



CIRCULATIONS
AUDIT BOARD

Unaddressed Distribution Audit

Rules & Guidelines For Unaddressed Item Distributors 2008

The following Rules and Guidelines are to be read in conjunction with the CAB Rules, September 2008

An Initiative of the Circulations Audit Board (CAB).

INDEX

1. INTRODUCTION TO CAB'S ELECTRONIC MEDIA SERVICES	3
2. WHY A CAB UNADDRESSED DISTRIBUTION AUDIT?	3
3. PROMOTIONAL MATERIALS	3
4. THE REPORTS.....	3
5. THE CAB UNADDRESSED DISTRIBUTION AUDIT PROCESS	4
6. AUDIT REQUIREMENTS AND RECORD MAINTENANCE	5
7. DEFINITIONS	6
1) Campaign.....	6
2) Client	6
3) Distribution Check.....	6
4) Distributor	6
5) Door Knock Check	6
6) Quantity Booked.....	6
7) Quantity Received	6
8) Telephone Check.....	6
9) Unaddressed Item Delivery.....	6
10) Unaddressed Item.....	6
11) Visual Letterbox Check.....	6
8. AUDIT PERIODS	7
9. AUDIT REPORTS	7
TERMS AND CONDITIONS.....	8

1. Introduction to CAB's electronic media services

The Circulations Audit Board (CAB) is a not-for-profit industry organisation governed by advertisers, agencies and publishers. With over 47 years of auditing experience, the CAB stands as an integral part of the advertising industry offering credible and independent circulation audits for the publishing media. This experience and knowledge base has now formed the foundation of a unique range of auditing services including Unaddressed Distribution audits, Exhibition audits, Web Site Traffic audits and Email Newsletter audits. The CAB now audits Unaddressed Distributions to give unaddressed distributor members the third-party verification needed to reaffirm advertiser confidence.

2. Why a CAB Unaddressed Distribution Audit?

The CAB Unaddressed Distribution Audit is a comprehensive audit of the distribution of unaddressed items bringing further credibility to distributors' claims and therefore raising advertiser confidence. The methodology is such that it can accommodate the ever-changing nature of the industry to provide a standard measure of accountability.

3. Promotional Materials

Audited distributors of unaddressed items have the opportunity to use CAB logos, promotional materials and reports as a powerful marketing tool to gain interest from potential advertisers.

4. The Reports

The audit reports are published in a coloured print format with the copyright of the report held jointly by the CAB and the Unaddressed Item Distributor. The choice to publish the results is entirely at the discretion of the CAB member. Published results, however, are available to every CAB member. This means that unaddressed item distributors who audit with the CAB ensures that many of the major agencies in Australia have access to their audited figures.

5. The CAB Unaddressed Distribution Audit Process

The CAB audit process has been developed to facilitate the audit of an unaddressed Item distribution in the most thorough, transparent and efficient manner possible upholding the integrity and credibility associated with CAB.

1. The Unaddressed Distribution Member registers an unaddressed item distribution engagement with the CAB. After initial discussion, the Unaddressed Distribution Member commits to the audit.
2. The CAB Staff Auditor visits the member to inspect the pre-distribution process and related record keeping, taking away sample data if necessary. Arrangements for access to data and staff are confirmed and the CAB Staff Auditor gains sufficient understanding of the unaddressed item distribution process to establish the appropriate audit procedure. The CAB Staff Auditor will also discuss the audit process and clarify the audit rules and definitions where necessary. The CAB Staff Auditor will arrange for an appropriate time to inspect the distribution material once it has arrived at the Unaddressed Distribution Member's premises and prior to its distribution.
3. The Unaddressed Distribution Member will be required to install and maintain an appropriate level of recordkeeping, which will be outlined by the CAB Staff Auditor at the initial visit.
4. At the completion of the nominated unaddressed item distribution, the member compiles the statistics forwards them to the CAB Staff Auditor.
5. The CAB Staff Auditor will examine the statistics for duplication, authenticity and accuracy, inspecting any relevant records as deemed necessary.
6. The CAB Staff Auditor is to be given technical assistance to access the data as requested.
7. The CAB Staff auditor will present the audit findings to the member and discuss any issues that may arise during the audit.
8. The CAB will produce the final report in draft for approval by the client before the formal report is issued.

6. Audit Requirements and Record Maintenance

Following are the audit and record maintenance requirements for Unaddressed Distribution audits. The CAB Staff Auditor will discuss the audit process and clarify audit rules and definitions where necessary during the initial visit.

The Unaddressed Distribution Member agrees to provide the following data:

- An original of the unaddressed item distributed
- Evidence of the quantity delivered by the client to the Unaddressed Distribution Member for distribution.
- Evidence of returned/invalid addresses if greater than 1% of the entire distribution
- Breakdown of verifiable freight documents.
- Breakdown of the number of items distributed by:
 - Walker
 - Sections
 - State
- Distribution Checks per state broken down by:
 - Visual letterbox checks
 - Telephone checks
 - Door knocks

Examples of records that may be inspected by the CAB Auditor include:

- Financial Records pertaining to payment of the Unaddressed distribution engagement
- Distribution Maps
- Walker Receipts
- Walker Pay Slips
- Contracts
- Area Representative Checklist
- Supervisor Pay slips

An audit return will be provided for the Unaddressed Distribution Member's convenience.

