



General Audit Chamber  
Algemene Rekenkamer

# EFFICIENCY AUDIT: SINT MAARTEN STIMULUS & RELIEF PLAN 2021



November 2022



This document is an English translation of the original Dutch report entitled: "*Doelmatigheidsonderzoek: Sint Maarten Stimulus en Support Program (SSRP) in 2021*".  
In the event of textual contradictions or other differences, the original Dutch text will prevail.

November 2022  
General Audit Chamber, Juancho Yrausquin Bldv 10, Philipsburg, Sint Maarten

## FOREWORD

We published our report on implementing the [Sint Maarten Stimulus and Relief Program](#) (hereafter SSRP) in December 2021. The Government established the SSRP to provide emergency relief and economic stimulus, which includes direct assistance to vulnerable sectors and groups. To implement the SSRP, the government of St. Maarten sought financial assistance from the Netherlands. Originally this program was intended to be short-lived, but due to the ongoing pandemic, it continued into 2021.

Given the significant government spending associated with this plan, the General Audit Chamber resolved to examine the SSRP over the fiscal year 2021.

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## SUMMARY

We issued our report on the implementation of the SSRP programs in December 2021. In 2022, we reviewed the SSRP for fiscal year 2021.

The Temporary 2021 Payroll Support Regulation is almost identical to that of 2020. Some differences are reflected in the advisory committee's role; recommendations from the committee need no longer be adopted by the SZV, and payments are not made unless the applicant fully satisfies the requirements. Regulations for implementing the Income and Unemployment programs by the SMDF remain unchanged.

The Government transferred ANG 103 million to SZV to implement the Payroll Support program. SZV spent a total of ANG 97 million. A total of ANG 5 million of the ANG 6 million balance has been refunded.

According to the subsidy decrees, SMDF was awarded ANG 12.58 million in 2021. Eventually, approximately ANG 9.8 million was spent on Income and Unemployment Support programs.

Operationally, the Payroll Support and Income and Unemployment Support programs ended in September 2021. Due to delays (and pending appeals), payments for Payroll Support were made until March 2022 and for Income and Unemployment until November 2021. No transition period was in place during which possible additional assistance was provided. The impact on persons not receiving continued assistance is not apparent to us.

Delays in payment occurred during the implementation of Payroll support, and one of the reasons is that businesses had to submit stamped tax forms. This took more time. Other causes are not known to us. The 2020 backlog had a knock-on effect into 2021. The SZV attempted to clear the backlog, but this was not easy due to capacity challenges. To the best of our knowledge, no formal investigation was conducted during the program's implementation to determine the root causes of the delay and generate potential solutions.

The SZV is required to report monthly to the Minister of VSA on the implementation of the Business Payroll Support program. In addition, the Council of Ministers is supposed to receive a monthly (cumulative) overview of all expenditures. Furthermore, SZV is supposed to submit a financial report to the Council of Ministers on the program's implementation.

The Foundation of Government Auditors (SOAB- *Stichting Overheidsaccountantsbureau*) reviews SZV's program implementation. We have not received SOAB audit reports from the ministry for the fiscal year 2021. In practice, the Minister of Finance received monthly reports from SZV instead of the Minister of VSA. Reports from SZV addressed to the Minister of VSA and the Council of Ministers were not shared with us.

SOAB is to audit the implementation of the Income and Unemployment Support programs. SMDF is required to engage an external auditor to compile monthly reports. The Ministry of Finance provided periodic updates on SMDF's implementation of the programs. However, SOAB's final report was not available at the time of writing.

Due to eligibility requirements, the amount businesses are obligated to refund remained limited to approximately ANG 266,000. This amount may be reduced due to further investigation. In comparison, for Aruba, in 2020, Aruba received a total of Afl. 271 million in financial assistance due to the pandemic. The 2020 wage subsidy assessment report dated November 25, 2021, indicates that Aruba must recover an amount of Afl. 73 million (26.9%) in excess wage subsidy payments.

