



AUDIT PROGRAMME
FOR RETURNS OF
REGIONAL PUBLICATIONS

NEWSPAPER TITLE

Please insert detail

AUDIT PERIOD

Return for the Audit Period Ending June 2011

COMPLETION CHECKLIST

Initials:

- | | | |
|----|--|----------------------|
| A. | General Administrative Procedures | <input type="text"/> |
| B. | Reporting to ABC | <input type="text"/> |
| C. | Verification of Total Circulation Figures | <input type="text"/> |
| D. | Verification of Circulation Detail – Paid Circulation | <input type="text"/> |
| E. | Verification of Circulation Detail – Free Letterbox Delivery | <input type="text"/> |
| F. | Verification of Circulation Detail – Free Requested Delivered Copies | <input type="text"/> |
| G. | Verification of Circulation Detail – Free Pick Up Copies | <input type="text"/> |

CONCLUSION

All the procedures and objectives specified in this Audit Programme have, in our opinion, been satisfactorily completed in accordance with the Reporting Standards - Regional Publications/Republic of Ireland Paid Newspapers/Republic of Ireland Free Letterbox Delivery, 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 Regional Publications. 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 sections D, E, F and G of the Programme are required to be completed only if 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 categorized 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 G.

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.
1	Engagement Control Procedures		
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"/>
1.5	If the title is being audited under the Less Frequent Auditing scheme, ensure that ABC approval for this has been obtained.	<input type="text"/>	<input type="text"/>
2	Completion of the Return		
2.1	Check that details of any issues excluded from the average, other than those dates notified as optional exclusion dates by ABC, 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 effective publishing days and the number of actual publishing days during the period is properly stated on Return and ensure the total is in accordance with the ABC Accounting Calendar.	<input type="text"/>	<input type="text"/>
2.3	Check that the geographical area served by the Publication is properly stated on the Return.	<input type="text"/>	<input type="text"/>
2.4	Check that the Basic Cover Price, as published on/in each issue in the last week of the period, is correctly stated on the return.	<input type="text"/>	<input type="text"/>
2.5	Check that the format (tabloid/broadsheet and newspaper/magazine) for each day is reported correctly.	<input type="text"/>	<input type="text"/>
2.6	Where the title includes an edition structure, check that the return has been correctly completed to include the edition titles and totals by circulation category (also ref B1.4).	<input type="text"/>	<input type="text"/>
2.7	Ensure that the circulation totals and breakouts for all issues are correctly reported on the return.	<input type="text"/>	<input type="text"/>
2.8	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"/>
2.9	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"/>
2.10	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

Ref.		Initials	W/P Ref.
1	General Reporting Requirements		
1.1	Check that any estimates or assumptions used in the preparation of the Return have been cleared with ABC before its submission (including Back-checking and disallowed copies if doubt exists, but excluding estimates for final net sales on unclosed issues).		
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.		
1.3	If the publisher contracts out their Letterbox Distribution, record the name of the company <i>The Contractor must submit to the Publisher's Auditor a full set of figures showing the Net distribution per issue, per title. It is the responsibility of the Publisher's Auditor to complete and sign off this Audit Programme. Where the Publisher's Auditor relies upon work carried out by other audit forms, then they must satisfy Themselves that it has been carried out in accordance with the Reporting Standards and Audit Programme. (Reporting Standard K3.3)</i>		
1.4	Check that the Publisher (and any third-party whose records may need to be accessed) are 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.		
1.5	If this is a Republic of Ireland publication (defined in Reporting Standard A3/A4), then confirm that the Reporting Standards for the Republic of Ireland Paid Newspapers/Free Letterbox Delivery are used throughout this audit work. <i>If the title is reporting as a Paid Circulation title, sections C and D of this audit programme apply If the title is reporting as a Free Letterbox Delivery title, sections C and E of the audit programme apply</i>		
1.6	Ensure all editions to be included on the certificate comply with the Reporting Standards Section S, on identification, advertising, editorial, format and supplements.		
1.7	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.		
1.8	If the publisher wishes to include free pick up copies on the certificate, this distribution must be approved by ABC in advance, and 'reality checking' must have been conducted by the Auditor during the audit period. Contact ABC if the publisher has included such copies but this has not been done.		
1.9	If the title is being audited under the Less Frequent Auditing scheme, ensure that all audit testing is designed to separately verify the circulation for the two certificates under audit.		