7. Definitions

In these Rules and Guidelines, unless the context otherwise requires, the following terms have the meanings set out below:

1) Campaign

An engagement to distribute a specific unaddressed item.

2) Client

A person or organisation who engages a distributor to conduct an unaddressed item distribution.

3) Distribution Check

A check made to establish that an unaddressed item was distributed to a household.

4) Distributor

A CAB member engaged to distribute an unaddressed item.

5) Door Knock Check

An inspection in person to confirm that an unaddressed item has been distributed to the household.

6) Quantity Booked

The quantity of an unaddressed item ordered for delivery by the client.

7) Quantity Received

The quantity of an unaddressed item delivered to the CAB member for distribution.

8) Telephone Check

An inspection by telephone to confirm that an unaddressed item has been distributed to the household.

9) Unaddressed Item Delivery

The number of a particular unaddressed item distributed to households, net of returns.

10) Unaddressed Item

Printed Advertising material distributed to an unaddressed householder.

11) Visual Letterbox Check

A visual inspection to confirm that the unaddressed item distributed has been placed in a letterbox.

8. Audit Periods

The audit period covers the term of the unaddressed item distribution engagement.

9. Audit Reports

The following must be carried as a mandatory minimum on all certificates:

- The Unaddressed Distribution Member name and address.

- The name of the campaign including a graphic of the unaddressed item where possible.
- The Audit Period.
- Number of unaddressed items distributed by state.
- The number of walkers.
- The number of items per walker.
- The number of distribution sections per walker.
- The number of area distribution checks by state, split into:
 1. Visual Letterbox checks
 2. Telephone checks
 3. Doorknock checks

- Definitions (as in Section 8 above, to assist users of the certificate).

Terms and Conditions

Media members of the CAB agree to abide by the following:

1. Publicity

Unaddressed Distributor members agree not to use the logo until agreed in writing with the CAB. Any use of data certified by CAB must clearly state the item and period covered by the certification. Once an Unaddressed Distribution Member has registered with CAB, any data that has not been certified by CAB must be accompanied with a clear statement to that effect. If an Unaddressed Distribution Member ceases to be a member of CAB, they will cease to mention CAB and cease to use the logo from the date the membership ceases.

CAB agrees not to publicise any data pertaining to a CAB Unaddressed Distribution Audit without the express permission of the Unaddressed Distributor Member. CAB will maintain a Web Site for the purpose of publicising its activities and promoting the data it certifies.

2. Commercial and other Liability

CAB will not be responsible for any commercial damage or loss incurred whether directly or indirectly as a result of audit or refusal thereof by CAB. CAB contract to undertake the audit of an unaddressed item distribution and other data to industry agreed standards providing that the Unaddressed Distribution Member provide CAB with the data and other materials and information requested by CAB by the date requested by CAB.

3. Confidentiality

CAB warrant that all information or material that comes into its possession for the purposes of audit of an unaddressed item distribution will be kept confidential and will not be divulged to a third party without the express consent of the Unaddressed Distribution Member.

4. Copyright

Copyright of any data audited and certified by CAB will rest jointly in the Unaddressed Distribution Member and CAB. Such data will only be publicised by CAB in accordance with item 1 above.

5. Timing

CAB reserve the right to refuse to undertake an audit or to refuse to certify the delivery or other data if CAB has not been given at least fourteen days notice prior to the start of the period to be audited of a Unaddressed Distribution Member's intention to have that unaddressed item distribution audited. CAB will use its best endeavours to complete an audit within the time requested by the Unaddressed Distribution Member but will not be liable if it does not meet a timetable requested by the Unaddressed Distributor member.

6. Appeal Procedure

Where there is a difference of opinion between CAB and an Unaddressed Distribution Member on a point of judgement, the Unaddressed Distribution Member will have the right to appeal to the CAB Board of Directors for a review of the decision. That group will consist of representatives of both buyers and sellers of advertising and their decision will be binding. In cases where one member of CAB complains about the conduct of another member, in so far as the Executive Director of CAB believes the complaint falls within the remit of the CAB's certification process, that complaint will be reviewed by the Board of Directors of the CAB. In cases of doubt the case will be referred to the CAB Board of Directors for a decision.

7. Communication

Any communication sent electronically from an Unaddressed Distribution Member will not be deemed to have been received until acknowledgement has been sent confirming receipt.

8. Access to Data and Systems

CAB reserve the right to visit any offices related to the Unaddressed Distribution member, at any time during business hours and have access to related support staff at those offices to view and capture any data CAB need in real time to conduct its audit. Refusal of such access may result in the refusal or withdrawal of any/all certification.

9. Retention of Data

Upon completion of the audit, CAB will require the Unaddressed Distribution Member to prepare an archive copy of all raw data supporting the distribution claim. CAB will retain this archived copy in case the need arises for the data to be re-audited.

10. Misleading or False Data

If CAB finds that the Unaddressed Distribution member has made misleading statements or has misrepresented or falsified data, whether during the audit or subsequently, then membership will be terminated and that termination communicated to all members.

Please refer to the Circulations Audit Board Rules, September 2008 for further information.