A significant difference here is that in the case of Aruba, the verification of lost turnover to be eligible for financial aid occurred essentially after the fact. In contrast, in St. Maarten, this verification occurred upfront.

## 1.1 The basis for the review

In 2021, we examined the implementation of the St. Maarten Stimulus and Relief Plan (SSRP) for the fiscal year 2020. Under the SSRP, the objective is to reduce unemployment through subsidies to businesses and individuals. Specific target groups include the following:

- affected businesses (more than 60% loss of turnover);
- single proprietors, small entrepreneurs, bus- and independent taxi drivers;
- the unemployed, and
- the Government using liquidity support provided by the Netherlands.

According to article 74 of the Constitution, the General Audit Chamber is charged with examining, among other things, the legal compliance of Government revenue. Our authority to review the SSRP, which forms an integral part of the National Budget, is established in Article 1 and Article 30 of the National Ordinance of the General Audit Chamber.<sup>1</sup> Moreover, subsidies (in the case of income and unemployment support) are public funds within our purview.

## 1.2 The objective of the review

In this review, covering the 2021 fiscal year, we examine the management controls and the rules governing funds' accounting and (financial) management.

## 1.3 Audit question

The primary question of the review is:  
*How was the SSRP executed in 2021?*

## 1.4 Reading guide

This report addresses the following in the order:

Chapter 2: SSRP implementation in 2021.  
Chapter 3: Financials in 2021  
Chapter 4: SSRP effectiveness

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<sup>1</sup> Article 30 National Ordinance General Audit Chamber: The General Audit Chamber dedicates its attention to the efficiency of management of monies and goods and the organization and functioning of the government's departments. Considering the materiality in financial terms and social impact, we resolved to examine the SSRP implementation in 2020 and, through this report, also in 2021.

## 2.1 A short recap: SSRP 2020

To report on SSRP in 2021, we refer briefly to our report: "[Focus audit: Sint Maarten Stimulus & Relief Plan 2020](#)," in which we explain the different components of SSRP and present (financial) data for the year 2020. The report further contains our findings on accountability. In addition to the regulatory accountability, additional agreements were concluded with the Kingdom Council of Ministers for monthly reporting on SSRP implementation. We end the report with several points of attention that focus on improving reporting of realized expenditures. There was a lack of information, for example, about using ANG 51.9 million as government liquidity support. These funds were not specifically allocated but serve to cover the operational costs of government.

## 2.2 Regulation in 2021

To avoid mass layoffs, the Government launched a payroll support program (Business Payroll Support). The Social and Health Insurance Administration (SZV) was chosen to implement the program.<sup>2</sup> The program's implementation is based on the [Temporary Payroll Support Regulation 2020](#) (*Tijdelijke regeling payroll ondersteuning 2020*), amended multiple times in 2020. The changes in 2020 include the following:

- [Regulation payroll support for June 2020](#);
- [Regulation payroll support for July, August and September 2020](#); and
- [Regulation payroll support for October, November and December 2020](#)

The 2020 regulation automatically expired on December 31, 2020, and was replaced by a new [temporary regulation in 2021](#). The 2021 regulation was amended twice. The changes in 2021 are:

- [Regulation payroll support for March and April 2021](#);
- [Regulation payroll support for June, July, August and September 2021](#)

## 2.3 Regulatory amendments

The 2020 Temporary Payroll Support Regulation and the 2021 regulation are almost identical. Nevertheless, there are subtle differences, and some articles stand out. In terms of implementing the Income and Unemployment Support programs, no amendments occurred.

### 2.3.1 The Audit Chamber's role

Our role is the same as mentioned in the 2020 regulation. In this regard, the responsible minister(s) seem(s) neither aware of nor interested in what we indicated in our 2020 SSRP report. The stipulation is as follows:

*"The General Audit Chamber reviews financial statements and the decision-making process after the fact (ex-post)".*

In our view, this represents an attributable legislative error.