2 Exceptions Reporting

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.

Test Reference	Exception Noted	How Resolved

C. VERIFICATION OF TOTAL CIRCULATION FIGURES

Ref.

1 Verification of Number of Copies Printed

Objectives

- To ensure sufficient copies, net of credits, have been printed to cover the gross supply
- To ensure sufficient copies, net of credits, of each edition have been printed to cover the gross supply

		Initials	W/P Ref.
1.1	Check the number of issues actually printed and distributed during the period covered by the Return.	<input type="text"/>	<input type="text"/>
1.2	Vouch total no. of copies printed to printer's invoice(s) or in-house print room records. Ensure 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) to 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"/>
1.5	If applicable, check that the issue pagination and editorial content (banding) during the period are correctly calculated (see Reporting Standard Q3).	<input type="text"/>	<input type="text"/>

2 Verification of Number of Copies Distributed

Objectives

- To ensure the circulation claimed is supported by evidence that the copies were distributed
- To ensure that the split between 'UK & Rol' and 'Other Countries' is supported by distribution evidence
- To ensure that non-claimable copies are excluded from the circulation claimed
- To ensure that the provision for unsold/returned copies and the provision reconciliation for the previous audit period have been correctly applied
- To ensure that the data supplied for ABC granted exclusions was correct

2.1	Check that for each issue, full auditable details are available of the number of copies distributed to the Newstrade and the financial terms under which they were distributed.	<input type="text"/>	<input type="text"/>
2.2	Where copies are sold through non-invoiced supply points ensure detailed stock sheets are available and reconcilable.	<input type="text"/>	<input type="text"/>
2.3	Vouch the distribution of Paid Postal Subscriptions and Free Requested Delivered Copies to distribution evidence.	<input type="text"/>	<input type="text"/>
2.4	Verify distribution of <u>all</u> Multiple Copy/Bulk sales to distribution evidence.	<input type="text"/>	<input type="text"/>
2.5	Where copies are distributed via Letterbox or Free Pick Up, ensure that all sections of Form 'A' have been completed correctly, and that the final distribution figure is not over-stated.	<input type="text"/>	<input type="text"/>
2.6	If this is a Republic of Ireland publication, check that the geographic breakdown between ROI, NI and Other distribution is correct.	<input type="text"/>	<input type="text"/>
2.7	Check that all disallowed copies are excluded from the net sales figures claimed on the Return.	<input type="text"/>	<input type="text"/>
2.8	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"/>
2.9	Check that unsold/returned copies have been correctly deducted from the gross.	<input type="text"/>	<input type="text"/>
2.10	Check the estimate of net sales on unclosed issues seems reasonable, and check that this is correctly stated on the Return.	<input type="text"/>	<input type="text"/>
2.11	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"/>
2.12	Inform the Bureau of any variance between estimate and actual net sales in the above, by checking that this is correctly stated on the Return.	<input type="text"/>	<input type="text"/>

C. VERIFICATION OF TOTAL CIRCULATION FIGURES (contd.)

Ref.		Initials	W/P Ref.
3	Excluded Issues (Reporting Standards Section R)		
3.1	For any and all issues excluded by way of an official ABC exclusion note, (Reporting Standard R2) 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.	<input type="text"/>	<input type="text"/>
3.2	For any and all issues excluded without an exclusion note ensure that the issues excluded are allowed under the (Reporting Standard R3).	<input type="text"/>	<input type="text"/>

D. VERIFICATION OF CIRCULATION DETAIL – Paid Circulation

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 B to I of the Reporting Standards which set out details of the categories available as well as the criteria for this classification.

Ref.

