

RECOMMENDING OPINION OF THE ASSOCIATION OF MEDIA AGENCIES ON MEDIA AUDITS

Purpose

In view of the current situation in the market where we see a growing number of audits, and a growing demand for work and resource of agencies linked directly to the provision of assistance during the preparation and conduct [of audits] and assessment of media audit outputs, and in view of understanding and respecting the clients' needs to get the clearest, most comprehensive and most objective picture possible about the efficiency of expenditures made on media communication, the Association of Media Agencies (AMA), a special-purpose association of legal persons established under Section 20f Civil Code, recognises the need to standardise the overall media audit process, and the activities of media auditors.

To that end, the AMA Committee chose to develop a uniform joint recommending opinion of the AMA that seeks to define the elementary rules for media audit so that the requirements laid on conduct of such audit stem from real possibilities of agencies to provide the assistance required within the required time, on the one hand, and from the expected quality of media audit outputs, on the other.

This opinion defines the general framework; detailed provisions are a matter of individual contractual negotiations between the given client and the agency.

Rules

1. The client will notify the agency well ahead of the person of media auditor. The agency may give its view on the person or entity of the auditor, and may require additional relevant information, such as proofs of:
 - a. professional qualifications of such auditor's employees;
 - b. methodology to be used in the assessment;
 - c. resources to be used;
 - d. references.
2. The audit notification shall be made at least 4 weeks prior to scheduled start of the media or financial audit, and the exact definition of such audit structure, depth and identification of specific timeline of individual steps is required. The agency may give its view on individual steps, their sequence and timing. Further, the agency may define, and reasonably request the payment of, costs incurred in direct connection with the giving of its assistance in the audit. The agency may also require that the client shares in such costs with a relevant amount, and, if it seeks such costs from the client, the agency must inform the client in advance of this, and must present to the client a detailed calculation of the potential costs or, as applicable, share in such costs.
3. Prior to start of audit, both the client and the audit company will sign a non-disclosure agreement (NDA) to ensure the protection of agency's know-how and business secret under Sections 17 to 20 of the Commercial Code.

4. The agency will give to the audit company its assistance to extent agreed, whilst observing its contractual obligations, so preventing any breach of or threat to the right to business secret of its other business partners. The agency shall make it possible for the auditor at least to:
 - a. Enter the agency premises in the company of a responsible person designated by the agency, in a pre-set and pre-agreed time;
 - b. Inspect such documents that are aimed or designated directly to the specific client on whose request the media or financial audit is conducted, enabling the agency to observe its contractual obligations (business secret under relevant provisions of the Civil Code) owed to the other business partners.
5. The auditor will send, well in advance (usually 7 business days prior to presentation to the client), the final report from its audit; first [it will send such report] to the agency with an aim to eliminate any obvious inaccuracies, clarify its conclusions, and so to increase the relevance of its media audit output to the client. Auditor's final report will be presented by the auditor in person at a three-party meeting (client, auditor, agency) where the agency can immediately present its views on such audit; or such report will be sent in writing to the agency, with the auditor setting a reasonable time in which the agency may give its views on the audit. The final auditor's output will be accessible solely to the client and to the agency that has been audited.

By signing hereof, we confirm our agreement with the above AMA opinion and our undertaking to observe the above Rules.