All ministers, when it comes to their financial management and policy implementation, are, in effect, subject to our review.<sup>3</sup> Except for legally required audits, we are authorized to independently select audit topics. The implementation and results of the SSRP are to be reported in the 2021 Financial Statements. We are charged with the review of the 2021 Financial Statements.

### 2.3.2 The role of the advisory committee

The 2020 Temporary Regulations included a stipulation that the administrator, USZV, was obligated to comply with the decisions or instructions of the advisory committee. This provision was dropped from the 2021 regulation.<sup>4</sup> The advisory committee reviews appeals from employers who applied for payroll support. However, the 2021 regulation is a new arrangement. As a result, the members were reappointed in 2021.<sup>5</sup> Regarding the Rules of Order, the 2021 Regulation specify that these are approved in writing by the Minister of Finance and the Minister of VSA after or in consultation with the Council of Ministers. These Rules outline the appropriate procedures for the consideration of appeals.

<sup>2</sup> Temporary regulation of payroll support for April, May, and June 2020, AB 2020, No. 29. Relates to Payroll Support and Income Support.

<sup>3</sup> Refer to articles 1, 20, and 26 of the National Ordinance of the General Audit Chamber.

<sup>4</sup> From a response from the Ministry of Finance dated October 26, 2022, it appears that this was changed because the advisory committee provides advice to the Minister of Finance on employers' appeals. He decides thereafter, USZV executes.

<sup>5</sup> Ministerial Decree number 2021/896.

The Regulations were approved per the 2020 Temporary Regulations, although we did not receive documents confirming that the Council of Ministers was consulted according to Article 8, paragraph 5 of the 2020 Temporary Regulations.<sup>6</sup> Regarding the approval in line with the Temporary Regulation 2021, we did not receive any supporting documents proving that it was validly adopted.

### 2.3.3 *The verification and payment process*

When the SZV verification process fails to occur on time, SZV may proceed with payments based on the list of registered workers.<sup>7</sup> This stipulation was dropped in the 2021 Regulations. The implication is that SZV could not issue payments in 2021 until the verification process occurred.

## 2.4 **Ending of the 2021 Temporary Payroll Support Regulation**

Officially, the 2021 Temporary Regulation automatically expired on December 31, 2021.<sup>8</sup> Nonetheless, payments continued into 2022.<sup>9</sup> Moreover, appeals were handled through July 2022, leading to additional payments of about ANG 411,000.<sup>10</sup> In section 3.6, we examine in more detail the payment delays during the implementation of the Payroll Support program.

## 2.5 **A comparison with Aruba**

On May 5, 2022, the Court of Audit Aruba published its [report](#) on the FASE-emergency support program in Aruba. Like SSRP in St. Maarten, Aruba maintained a support program until November 2021, composed of three components: FASE<sup>11</sup>-emergency assistance, Wage subsidy, and an SME scheme.

To qualify for FASE emergency assistance, the applicant must be:

- A resident of Aruba;
- A Dutch national or valid permanent resident;
- Demonstrably income- disadvantaged due to the pandemic (employer declaration, recent pay slip, etc.);
- Registered as an employee at their SZV (Sociale Verzekeringsbank);
- In receipt of income higher than ≥ Afl. 950.00, which declined to less than this amount because of the crisis; and
- Not be a recipient of wage subsidy or welfare benefits.

As a sole proprietor, an applicant had to submit the tax return on business turnover for the previous two months and an excerpt from the Chamber of Commerce.

### Wage subsidy program

A wage subsidy was awarded to partially cover the wage costs of workers in a business up to 60%, provided certain conditions were satisfied. The Wage Subsidy Program applied to employers expecting a reduction in a business' turnover of at least 25% due to the COVID-19 pandemic.