1	Newstrade and Single Copy Sales (Reporting Standards Sections B,C & D)	Copies Claimed Y/N
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Objectives

- To ensure newstrade and other single copy sales are not overstated
- To ensure that sales have been claimed at the correct rate
- To ensure that the publisher receives a positive contribution of the minimum legal tender for each copy claimed
- To ensure that all returned/unsold copies have been credited and accounted for correctly
- To ensure that Newstrade copies have been sold to retailers direct or via wholesalers
- To ensure that other single copy sales have been sold singly to individuals
- To ensure that direct delivery accounts are good, live and collectable

		Initials	W/P Ref.
1.1	Confirm that copies claimed under this heading were sold to genuine wholesalers or retailers, or as single copies to individuals.	<input type="text"/>	<input type="text"/>
1.2	Vouch number of copies despatched for newstrade sale to invoices raised by the Publisher, and vouch receipt of payment of the invoices selected to supporting documentation. Check that all copies are sold for at least 1p (or 1 Eurocent) per copy (net of VAT).	<input type="text"/>	<input type="text"/>
1.3	Confirm that retailers and wholesalers have an auditable financial incentive to return unsold copies.	<input type="text"/>	<input type="text"/>
1.4	Vouch number of unsold/returned copies to credit claims made by the trade, credit notes or other supporting documentation raised by the Publisher. Vouch payment/credit by the Publisher to supporting documentation.	<input type="text"/>	<input type="text"/>
1.5	Vouch direct delivery sales and payments. Ensure that unpaid subscriptions are not included over 4 weeks past the expiry of the subscription.	<input type="text"/>	<input type="text"/>
1.6	Vouch other single copy sales through the Publisher's stock sheet and payment records. Ensure that copies are genuine single copy sales. Check that all copies are sold for at least 10p (or 15 Eurocents) per copy (net of VAT).	<input type="text"/>	<input type="text"/>
1.7	Review invoices and credit notes raised by the Publisher to identify discounts or other allowances given by the Publisher, which may change the circulation's classification to below the BCP.	<input type="text"/>	<input type="text"/>
1.8	Check whether the basic cover price is stated on the front and/or back page of every copy of every issue, (Reporting Standard N2.1 for the procedure if this is not the case).	<input type="text"/>	<input type="text"/>
1.9	Review any short term cover price changes, promotional offers or incentives effective during the period covered by the Return which may change the eligibility or classification of the circulation.	<input type="text"/>	<input type="text"/>
1.10	Where in-house controlled direct delivery is used (Section C), ensure sale rates are classified correctly and required audit evidence is retained. Ensure canvassing incentives requirements are complied with.	<input type="text"/>	<input type="text"/>
1.11	Where a Publisher claims copies under an Employee Purchase Scheme (Section D), check that a letter of confirmation from ABC is held, and vouch the copies claimed against the total number of employees on the payroll and proof of payment. (Note that it is no longer necessary to report the number of copies on the return form)	<input type="text"/>	<input type="text"/>
1.12	Check that newstrade and other single copy sales made at basic cover price, below basic cover price and overseas copies are reconcilable to the Return.	<input type="text"/>	<input type="text"/>

2	Paid Postal/Pre-paid Non-Postal Subscriptions (Reporting Standards Section E)	Copies Claimed Y/N
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Objectives

- To ensure that subscriptions are not overstated
- To ensure that subscription requests exist for all subscribers
- To verify that all subscriptions are paid
- To ensure that subscriptions have been claimed at the correct rate
- To ensure that the Basic Annual Subscription rates are published correctly

2.1	Check whether there are auditable records showing the name and address of the subscribers per issue, proof of payment and details of unpaid subscriptions.	<input type="text"/>	<input type="text"/>
2.2	Check that all subscription sales are for one copy per recipient.	<input type="text"/>	<input type="text"/>

