republic of Ireland publication (defined in Reporting Standard 1.2), then confirm that the Reporting Standards for the Republic of Ireland Consumer Magazines are used throughout this audit work.	<input type="text"/>	<input type="text"/>
1.5	Ensure all editions of each issue published comply with the editions rules as detailed in rules 5.3 & 5.4, on identification, advertising, editorial and format.	<input type="text"/>	<input type="text"/>
1.6	If the publisher wishes to include digital editions on the certificate, these copies must be audited by ABC. Contact ABC if the publisher has included such copies.	<input type="text"/>	<input type="text"/>
<b>2</b>	<b>Exceptions Reporting</b>		
	<i>Details of all Exceptions noted by Auditors during their performance of the tests set out in the Audit Programme should be detailed below, together with an explanation of how those exceptions were resolved.</i>	<input type="text"/>	<input type="text"/>

Test Reference	Exception Noted	How Resolved

**C. VERIFICATION OF TOTAL CIRCULATION FIGURES**

Ref.		Initials	W/P Ref.
<b>1</b>	<b>Verification of Number of Copies Printed</b>		
	<b>Objectives</b>		
	<ul style="list-style-type: none"> <li>• To ensure sufficient copies, net of credits, have been printed to cover the gross supply</li> <li>• To ensure sufficient copies, net of credits, of each edition have been printed to cover the gross supply</li> </ul>		
1.1	Check the no. of issues actually published and distributed during the period covered by the Return, and ensure all are listed on the return.	<input type="text"/>	<input type="text"/>
1.2	Vouch the total number of copies printed to printer's invoice(s) or in-house print room records. Ensure that where applicable these also detail quantities by edition.	<input type="text"/>	<input type="text"/>
1.3	Where applicable, check that the Publisher has paid (or will pay) for the quantity invoiced by the Printer.	<input type="text"/>	<input type="text"/>
1.4	Where applicable, check that credit notes from the Printer are taken into account in the above tests.	<input type="text"/>	<input type="text"/>
<b>2</b>	<b>Verification of Number of Copies Distributed</b>		
	<b>Objectives</b>		
	<ul style="list-style-type: none"> <li>• To ensure the circulation claimed is supported by evidence that the copies were distributed</li> <li>• To ensure that the split between 'UK &amp; Rol' and 'Other Countries' is supported by distribution evidence</li> <li>• To ensure that non-claimable copies are excluded from the circulation claimed</li> <li>• To ensure that the provision for unsold/returned copies and the provision reconciliation for the previous audit period have been correctly applied</li> <li>• To ensure that the data supplied for ABC granted exclusions was correct</li> </ul>		
2.1	Vouch number of copies despatched for newstrade sale to invoices raised by the Publisher (or the appointed third party), and vouch receipt of payment of the invoices selected to supporting documentation.	<input type="text"/>	<input type="text"/>
2.2	Vouch number of copies despatched for regular bulk sales to invoices raised by the Publisher (or appointed third party). Check that such transactions are on an every issue basis (i.e. regular as defined by ABC), bona-fide or "arms length", and vouch receipt of payment of the selected invoices to supporting documentation.	<input type="text"/>	<input type="text"/>
2.3	Vouch number of copies despatched for issue specific bulk sales to invoices raised by the Publisher (or appointed third party). Check that such transactions are irregular (as defined by ABC) and vouch receipt of payment of the selected invoices to supporting documentation.	<input type="text"/>	<input type="text"/>
2.4	Vouch Single Subscription/Multiple Subscription/Society/Controlled/Non Controlled circulation to evidence of individual distribution (normally postage), and vouch payment by the Publisher to supporting documentation.	<input type="text"/>	<input type="text"/>
2.5	Review purchase invoices received in order to check that the Publisher is not buying back copies of the Publication.	<input type="text"/>	<input type="text"/>
2.6	Check that unsold/returned copies have been correctly deducted from the gross.	<input type="text"/>	<input type="text"/>
2.7	Check the estimate of net sales on unclosed issues seems reasonable and check that this correctly stated on the return.	<input type="text"/>	<input type="text"/>
2.8	Reconcile the estimate of net sales on unclosed issues in the previous Audit Period to the actual net sales achieved.	<input type="text"/>	<input type="text"/>
2.9	Inform the Bureau of any variance between estimate and actual net sale in the above, by checking that this is correctly stated on the Return.	<input type="text"/>	<input type="text"/>
2.10	Check that all disallowed copies are excluded from the net sales figures claimed on the Return (rule 5.5).	<input type="text"/>	<input type="text"/>
<b>3</b>	<b>Duplication Testing (Only to be applied where the mailed circulation represents more than 1% of the overall circulation total)</b>		
	<i>Auditors should refer to (rules section 16) for guidance as to which mailing list should be used for the purposes of their duplications testing and for guidance as to the sample sizes and methodology to be adopted in their work.</i>		
3.1	Check that the mailing list used for duplication testing is the correct list.	<input type="text"/>	<input type="text"/>