### Small and medium-sized enterprise (SME) program

The third component of emergency assistance was the SME program. SMEs were financially supported by allocating an allowance of Afl. 4,000 per quarter to cover the ongoing costs of the business but not its labor expenses. Its purpose was to encourage job retention. The program lasted from April 2020 for nine months.<sup>12</sup>

### Processing time of an application

The average processing time from application to disbursement was 30 working days in Aruba.<sup>13</sup> In 35% of cases, the processing time exceeded the average from application to disbursement (30 to 60 days).

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<sup>6</sup> Letter from the Minister of Finance and the Minister of VSA (reference: 07072020-01) dated July 7, 2020.

<sup>7</sup> Article 20, paragraph 2 of the 2020 Temporary Regulation.

<sup>8</sup> Article 22 of the Temporary Regulation on Payroll Support, AB. 2021 no.15.

<sup>9</sup> Response from the Minister of Finance's cabinet dated October 7, 2022.

<sup>10</sup> Final SZV report COVID-19 Payroll support, July 2022, page 6.

<sup>11</sup> FASE refers to 'Fondo di Asistencia Social di Emergencia'.

<sup>12</sup> Aruban Ministerial Decision, Minister of Finance and Economic Affairs and Culture of May 14, 2020, Article 1.

<sup>13</sup> Efficiency and Effectiveness Review of FASE Emergency Assistance, Court of Audit Aruba, April 2022, page 32.



**3.1 SSRP in the 2021 National Budget**

According to the Explanatory Notes to the National Budget Ordinance 2021, ANG 89 million was reserved for Payroll Support.<sup>14</sup> In addition, funding was provided for direct support. Table 1 lists the components and amounts specified in the 2021 budget.

**Table 1: budgeted components in ANG (x 1 million) for SSRP in 2021 (Budget 2021)**

Component	Amount ANG (x 1 million)
Payroll Support Program	89.0
Income Support Program	4.88
Unemployment Support Program	8.63
Subsidy SMMC	10.0
Food vouchers	0.75
<b>Total</b>	<b>113.26</b>

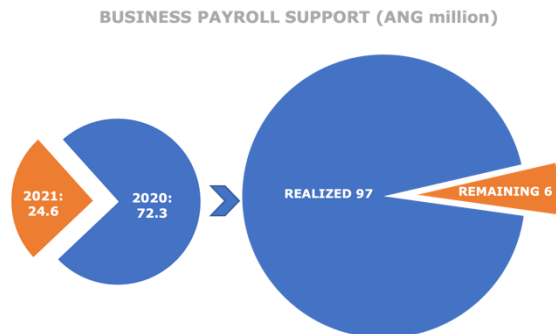
We examined the Payroll Support, Income Support, and Unemployment Support programs for this report. We did not review the SMMC subsidy and food vouchers in any detail.

An increase in Payroll and Income Support applications was factored into preparing the 2021 budget. Explanatory Notes to the 2021 National Budget reveal that ANG 89 million was budgeted for Payroll Support (including ANG 36 million in fixed costs), ANG 4.88 million was planned for Income Support and ANG 8.63 million for Unemployment Support.<sup>15</sup>

**3.2 Payroll Support**

The Government transferred a total of ANG 103 million for Payroll Support to SZV, the implementing agency for the program, for 2020 and 2021. The 2021 Financial Statements indicate that ANG 24.66 million was spent on Payroll Support in 2021.

The (projected) realization is lower due in part to the termination of the program as of the end of September 2021. Estimates are that final expenses will be ANG 6 million lower, totaling ANG 97 million for the entire program.<sup>16</sup> In the meantime, of the ANG 6 million, ANG 5 million has since been refunded to the Government.<sup>17</sup> SZV is expected to transfer the remaining amount to the Government in the fourth quarter of 2022.<sup>18</sup>



**3.3 Ending the Payroll Support Program**

In September 2021, the decision was made to end the program, at which point new applications for Payroll Support could no longer be submitted. From the program's inception, it was unclear how long employers could be supported, considering the Government's financial position.