D. VERIFICATION OF CIRCULATION DETAIL – Paid Circulation (contd.)

Ref.		Initials	W/P Ref.
2.3	Obtain details of any pre-paid non-postal subscription schemes in operation (via the newstrade distribution system, typically by redemption of a voucher). Verify that the claim is restricted to the number of copies supplied to individuals (which might be less than the number of subscriptions purchased).	<input type="text"/>	<input type="text"/>
2.4	Verify that all claimed subscriptions are paid for, or expected to be paid.	<input type="text"/>	<input type="text"/>
2.5	Check that the BASIC ANNUAL Subscription RATE is published on or within every issue distributed during the period, (or in some other published form which must be freely available to enquirers) or is registered with ABC. If published in some other published form, ensure a copy of this is forwarded to ABC with this audit programme. Where these are not published or registered, ensure the appropriate circulation is disallowed.	<input type="text"/>	<input type="text"/>
2.6	Identify if there are any promotional offers, incentives or gifts which change the eligibility or classification of the subscription.	<input type="text"/>	<input type="text"/>
2.7	Verify that copies supplied to cutting agencies have been excluded from subscription sales.	<input type="text"/>	<input type="text"/>
2.8	Check that subscriptions taken at basic cover price, below basic cover price and overseas copies are reconcilable to the return.	<input type="text"/>	<input type="text"/>
3	Regular Multiple Copy / Bulk Sales (Reporting Standards Section F)	Copies Claimed Y/N	
	Objectives		
	<ul style="list-style-type: none"> • 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 • To ensure that all sales have been claimed at the correct rate • To ensure that the breakdown by industry type is correct 		
3.1	Check that only sales of copies in the UK or Republic of Ireland are claimed in this category.	<input type="text"/>	<input type="text"/>
3.2	Check that a contract is in place for all sales which confirms sales are regular according to the definition in the Reporting Standards.	<input type="text"/>	<input type="text"/>
3.3	Check whether all copies claimed represent "arms length" transactions and are supportable by third party evidence. This will include detailed orders.	<input type="text"/>	<input type="text"/>
3.4	Vouch number of copies claimed to invoices raised by the Publisher, and vouch receipt of payment of the selected invoices to supporting documentation	<input type="text"/>	<input type="text"/>
3.5	Check that all copies are sold for at least the minimum legal tender per copy (1p in the UK) (net of VAT).	<input type="text"/>	<input type="text"/>
3.6	Confirm evidence that all copies are delivered and made available to the target audience.	<input type="text"/>	<input type="text"/>
3.7	For each issue and contract, ensure that the number of copies claimed does not exceed the maximum allowed under the relevant capping level (Appendix Two).	<input type="text"/>	<input type="text"/>
3.8	Check the purchasers 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. Where the value of the copies is redeemed by reciprocal payment (Reporting Standard F2), in cash, kind or by contra the copies must be excluded (Reporting Standard O3). Advertising revenue must not be discounted to subsidise newspaper purchases.	<input type="text"/>	<input type="text"/>
3.9	Copies distributed airside at airports/trackside for international rail services: Verify that copies are sold on to the customer via the distribution company for at least 1p (1eurocent) per copy, and the publisher receives at least 1p (1eurocent) per copy. See Reporting Standard F2.1 for full requirements.	<input type="text"/>	<input type="text"/>
3.10	Check that regular multiple copy/bulk sales made at not less than 50% of basic cover price, and at lower rate are reconcilable to the Return.	<input type="text"/>	<input type="text"/>
3.11	Check whether the breakdown of regular multiple copy/bulk sales is correctly stated on the return.	<input type="text"/>	<input type="text"/>

D. VERIFICATION OF CIRCULATION DETAIL – Paid Circulation (contd.)

Ref.

4 Issue Specific Multiple Copy / Bulk Sales (Reporting Standards Section G)

Copies Claimed Y/N

Objectives

- To ensure that issue specific sales are not overstated
- To ensure that sales are irregular
- To ensure that all sales are at arms length and supportable by third party evidence
- To ensure that sales have been claimed at the correct rate
- To ensure that the breakdown by industry type is correct
- To ensure that the breakdown of sales by issue is reported correctly

		Initials	W/P Ref.
4.1	Check that only sales of copies in the UK or Republic of Ireland are claimed in this category.		
4.2	Check that sales are irregular according to the definition in the Reporting Standards.		
4.3	Check whether all copies claimed represent "arms length" transactions and are supportable by third party evidence. This will include detailed orders.		
4.4	Vouch number of copies claimed to invoices raised by the Publisher, and vouch receipt of payment of the selected invoices to supporting documentation		
4.5	Check that all copies are sold for at least 10p (or 15 Eurocents) per copy (net of VAT).		
4.6	Confirm evidence that all copies are delivered and made available to the target audience.		
4.7	For each issue and contract, ensure that the number of copies claimed does not exceed the maximum allowed under the relevant capping level (Appendix Two).		
4.8	Check the purchasers 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. Where the value of copies is redeemed by reciprocal payment (Reporting Standard G2), in cash, kind or by contra the copies must be excluded (Reporting Standard O3). Advertising revenue must not be discounted to subsidise newspaper purchases.		
4.9	Copies distributed airside at airports/trackside for international rail services: Verify that copies are sold on to the customer via the distribution company for at least 10p (15 eurocentss) per copy, and the publisher receives at least 10p (15 eurocents) per copy. See Reporting Standard G2.1 for full requirements.		
4.10	Check that issue specific multiple copy/bulk sales made at not less than 50% of basic cover price and at lower rate are reconcilable to the Return.		
4.11	Check whether the breakdown of issue specific multiple copy/bulk sales is correctly on the Return.		