**C. VERIFICATION OF TOTAL CIRCULATION FIGURES (contd.)**

Ref.		Initials	W/P Ref.						
3.2	Check that the list is sorted either geographically or in post code order. If the list is not sorted geographically or in post code order, ensure that the testing in 3.3 below is extended to the whole list.								
3.3	Select a systematic sample of addressees from the list and, for each sampled item, scan the remainder of the list in that particular geographical area for any duplications.								
<p><i>Sample sizes depend on subscription circulation size, as follows:</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"><i>If subscription circulation is above 10,000</i></td> <td style="text-align: right;"><i>Test 200 addressees</i></td> </tr> <tr> <td><i>If subscription circulation is between 5,000 and 9,999</i></td> <td style="text-align: right;"><i>Test 2% of addressees</i></td> </tr> <tr> <td><i>If subscription circulation is below 5,000</i></td> <td style="text-align: right;"><i>Test 100 addressees</i></td> </tr> </table> <p><i>In each instance, the same should be extracted by taking a random start within the first n items in the list and then selecting every nth entry, where n is calculated as being the subscription circulation size divided by the sample size.</i></p>				<i>If subscription circulation is above 10,000</i>	<i>Test 200 addressees</i>	<i>If subscription circulation is between 5,000 and 9,999</i>	<i>Test 2% of addressees</i>	<i>If subscription circulation is below 5,000</i>	<i>Test 100 addressees</i>
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<i>If subscription circulation is between 5,000 and 9,999</i>	<i>Test 2% of addressees</i>								
<i>If subscription circulation is below 5,000</i>	<i>Test 100 addressees</i>								
3.4	If the Publisher has changed the system for collating addressee details, or has merged any other lists into the list being audited, consider what effect this has on the results of test 3.3 above.								
3.5	Discuss the level of identified duplication with the Publisher in order to obtain agreement that it is representative of the list as a whole.								
<p><i>If the Publisher's agreement to the duplication level cannot be obtained, the Auditor may be instructed by the Publisher to increase the sample size and repeat the tests. It must, however, still be the Auditor who selects the data to be tested.</i></p>									
3.6	Enter the mailing list date and ascertained level of duplication on the Return, but check that the circulation total is NOT reduced accordingly.								
<p><b>4 Excluded Issues</b></p>									
4.1	For any and all issues excluded by way of an official ABC exclusion note, vouch the details on the application form to supporting documentation. Where the details cannot be vouched, inform ABC immediately and note the difficulties in section B2 of this audit programme.								

**D. VERIFICATION OF CIRCULATION DETAIL**

*Auditors are required to consider, as part of their audit procedures, the detailed analysis of circulation figures into the various categories of circulation as specified on the Return. Auditors are referred to sections 7 to 15 of the Rules which sets out details of the categories available as well as the criteria for this classification.*