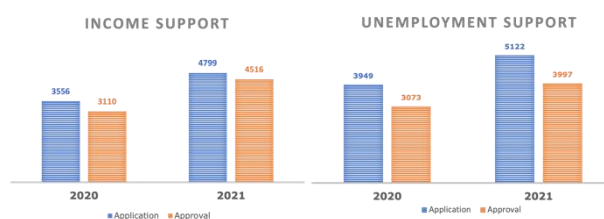
Upon receiving financial support (from the Netherlands) and depending on the liquidity position, a decision was made regarding the possible extension of the program. From the second half of 2021, the economy improved. Consequently, it was decided to discontinue the program.<sup>19</sup>

<sup>14</sup> Explanatory Notes to the 2021 National Budget, page 7.  
<sup>15</sup> Idem.  
<sup>16</sup> Financial statements 2021 St. Maarten, section C.7.9. under COVID Payroll Support SSRP.  
<sup>17</sup> Report Payroll Support COVID 19 Final Report, SZV, dated July 19, 2022, page 7.  
<sup>18</sup> Finance Minister's Cabinet response dated October 7, 2022.  
<sup>19</sup> Finance Minister's Cabinet response dated October 26, 2022.

### 3.4 Income and Unemployment Support

To financially support the unemployed and small sole proprietors during the pandemic, the St. Maarten Development Fund (hereafter SMDF) was charged with implementing Income and Unemployment Support programs. According to the SMDF, ANG 13.8 million was spent until August 31, 2021.<sup>20</sup>

As of November 1, 2022, approximately ANG 16.9 million has been spent on both programs. It also seems that a total of ANG 8.8 million has been spent on Income Support and ANG 8.1 million on Unemployment Support. These are unaudited figures.<sup>21</sup> In 2020, 3,556 applications were submitted for Income Support. In total, 3,110 applications were approved. For 2021, 4,799 applications were submitted, with 4,516 approved. Applications for Unemployment Support totaled 3,949 in 2020, of which 3,073 were approved. For 2021, 5,122 applications were submitted, and 3,997 were approved.<sup>22</sup>



#### 3.4.1 Financial Progression

Table 2 shows the amounts allocated to SMDF based on the Minister of Finance's subsidy decisions.

**Table 2: subsidy received by SMDF in 2021 for the Income and unemployment support program**

Date of Decision 2021	Decision number	Applicable months 2021	Awarded subsidy in ANG (x million)
<b>March 3</b>	2021/195	January 1 – April 30	6.05
<b>May 27</b>	2021/637	May 1 – June 30	2.54
<b>September 16</b>	2021/1177	July 1 – September 30	3.99
<b>Total</b>			<b>12.58</b>

According to SMDF data, ANG 5.2 million was spent on Income Support in 2021 and 4.6 million on Unemployment Support in 2021 (total ANG 9.8 million).<sup>23</sup>

Based on the 2021 subsidy decisions (ANG 12.58 million) and the realization mentioned in SMDF's 2021 submissions (ANG 9.8 million), a difference of ANG 2.78 million is present. However, according to a letter from SMDF, the remaining balance is ANG 1.1 million.<sup>24</sup> The reason for the difference between ANG 2.78 million and ANG 1.1 million is unclear to us. It is possible that because appeals were processed at the end of 2020, payments for that year rolled over to 2021. That may explain the difference.<sup>25</sup>

### 3.5 Ending the Income and Unemployment Support Programs

For the last three months of Income and Unemployment Support (July, August, and September 2021), ANG 1.8 million for each program was requested in September 2021 (and granted by a decision dated September 16, 2021). In total, this represents ANG 1.2 million per month for both programs. Payments were ANG 1,150 per applicant.

On September 30, 2021, the program was discontinued for reasons mentioned in section 3.3 of this report. A transition period was not available to provide continued assistance. The impact of the discontinuation of assistance is unclear. In our opinion, further study is warranted to determine how this affected the individuals in question.