5 Special Edition Sales (Reporting Standards Section H)

Copies Claimed Y/N

Objectives

- To ensure that sales of special editions are not overstated
- To verify that an ABC approval note is held for each Special Edition
- To verify that each Special Edition qualifies for inclusion in the ABC figure
- To ensure that sales are on a single copy retail basis
- To ensure that sales have been claimed against the correct issue

5.1	Check that only sales of copies in the UK or Republic of Ireland are claimed in this category.		
5.2	Check that the Publisher holds a letter of acceptance from ABC for each Special Edition claimed for inclusion in the Return, and that the acceptance relates to the relevant audit period. (Please note this is acceptance only of the advertising content requirements).		
5.3	Check that Special Editions, where claimed, comply with the Reporting Standards on format, editorial and distribution.		
5.4	Confirm that each edition carries a minimum of 70% of ROP (display) advertising from the parent newspaper & integral supplements, of which 70% of the individual advertisers must be represented. Confirm that these advertisers have expressly agreed that their advertisements are included or not in the Special Edition.		

D. VERIFICATION OF CIRCULATION DETAIL - Paid Circulation (contd.)

D. Ref.		Initials	W/P Ref.
5.5	Confirm that copies claimed under this heading were sold to genuine wholesalers or retailers, as single copies to individuals.	<input type="text"/>	<input type="text"/>
5.6	Vouch number of copies despatched for newstrade sale to invoices raised by the Publisher, and vouch receipt of payment of the invoices selected to supporting documentation.	<input type="text"/>	<input type="text"/>
5.7	Confirm that retailers and wholesalers have an auditable financial incentive to return unsold copies.	<input type="text"/>	<input type="text"/>
5.8	Vouch number of unsold/returned copies to credit claims made by the trade, credit notes or other supporting documentation raised by the Publisher. Vouch payment/credit by the Publisher to supporting documentation.	<input type="text"/>	<input type="text"/>
5.9	Vouch direct delivery sales and payments. Show any subscriptions or renewals of subscriptions that remain unpaid at the time of audit. Ensure that unpaid subscriptions are not included over 4 weeks past the expiry of the subscription.	<input type="text"/>	<input type="text"/>
5.10	Vouch other single copy sales through the Publisher's stock sheet and payment records. Ensure that copies are genuine single copy sales.	<input type="text"/>	<input type="text"/>
5.11	Review invoices and credit notes raised by the Publisher, to identify discounts or other allowances given by the Publisher, which may change the circulation's classification to below BCP and will mean the copies cannot be claimed.	<input type="text"/>	<input type="text"/>
5.12	Review any promotional offers or incentives effective during the period covered by the Return, which may mean the copies cannot be claimed.	<input type="text"/>	<input type="text"/>
5.13	Check whether the Basic Cover Price is stated on or within every Special Edition claimed, and that this is the same or higher than that of the parent paper.	<input type="text"/>	<input type="text"/>
5.14	Check that Special Edition sales made at Basic Cover Price are reconcilable to the Return.	<input type="text"/>	<input type="text"/>
5.15	Where included, check all circulation for Special Editions has been placed against the circulation for the parent issue, regardless of distribution date. This includes all returned copies.	<input type="text"/>	<input type="text"/>
5.16	Where included in the circulation figures, check that each Special Edition is separately listed on the Return.	<input type="text"/>	<input type="text"/>

6 Sports Edition Sales (Reporting Standards Section I)

Copies Claimed Y/N

Objectives

- To ensure that Sports Edition sales are not overstated
- To verify that each Sports Edition qualifies for inclusion in the ABC figure
- To ensure that all sales have been claimed against the correct issue
- To verify the split between single copy sale and bulk sales is correct