Ref.		Initials	W/P Ref.
<b>1</b>	<b>Newstrade and Single Copy Sales</b>		
	<b>Objectives</b>		
	<ul style="list-style-type: none"> <li>• To ensure newstrade and other single copy sales are not overstated</li> <li>• To ensure that sales have been claimed at the correct rate</li> <li>• To ensure that the publisher receives a positive contribution for each copy claimed</li> <li>• To ensure that all returned/unsold copies have been credited and accounted for correctly</li> </ul>		
1.1	Confirm that copies claimed under this heading were sold by the Publisher (usually via an appointed distributor) to wholesalers or retailers, or as single copies to individuals.	<input type="checkbox"/>	<input type="checkbox"/>
1.2	Check that for each issue, full auditable details are available of the number of copies distributed and the financial terms under which they were distributed.	<input type="checkbox"/>	<input type="checkbox"/>
1.3	Vouch gross distribution, returns and net sales figures to sales reports provided by the distributor.	<input type="checkbox"/>	<input type="checkbox"/>
1.4	Where the publisher and appointed distributor are related companies (rule 5.5.1), or if a distributor is not used for any of the distribution, then complete tests 1.5-1.7 below.	<input type="checkbox"/>	<input type="checkbox"/>
1.5	Vouch gross distribution to wholesalers/retailers to invoices and other supporting documentation raised by the Publisher (or the appointed distributor).	<input type="checkbox"/>	<input type="checkbox"/>
1.6	Vouch credit claims for unsold/returned copies made by wholesalers/retailers to credit notes or other supporting documentation raised by the Publisher (or the appointed distributor), and vice versa.	<input type="checkbox"/>	<input type="checkbox"/>
1.7	Vouch payments by the wholesalers/retailers to the Publisher (or appointed distributor) to financial records.	<input type="checkbox"/>	<input type="checkbox"/>
1.8	Where the publisher and appointed distributor are unrelated companies (rule 5.5.1), vouch payments by the distributor to the publisher to financial records.	<input type="checkbox"/>	<input type="checkbox"/>
1.9	Review all invoices and credit notes raised by the Publisher (and appointed distributor) to identify discounts or other allowances given to the appointed distributor, wholesalers or retailers, which may change the circulation's classification to below the basic cover price.	<input type="checkbox"/>	<input type="checkbox"/>
1.10	Check whether the basic cover price is stated on or within every copy of every issue (rule 6.1 for the procedure if this is not the case).	<input type="checkbox"/>	<input type="checkbox"/>
1.11	Obtain a list of all retail promotions occurring during the period (rule 7.3) – e.g. short term price reductions, money off coupons, 2 for 1 offers, multipack sales.	<input type="checkbox"/>	<input type="checkbox"/>
1.12	Verify that any promotional offers or incentives that affect the rate or classification of circulation have been accounted for and sales are claimed correctly (rule 7.3).	<input type="checkbox"/>	<input type="checkbox"/>
1.13	Check that newstrade and other single copy sales made at basic cover price and at lower prices are reconcilable on the Return (rule 6.1 for a definition of the basic cover price).	<input type="checkbox"/>	<input type="checkbox"/>
<b>2</b>	<b>Single Copy Subscription Sales</b>		
	<b>Objectives</b>		
	<ul style="list-style-type: none"> <li>• To ensure that subscription sales are not overstated</li> <li>• To ensure that subscription requests exist for all subscribers</li> <li>• To verify that all subscriptions are paid</li> <li>• To ensure that subscriptions have been claimed at the correct rate</li> <li>• To ensure that the Basic Annual Subscription rates are published correctly</li> </ul>		
2.1	Check that the BASIC ANNUAL Subscription RATE is published on or within every issue distributed during the period, or is registered with ABC (rule 8.3). <i>Where these are not published/registered, ensure the circulation is categorised as "Less than 10% of Basic Annual Rate".</i>	<input type="checkbox"/>	<input type="checkbox"/>
2.2	Review any promotional offers or incentives effective during the period covered by the Return which may change the eligibility or classification of the subscription (rule 8.7).	<input type="checkbox"/>	<input type="checkbox"/>
2.3	Check that copies are sent individually wrapped personally addressed to Subscribers.	<input type="checkbox"/>	<input type="checkbox"/>