<sup>20</sup> Letter from SMDF to the Minister of Finance, dated August 31, 2022. The figures are preliminary.

<sup>21</sup> Letter from SMDF to the Minister of Finance, "SSRP Summary Statement", dated November 1, 2022".

<sup>22</sup> Idem.

<sup>23</sup> Idem.

<sup>24</sup> Letter from SMDF to Minister of Finance, dated December 15, 2021, with subject: "SSRP Closure and Returning of Funds"

<sup>25</sup> Ministry of Finance response dated November 10, 2021.

### 3.6 Delayed payments

It is striking that in the reports from SZV to the Minister, the various audit reports (involving, for example, applications verified in detail), and in all other relevant material we analyzed, little or no mention was made of the reasons for the delay in application and payment of Payroll Support. Also absent was an explanation of the delay's precise nature by period.

Although the SSRP ended in December 2021 under the Temporary Regulations, the last payments for Payroll Support occurred in March 2022; the final payments occurred in November 2021 for Income and Unemployment Support.<sup>26</sup> According to the Ministry of Finance,<sup>27</sup> the SMDF experienced a short delay in payments for July and August 2021 due to replenishment issues.

According to the Ministry of Finance, one of the factors responsible for the delay in Payroll Support payments is that businesses were required to submit stamped tax forms. This took more time. The 2020 backlog had a knock-on effect in 2021. The SZV tried to reduce the backlog, but this proved no easy task due to capacity challenges.<sup>28</sup> As far as we have been able to establish, no formal investigation was conducted during program implementation into the reasons for the delay and how the delay might be resolved.

In 2020, the regulation allowed for the possibility of the SZV continuing payments if the verification process could not occur promptly. The Temporary Regulation in 2021 specifies that SZV will discontinue payments if the verification process is not completed. This measure may have added to the delay in Payroll Support payments.

To address the delays regarding Payroll Support to the extent possible, the Ministry of Finance stated that it was in constant contact with SZV, seeking updates on the process. In its view, the Ministry was doing its part to ensure that no further delays would occur.<sup>29</sup>

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<sup>26</sup> These are the last bulk payments. Payments continued to be made until July 2022 for Payroll Support and Income and Unemployment support until March 2022. However, these concern periodic payments because of processed appeals and administrative supplements, such as submission of applicant's bank details.

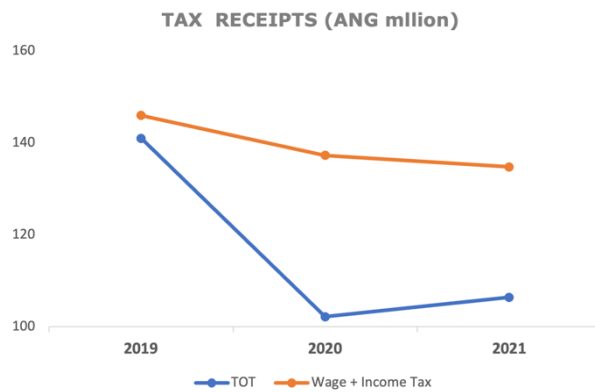
<sup>27</sup> Ministry of Finance response, Oct. 7, 2022.

<sup>28</sup> Ministry of Finance response, Oct. 7, 2022.

<sup>29</sup> Idem.