6.1	Check that only sales of copies in the UK or Republic of Ireland are claimed in this category.	<input type="text"/>	<input type="text"/>
6.2	Check that Sports Editions, where claimed, comply with the Reporting Standards on identification.	<input type="text"/>	<input type="text"/>
6.3	Confirm that each edition carries a minimum of 50% of ROP (display) advertising from the parent newspaper & integral supplements, of which 50% of the individual advertisers must be represented. Confirm that these advertisers have expressly agreed that their advertisements are <u>not</u> included in the Sports Edition.	<input type="text"/>	<input type="text"/>
6.4	Confirm that copies claimed under this heading were sold to Wholesalers or Retailers, as single copies to individuals. Or if as multiple copy/bulk sales, see section 6.13 below.	<input type="text"/>	<input type="text"/>
6.5	Vouch number of copies despatched for newstrade sale to invoices raised by the Publisher, and vouch receipt of payment of the invoices selected to supporting documentation.	<input type="text"/>	<input type="text"/>
6.6	Vouch number of unsold/returned copies to credit claims made by the trade, credit notes or other supporting documentation raised by the Publisher. Vouch payment/credit by the Publisher to supporting documentation.	<input type="text"/>	<input type="text"/>
6.7	Vouch direct delivery sales and payments. Show any subscriptions or renewals of subscriptions that remain unpaid at the time of audit. Ensure that unpaid subscriptions are not included over 4 weeks past the expiry of the subscription.	<input type="text"/>	<input type="text"/>

D. VERIFICATION OF CIRCULATION DETAIL - Paid Circulation (contd.)

D. Ref.	VERIFICATION OF CIRCULATION DETAIL - Paid Circulation (contd.)	Initials	W/P Ref.
6.8	Vouch other single copy sales through the Publisher's stock sheet and payment records. Ensure that copies are genuine single copy sales.		
6.9	Review invoices and credit notes raised by the Publisher, to identify discounts or other allowances given by the Publisher, which may change the circulation's classification to below BCP.		
6.10	Check that all single copy sales copies are sold for at least the minimum legal tender (net of VAT) or 1p (or 1 Eurocents) per copy.		
6.11	Check whether the Basic Cover Price is stated on or within every Sports Edition claimed.		
6.12	Review any promotional offers or incentives effective during the period covered by the Return, which may change the eligibility or classification of this circulation.		
6.13	Check that Sports Edition single copy sales at Basic Cover Price and at lower rates are reconcilable to the Return.		
6.14	For bulk sales, check whether all copies claimed represent bona fide or "arms length" transactions and are supportable by third-party evidence, and proof of payment. This will include distribution evidence and purchase orders. These copies must still be claimed as Sports Edition Sales.		
6.15	Vouch number of copies claimed to invoices raised by the Publisher, and vouch receipt of payment of the selected invoices to supporting documentation		
6.16	Check that all bulk sales copies are sold for at least 10p (or 15 Eurocents) per copy.		
6.17	Confirm evidence that all bulk sales copies are delivered and made available to the target audience.		
6.18	For each issue and contract, ensure that the number of copies claimed does not exceed the maximum allowed under the relevant capping level (Appendix Two).		
6.19	Check the purchasers 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. Where the value of copies is redeemed in cash, kind or by contra the copies must be excluded. Advertising revenue must not be discounted to subsidise newspaper purchases.		
6.20	Check that Sports Edition bulk sales made at not less than 50% of basic cover price and at lower rate are reconcilable to the Return.		
6.21	Check whether Sports Edition sales within the breakdown of issue-specific multiple copy/bulk sales is correctly stated on the return.		

E. VERIFICATION OF CIRCULATION DETAIL - Letterbox

Copies Claimed Y/N

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 section K of the Reporting Standards which sets out details of the categories available as well as the criteria for this classification.

Ref.

1 Verification of Distribution Area and Round Records

Objectives

- To ensure that maps of the round are kept
- To determine that accurate geographical records are being maintained
- To ensure that the records are up to date and accurate
- To check that any requested non-deliveries are not included in the distribution
- To verify that all rounds are manageable and within the limits detailed in the Reporting Standards
- To ensure that bulk copies have been excluded from this element of the claim

		Initials	W/P Ref.
1.1	Check that the publisher maintains up to date maps down to round level or other specific targeting records on a minimum one-month basis.		
1.2	Check that the publisher or distributor (where the distribution is contracted out) maintains a list of all rounds within an edition on an issue by issue basis.		
1.3	Ensure that road penetration is detailed. (I.e. houses not receiving the paper are shown on round records.)		
1.4	Check that the round sizes comply with the maximum allowed.		
1.5	Review round records for multiple copies. Check that any copies supplied in bulk have been correctly disallowed from the gross distribution.		

