



Information Note:

T-067: JT Accounting and Cost Allocation Audit

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Information Note

The Jersey Competition Regulatory Authority (the **Authority**) is undertaking an audit of JT's processes and controls with respect to its accounting and cost allocation practices. This is a follow up to the wholesale broadband access services price review and is in line with the Authority's published 2022 Business Plan.

The Authority has appointed Grant Thornton (Channel Islands) to support the audit. Grant Thornton is one of the world's largest professional services network of independent accounting and consulting member firms which offer a full range of audit, assurance, tax, corporate recovery and advisory services. They were appointed following a competitive procurement process based on criteria including proven expertise, strategic fit and value for money.

The terms of reference for the audit are set out in the box below:

Terms of reference for the audit

The project is a review and audit of JT's accounting processes and controls, with respect also to general accounting and cost allocation practices. This is in the context of JT's obligations set out under licence condition 33 and 34 and the issues identified during the wholesale broadband access services price review.

The appointed Consultant will be required to undertake and complete work in the following areas:

- In consultation with the Authority, conduct preparatory analysis and develop an initial questionnaire (for JT), intended to identify key areas of consideration and likely areas of focus for the review;
- Structure and co-ordinate an on-site visit to JT's offices (up to 2 days), designed to engage with relevant JT staff, review JT's systems and associated procedures, and help build a full understanding of JT's audit and other relevant processes;
- Produce a report for the Authority setting out:
 - What caused the issues with the cost data provided for the price review and what actions have been taken to resolve the issue?
 - A description of JT's accounting processes and controls
 - The consultant's findings from the audit and review
 - Recommendations (where applicable) arising from the consultant's review and audit

The Authority anticipates the audit process will be completed in quarter 4 2022 and further information will be provided on the Authority website in due course.