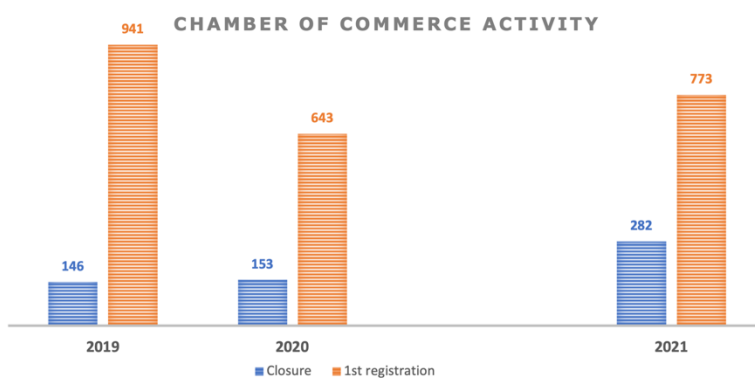
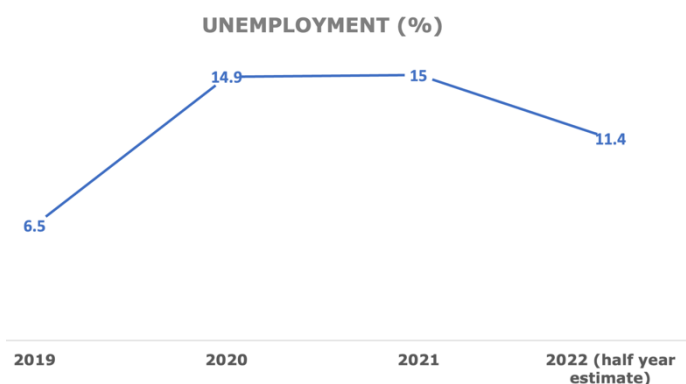
### 4.1 Impact

The objective of the SSRP was to mitigate the negative impact of the COVID-19 pandemic. In particular, the Government wanted to prevent widespread layoffs, leading to the provision of wage support to the business community; of course, the support was conditional on satisfying specific requirements. For small business owners and the unemployed, subsidies were provided through the Income and Unemployment Support program.



In 2020, the Country collected less revenue from business tax turnover, payroll, and income taxes.<sup>30</sup> The near shutdown of the economy explains the declining turnover tax collections. Payroll and income taxes, while lower, are less pronounced.

Unemployment rates doubled in 2020 and 2021 compared to 2019 (before the pandemic), according to the CBCS<sup>31</sup>. During the program, the unemployment rate remained stable (around 15%). For 2022, the CBCS expects a decrease in unemployment rates, but those data are not yet available.



Although the effects on the labor market were noticeable, the business community fared reasonably well; more new businesses registered with the Chamber of Commerce than dissolved.<sup>32</sup> A clean-up effort at the Chamber of Commerce may also have affected the number of closures. Companies that failed to pay outstanding dues at the Chamber of Commerce were removed from the register.<sup>33</sup>

<sup>30</sup> Financial Statements 2021, version August 2022, Government of Sint Maarten, table C 7.1, page 103.

<sup>31</sup> Economic Bulletin: Navigating the Pandemic, September 2022, Central Bank of Curaçao and St. Maarten.

<sup>32</sup> Chamber of Commerce Annual Report 2021, page 12-13.

<sup>33</sup> Chamber of Commerce Annual Report 2021, page 9.

## 4.2 Accountability

In compliance with the Temporary Regulation 2021, accountability for expenditure and progress (by component) is required. In addition to the accountability regulated by law, our [Focus Audit on SSRP in 2020](#) revealed that an additional layer of (unwritten) monthly accountability was added at the Kingdom level.<sup>34</sup> We indicated then that it was unclear whether Parliament was aware of this and whether they received a copy of the information sent to the Cft.

### 4.2.1 Accountability: Payroll Support

Each month, SZV was supposed to report to the Minister of VSA on how the Business Payroll Support program was implemented.<sup>35</sup> In addition, the Council of Ministers would be expected to receive a monthly (cumulative) summary of all expenditures.<sup>36</sup> Furthermore, SZV must submit a financial report to the Council of Ministers on the program's implementation.<sup>37</sup> The figure below presents SZV's accountability.



The SOAB is charged with auditing the program's implementation by the SZV.<sup>38</sup> We did not receive SOAB audit reports from the ministry for the fiscal year 2021. As a general practice, the Minister of Finance received monthly reports from SZV instead of the Minister of VSA. The reports from SZV addressed to the Minister of VSA, and the Council of Ministers were not shared with us.