2 Postcode Sector Analysis

Objectives

- To verify that the claimed postcode sector breakdown is correct
- To check that no errors have occurred in the transfer of figures
- To establish whether or not the postcode sector totals constitute houses in the claimed areas

2.1	Confirm that a postcode sector analysis has been correctly reported based on the gross distribution for the last issue reported on the return for the audit period (Reporting Standard K20).		
2.2	Verify the postcode sector analysis to round records. Where a round covers more than one sector, ensure that the round figures are split by sector when completing the analysis.		

3 Verification of Distributor Pay Records

Objectives

- To ensure that the pay records contain all of the required detail to verify the claimed distribution
- To verify the existence of distributors
- To verify that the gross distribution reconciles to the amounts paid to distributors and is not overstated
- To verify that the pay records are a fair representation of what the distributors have been paid
- To ensure that all team details are maintained
- To ensure that payment has been made for team deliveries
- To ensure that any reduced distribution is not overstated
- To verify that distribution is not being performed on a rotational basis

3.1	Sample at least 4 distributors per 50,000 distribution copies, vouch that their routes fall within the geographical area and that copies distributed agree to the round total. (1 additional distributor must be tested per 25,000 thereafter).		
3.2	Check that the publisher or distributor (where distribution is contracted) maintains a full list of distributors and their addresses.		
3.3	Check that the publisher or distributor (where distribution is contracted) maintains a complete record of pay to round distributors.		
3.4	Vouch the amounts paid to individual distributors to the cashbook and bank statements if by cheque or to evidence of receipt if by cash.		
3.5	Aggregate and agree the total number of copies paid on the wage schedule to the total gross copies claimed on Form "A".		
3.6	Check that the allocations for the rounds not covered have been correctly deducted from the gross distribution.		

E. VERIFICATION OF CIRCULATION DETAIL - Letterbox (continued)

Ref.		Initials	W/P Ref.
3.7	For Team deliveries, sample each Team and agree all details for delivery are available. Agree total copies paid to distributors and Teams to gross claimed for the sample issues.		
3.8	Where team delivery has been used, vouch the amounts paid to team members and team leaders.		
3.9	Check that all claimed distribution has been on a regular basis, i.e. rotational distribution has been correctly disallowed.		
3.10	Where distribution is contracted to a distribution contractor, vouch the number of copies and pagination invoiced to the gross and net distribution claims on Form "A".		
3.11	Vouch payment to contractor and report any additional discount, credits or sums written off.		

4 Distribution Research (Back-Checking)

Objectives

- To verify that every issue has been researched
- To ensure that the research forms have been completed correctly and contain all mandatory details
- To ensure that the back-checking method followed is according to the Reporting Standards
- To ensure that deductions for disallowed copies are made where non-delivery is identified
- To ensure that additional deductions to distribution are made where distribution research has not reached the required standard

4.1	Identify the method of back-checking used: (please note which). A: Face to Face B: Controlled Telephone Numbers C: Random Telephone Numbers	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
4.2	Check that Distribution research complies with General requirements (Reporting Standard K4), back-checking Form Requirements (K5-K7) and Method (K8-K11).		
4.3	Ensure that at least the minimum required volume of research is carried out, taking into account the specific notes in Reporting Standards K9.2, K10.3 & K11.3. Note: Special dispensation allowed for weekly publications conducting Random Telephone backchecking since Feb '09 has now been made a permanent change (see Reporting Standard K11.3 for full details).		
4.4	Ensure that where distribution research has not achieved the required standard then an additional number of copies are deducted to compensate for the deficiency. Common problems are: failure to record name/telephone no., not meeting the minimum round rotation requirements, failure to include a round in the rotation, repeating calls within the rotation cycle. If in doubt, please contact ABC.		
4.5	For Telephone back-checking, ensure that the database covers the whole delivery area, contains at least the minimum usable telephone numbers and is refreshed/updated/replaced as defined in Reporting Standards K10.2 & K11.2.		
4.6	If a telephone number database contains insufficient data for individual delivery rounds, then ensure that Face to Face back-checking is conducted on those rounds or these rounds are excluded from the claim.		
4.7	For Face to Face and Controlled Telephone back checking ensure that all rounds are checked within the appropriate cycle. Compare back-checks from previous cycle to ensure that roads are rotated where possible and that back-checkers are not returning to the same address.		
4.8	Ensure that for the back-checking done, the correct procedure has been followed for 'No' and 'Don't know' responses and bracketing requirements have been applied correctly (Reporting Standards K12 & K13)		
4.9	Ensure where necessary that an accurate deduction of disallowed copies has been made – either part of round or the whole round (Reporting Standards K13 & K14).		