**D. VERIFICATION OF CIRCULATION DETAIL (contd.)**

Ref.		Initials	W/P Ref.
2.4	Identify if the publisher uses CDS Global or Dovetail Services to manage their Subscriptions. Use their standard ABC report * to confirm that the copies sold at basic annual rate and at lower rates, and by geographical region, are reconcilable to the Return. <i>References 2.5 – 2.8 do not apply.</i> (* at CDS Global, this is the "ABC Report", approved September 2003; and at Dovetail this is the "ABC/BPA Label Run Analysis Report, approved September 2004)	<input type="text"/>	<input type="text"/>
2.5	Check whether there are auditable records showing the name and address of the Subscriber, proof of payment and details of unpaid subscriptions. Check that the subscription is paid for by the recipient or their employer, (for exceptions rule 8.1).	<input type="text"/>	<input type="text"/>
2.6	Check subscriptions are for a minimum term of 3 months or 3 issues (whichever is the greater). For contracts without a fixed term rule 8.2. If term is less than this, copies can be claimed in single copy sales.	<input type="text"/>	<input type="text"/>
2.7	Check to see if there are multiple copy subscriptions. Where there are, ensure these are classified as multiple copy subscription sales (see 3 below).	<input type="text"/>	<input type="text"/>
2.8	Check whether all unpaid subscriptions have been generated following a positive contract to purchase, are supported by a billing series.	<input type="text"/>	<input type="text"/>
2.9	Check that single copies sold on subscription at basic annual rate and at lower rates are reconcilable to the Return.	<input type="text"/>	<input type="text"/>

**3 Multiple Copy Subscription Sales**

**Objectives**

- To ensure that multiple subscription sales are not overstated
- To ensure that multiple subscription requests exist for all subscribers
- To verify that all multiple subscriptions are paid
- To ensure that multiple subscriptions have been claimed at the correct rate

3.1	Review any promotional offers or incentives effective during the period covered by the Return which may change the eligibility or classification of the subscription.	<input type="text"/>	<input type="text"/>
3.2	Identify if the publisher uses Tower Publishing Services or Dovetail Services to manage their Subscriptions. Use their standard ABC report * to confirm that the copies sold at basic annual rate and at lower rates, and by geographical region, are reconcilable to the Return. <i>References 3.3 – 3.6 do not apply.</i> (* at Tower, this is the "ABC Report", approved September 2003; and at Dovetail this is the "ABC/BPA Label Run Analysis Report, approved September 2004)	<input type="text"/>	<input type="text"/>
3.3	Check whether there are auditable records showing the name and address of the Subscriber, proof of payment and details of unpaid subscriptions.	<input type="text"/>	<input type="text"/>
3.4	Check subscriptions are for a minimum term of 3 months or 3 issues (whichever is the greater).	<input type="text"/>	<input type="text"/>
3.5	Check that it is likely the same person receives the issues distributed for the term of the subscription (rule 9.2).	<input type="text"/>	<input type="text"/>
3.6	Check whether all unpaid subscriptions have been generated following a positive contract to purchase, are supported by a billing series.	<input type="text"/>	<input type="text"/>
3.7	Check that multiple copy subscription sales at basic annual rate and at lower rates are reconcilable to the Return.	<input type="text"/>	<input type="text"/>

**4 Regular Bulk Sales**

**Objectives**

- To ensure that regular bulk sales are not overstated
- To ensure that all sales are regular
- To ensure that all sales are arms length transactions and supportable by third party evidence
- To ensure that all sales have been claimed at the correct rate
- To ensure that the breakdown by industry type is correct

4.1	Check that sales are regular as defined in the rule book. Verify to contract and actual distribution. (rule 10.2).	<input type="text"/>	<input type="text"/>
4.2	Check whether all copies claimed represent "arms length" transactions and are supportable by third party evidence.	<input type="text"/>	<input type="text"/>
4.3	Check the purchaser's ledger account files to ensure that any other considerations given with the sale are taken into account when determining the rate at which the copies were finally sold at (rule 5.5.2). Contra deals on advertising are specifically unacceptable.	<input type="text"/>	<input type="text"/>

