



# Audit Bureau Of Circulations

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19<sup>th</sup> August 2014

To,

**ALL EMPANELED AUDITORS**

## NOTIFICATION NO. 838

### Enhancing effectiveness of circulation audits

Bureau's Council of Management at its recent meeting took into account the effectiveness of circulation audits being undertaken by selected audit firms from amongst the panel of auditors. In order to enhance the effectiveness of circulation audit, Council decided as under :

#### 1) Increase in circulation:

Any increase in circulation as compared to previous audit period would be thoroughly verified thru a special Audit which will be undertaken for the next audit period.

Each edition and /or printing centre (as applicable)	Increase in average circulation for an audit period
• Upto 100,000 ave. copies	20% and above [minimum increase average 10,000 copies]
• Between 100,001 ave. copies and upto 300,000 ave. copies	15% and above
• Above 300,001 ave. copies	12.5% and above

(In some cases comparison will be made with a similar audit period i.e for eg. January-June to January-June period specially where fluctuation is seasonal)

#### 2) New enrolment to Bureau membership (new titles and /or new editions of existing titles):

All new titles and / or new editions of existing titles applying for Bureau membership would be considered for certification for the first time after a special audit.

Existing printing centres converted to full fledged editions would be exempted from the special audit. However in case of increase in circulation for such converted printing centres as per the parameters as mentioned in para 1 above would be considered for special audit due to increase in circulation beyond the threshold limit.

**3) Non submission and / or non certification of circulation figures :**

All member publications (individual editions and / or printing centres) which do not submit circulation figures for certification or whose circulation figures were not certified in the previous / earlier audit period would be subjected to a special audit with effect from audit period starting 1<sup>st</sup> July 2014 and thereafter.

**4) Any other reason:**

Any other reasons for which Bureau's Council of Management and / or Audit Committee feels appropriate for a special audit to be undertaken.

**5) Implementation of Special Audit:**

All special audits under the above circumstances would be undertaken at the time of normal circulation audits. These special audits would be undertaken by an empanelled firm of Chartered Accountants as appointed by the Bureau without the publisher member having a choice to select the audit firm. This special audit would be undertaken by the appointed empanelled audit firm in the normal circumstances as a normal circulation audit is undertaken.

However, it would be mandatory for the appointed audit firm to undertake a surprise press and market visit and submit its report alongwith the check list (irrespective of a surprise press & market visit having been undertaken in the earlier audit period).

The above steps would ensure that the member publications are not inconvenienced and not subjected to a second audit.

The audit report / checks lists, surprise press & market visit report to be submitted to the Bureau by the appointed audit firm in the normal course within the time limits as normally prescribed for submission of audited incoming certificates.

**6) Costs of Special Audits:**

Payment for the special audit [which will include audit fees (incl. surprise press & market visit fees, out of pocket expenses, etc.)] would be made by the publisher in the normal course directly to the appointed audit firm

**Summary of Special audits to be undertaken:**

	<b>Reason for special audit</b>	<b>Relevant audit period for a special audit would be</b>
1)	Increase in circulation as per prescribed limits	Immediate next audit period
2)	New titles and / or new editions of existing titles applying for Bureau membership	First audit period for which publisher desires ABC certification
3)	Publications (individual edition and / or printing centre) not submitted circulation figures or circulation figures not certified for any reason during the previous / earlier audit period	Immediate next audit period where publisher desires to avail an ABC certificate

4)	Any other reasons	Council and / or Audit committee to decide any other reason to carry out Special Audit under the circumstances by an appointed firm from amongst empanelled auditors.
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The above provisions of Special Audit would be applicable to all member publications with effect from circulation figures submitted / (to be submitted) for the audit period July-December 2014 and thereafter.

Please contact the Secretariat for any clarification on the above.

Secretary General