5 Distribution Complaints

Objectives

- To determine that all of the complaints have been logged and recorded
- Where appropriate, to verify that the correct number of copies have been disallowed
- To ensure that all dumping complaints are treated appropriately

5.1	Ensure that all complaints comply with the General Requirements, Format, Contents and Evidence of Bracketing.		
5.2	Ensure that, where necessary, an accurate deduction of disallowed copies has been made.		

E. VERIFICATION OF CIRCULATION DETAIL - Letterbox (continued)

5.3 If the correct documentation is not shown on the complaint of non-delivery, or if all forms have not been returned to the office, ensure that further copies are disallowed. (e.g. where there is no further testing of the round shown on the complaint form, the whole round should be deducted).

Ref.

6 Analysis Of Disallowed Copies

Objectives

- To verify that the items within the disallowed analysis have been captured and are complete
- To ensure that data is transferred accurately to the Form A

6.1 Vouch the analysis of disallowed copies to the records for issue back-checks, complaints, reported dumpings, rounds not covered, overs supplied and any relevant adjustments that are made for non-compliance of Reporting Standards. **Initials** **W/P Ref.**

6.2 Vouch the number of achieved back-checks on the analysis of disallowed copies to the back-check records.

F. VERIFICATION OF CIRCULATION DETAIL – Free Requested

**Copies Claimed
Y/N**

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 section L of the Reporting Standards which sets out details of the categories available as well as the criteria for this classification.

Ref.

1 Free Requested Delivered Copies

Objectives

- To ensure that free requested delivered copies are not overstated
- To ensure that valid requests exist for all copies

1.1 Check that only sales of copies in the UK or Republic of Ireland are claimed in this category. **Initials** **W/P Ref.**

1.2 Check whether there are auditable records showing the name and address of the copies per issue. (Note that the number of copies per issue must be consistent, but individual addresses used may be varied).

1.3 Check that one copy per individual is claimed.

1.4 Confirm that valid request documentation, less than three years old at the date of distribution of the issue, is retained to support the names and addresses claimed.

G. VERIFICATION OF CIRCULATION DETAIL – Free Pick Up

Copies Claimed Y/N

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 section J of the Reporting Standards which sets out details of the categories available as well as the criteria for this classification.

If a Publication is planning to include Free Pick Up Distribution on their ABC certificate, then this must be registered with and approved by ABC in advance of the distribution taking place.

The Auditor will be required to conduct certain ‘reality checking’ tests during the course of the audit period, as well as completing an additional section of this audit programme at the end of the audit period.

The additional section of the audit programme is provided only for those titles with Free Pick Up Distribution. This work is to be done in addition to that specified in this audit programme.

The audit programme verifies the documentation that the publisher has retained to support their distribution, namely:

- Master list of distribution points
- Form B – issue by issue summary of distribution
- Form C – for each issue, distribution details by distribution point
- Signed and dated delivery documents
- Copies reported on a net basis/daily: signed and dated returns notes
- Copies reported on a capped basis: evidence to support the capping level

Please contact Alice Milner (alice.milner@abc.org.uk) for a copy of the audit programme.

Ref.

1.1	Has the free pickup circulation been audited by yourselves or ABC Audit?	Ourselves/ ABC
1.2	Have you included a completed copy of the Free Pickup audit programme?	Y/N
1.3	Have you included results of ‘reality checking’ tests conducted during the period?	Y/N