**D. VERIFICATION OF CIRCULATION DETAIL (contd.)**

Ref.		Initials	W/P Ref.
<b>4</b>	<b>Regular Bulk Sales</b>		
4.4	Confirm evidence that all copies are delivered and made available to the target audience. <b>Check that the claim for copies sold for ultimate distribution via newstrade multipack is restricted to the net sales of the multipack.</b>	<input type="text"/>	<input type="text"/>
4.5	Check that regular bulk sales are categorised in relation to Basic Cover Price on the Return.	<input type="text"/>	<input type="text"/>
4.6	Check whether the breakdown of regular bulk sales is correctly stated on the Return.	<input type="text"/>	<input type="text"/>
<b>5</b>	<b>Issue Specific Bulk Sales</b>		
	<b>Objectives</b>		
	<ul style="list-style-type: none"> <li>• To ensure that issue specific sales are not overstated</li> <li>• To ensure that sales are irregular</li> <li>• To ensure that all sales are at arms length and supportable by third party evidence</li> <li>• To ensure that sales have been claimed at the correct rate</li> <li>• To ensure that the breakdown by industry type is correct</li> <li>• To ensure that the breakdown of sales by issue is reported correctly</li> </ul>		
5.1	Check that sales are irregular (i.e. NOT every issue) rule 11.2.	<input type="text"/>	<input type="text"/>
5.2	Check whether all copies claimed represent "arms length" transactions and are supportable by third party evidence.	<input type="text"/>	<input type="text"/>
<b>5.3</b>	Check the purchasers ledger account file to ensure that any other considerations given with the sale are taken into account when determining the rate at which the copies were finally sold at (rule 5.5.2). Contra deals on advertising are specifically unacceptable.	<input type="text"/>	<input type="text"/>
<b>5.4</b>	Confirm evidence that all copies are delivered and made available to the target audience. <b>Check that the claim for copies sold for ultimate distribution via newstrade multipack is restricted to the net sales of the multipack.</b>	<input type="text"/>	<input type="text"/>
5.5	Check that issue specific bulk sales are categorised in relation to Basic Cover Price on the Return.	<input type="text"/>	<input type="text"/>
5.6	Check whether for all copies claimed the Publisher has received at least 20% of the basic cover price in payment.	<input type="text"/>	<input type="text"/>
5.7	Check whether the breakdown of issue specific bulk sales is correctly stated on the Return.	<input type="text"/>	<input type="text"/>
<b>6</b>	<b>Society/Association/Organisation Circulation</b>		
	<b>Objectives</b>		
	<ul style="list-style-type: none"> <li>• To ensure that Society circulation is not overstated</li> <li>• To ensure that the publication is an official journal of the Society/Association/Organisation</li> <li>• To ensure that copies are only sent to members of the Society/Association/Organisation</li> <li>• To ensure the analysis by type of circulation is correct.</li> <li>• To ensure that addressees are supported by appropriate payment/request evidence</li> <li>• To ensure the age of requests analysis is correct</li> </ul>		
6.1	Check whether a letter from the Society, Association or Organisation, stating that the Publication is the official journal of that Society or Association is held.	<input type="text"/>	<input type="text"/>
6.2	Check that the number of individual and corporate members of the Society or Association at the date of distribution of the audit issue is reconcilable to the Return.	<input type="text"/>	<input type="text"/>
6.3	Check whether the Publisher can prove that each copy is sent individually addressed to a member of the Society or Association concerned.	<input type="text"/>	<input type="text"/>
6.4	Check whether there are details of membership rates for the Society/Association/Organisation to confirm whether the recipient has paid any amount over and above the subscription to be a member of the Society/Association/Organisation, to receive the Publication.	<input type="text"/>	<input type="text"/>
6.5	Check whether addresses on the mailing list are identifiable by circulation type (to enable appropriate testing by type).	<input type="text"/>	<input type="text"/>
6.6	For all types of Society/Association/Organisation circulation check whether there is proof from the Publisher that all copies are sent to members of the Society/Association free of charge.	<input type="text"/>	<input type="text"/>
6.7	If paid optional Society/Association/Organisation circulation is claimed, obtain a letter from the Society or Association proving that the member has the option to pay extra for the Publication and obtain evidence that this money has actually been paid to the Society.	<input type="text"/>	<input type="text"/>

**D. VERIFICATION OF CIRCULATION DETAIL (contd.)**

Ref.		Initials	W/P Ref.
6.8	Where there is a company subscription for more than one copy, check if the Publisher has evidence for a recipient of each individual copy (otherwise these copies must be classified as regular multiple copy/bulk sales).	<input type="checkbox"/>	<input type="checkbox"/>
6.9	Check whether all unpaid subscriptions have been generated following a positive contract to purchase, are supported by a billing series.	<input type="checkbox"/>	<input type="checkbox"/>
6.10	If Unpaid Requested Society/Association/Organisation circulation is claimed, check that copies were sent individually addressed, and are supported by valid request documentation (following Controlled circulation Rules 13.3 & 13.6). <b>Auditors should contact ABC for advice in auditing this area.</b>	<input type="checkbox"/>	<input type="checkbox"/>
6.11	Check that requests dated over 3 years prior to the distribution date are excluded from Requested circulation.	<input type="checkbox"/>	<input type="checkbox"/>
6.12	If Unpaid Requested Society/Association/Organisation circulation is claimed, check that the ageing information in section 9 of the Return/eReturn section I has been based on the request documentation for the issue nearest to the end of September (for December period ends) or March (for June period ends).	<input type="checkbox"/>	<input type="checkbox"/>
6.13	Check that the total of each type of Society/Association/Organisation circulation per the mailing list is reconcilable to the Return.	<input type="checkbox"/>	<input type="checkbox"/>

**7 Controlled Free Circulation**

**Objectives**

- To ensure that Controlled circulation is not overstated
- To ensure that all circulation meets the Terms of Control
- To ensure the analysis by type of circulation is correct,
- To ensure that addressees are supported by appropriate request/source evidence
- To ensure the age of requests analysis is correct

7.1	Check that the terms of control are completed on the Return, and the wording complies with the requirements in the rules (Rule 13.2).	<input type="checkbox"/>	<input type="checkbox"/>
7.2	Check that the terms of control were not published in any issue distributed during the period.	<input type="checkbox"/>	<input type="checkbox"/>
7.3	Check whether addresses on the mailing list are identifiable by circulation type (to enable appropriate testing by type).	<input type="checkbox"/>	<input type="checkbox"/>
7.4	If requested controlled free circulation is claimed, check that copies were sent individually addressed, and are supported by valid request documentation (Rules 13.3 & 13.6). <b>Auditors should contact ABC for advice in auditing this area.</b>	<input type="checkbox"/>	<input type="checkbox"/>
7.5	If requested controlled free circulation is claimed, check that the ageing information on the Return has been based on the request documentation for the issue nearest to the end of September (for December period ends) or March (for June period ends).	<input type="checkbox"/>	<input type="checkbox"/>
7.6	If non-requested controlled free circulation is claimed, check that copies were sent individually addressed by name or job title/function and are supported by valid third party source documentation (Rules 13.7 & 13.8). <b>Auditors should contact ABC for advice in auditing this area.</b>	<input type="checkbox"/>	<input type="checkbox"/>
7.7	Check that requests and sources dated over 3 years prior to the distribution date are excluded from Controlled circulation.	<input type="checkbox"/>	<input type="checkbox"/>
7.8	Check whether there is sufficient evidence from request or source documentation to show that the terms of control have been complied with.	<input type="checkbox"/>	<input type="checkbox"/>
7.9	Check that the total of each controlled circulation category on the mailing list is reconcilable on the Return.	<input type="checkbox"/>	<input type="checkbox"/>

**8 Non-Controlled Free Circulation**

**Objectives**

- To ensure that Non Controlled circulation is not overstated
- To ensure that the analysis by type of addressee is correct

8.1	Check whether addressees on the mailing list are identifiable by circulation type.	<input type="checkbox"/>	<input type="checkbox"/>
8.2	Check that non-controlled circulation by name and not by name as per mailing list are reconcilable to the Return.	<input type="checkbox"/>	<input type="checkbox"/>
8.3	Check whether copies were sent individually wrapped and addressed to a person or company.	<input type="checkbox"/>	<input type="checkbox"/>

**D. VERIFICATION OF CIRCULATION DETAIL (contd.)**

Ref.		Initials	W/P Ref.
<b>9</b>	<b>Monitored Free Distribution</b>		
	<p><b>Objectives</b></p> <ul style="list-style-type: none"> <li>• To ensure that Monitored Free Distribution is not overstated</li> </ul> <p><i>This circulation is only to be audited by ABC's own audit staff. No specific audit work is to be conducted in this area by audit companies contracted by the Publisher'</i></p>		
9.1	Confirm that ABC written approval has been received before claiming copies in this category.	<input type="text"/>	<input type="text"/>
9.2	Check the figures entered onto the Return for numerical accuracy in relation to the totals shown.	<input type="text"/>	<input type="text"/>