### 4.2.2 Accountability: Income & Unemployment Support

SOAB monitors the implementation of their income and unemployment support programs. SMDF is required to engage an external auditor to compile the monthly reports. Furthermore, an "agreed upon procedure" (AUP) between the SMDF and SOAB for performing the monthly accountability audits and a final review is required. If requested, reports on the implementation of the programs, including financial records and processing time from application to disbursement, would be promptly provided to the Minister of Finance.<sup>39</sup>

We received regular updates on SMDF's implementation of the programs from the Ministry of Finance. However, the final audit from SOAB is not available when writing this report.

### 4.2.3 Accountability: Board of Financial Supervision (Cft-College Financieel Toezicht)

As part of the agreements, an audit of legal compliance audit was conducted at SZV for the fiscal year 2020. The report is confidential. The auditor made a series of recommendations. Under an unwritten agreement, the Government must provide the Cft with monthly information on implementing the recommendations.

Queries to the Cft reveal that the Minister of Finance reported monthly to the Cft on progress in implementing the recommendations. The Minister of VSA is accountable in Parliament regarding SZV. Because of the absence of a response from the Minister of VSA, it is unclear to us to what extent he was involved in the monthly accountability process to the Cft.

<sup>34</sup> Cft interview report of November 10.

<sup>35</sup> Article 3, second paragraph, Temporary regulation on payroll support, AB 2021, no. 15.

<sup>36</sup> Article 4, paragraph 1, Temporary regulation on payroll support, AB 2021, no. 15.

<sup>37</sup> Article 4, fourth paragraph, Temporary regulation on payroll support, AB 2021, no. 15.

<sup>38</sup> Article 4, third paragraph, Temporary regulation on payroll support, AB 2021, no. 15.

<sup>39</sup> Article 12 of Ministerial Decrees, MB 2021, no. 195, no. 637 and no. 1177.

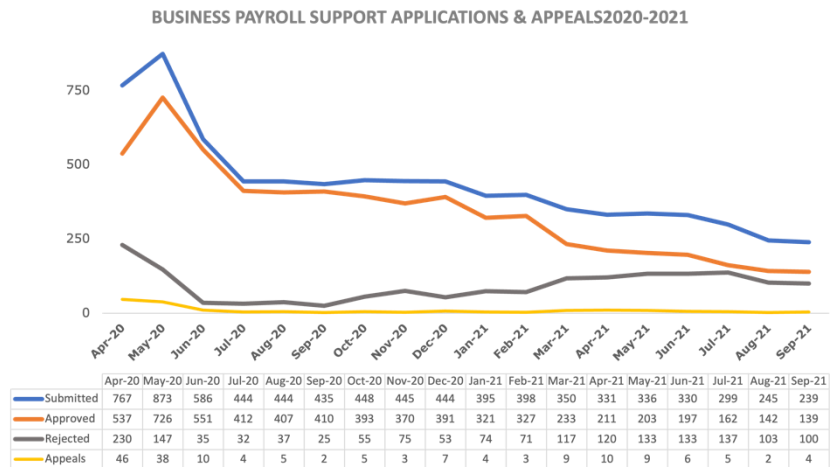
### 4.3 Appeal

A characteristic of the SSRP Business Payroll Support program is the limited number of appeals; altogether, 172 (2020:120, 2021:52).<sup>40</sup> Of the 172 appeals, 81 were approved (47%), and 91 were disapproved (53%).

A total of 7,809 applications were submitted for the Business Payroll program.<sup>41</sup>

The average number of objection cases relative to the number of requests submitted was 2% in both

years. The figure presents how requests for Business Payroll Support were processed during the program.



### 4.4 Complaints

Acting on the request of the Cft, the Ministry of Finance ordered the investigation of employee complaints. The Labor Department investigated a total of 29 individual complaints involving 22 employers. In most cases, these complaints were resolved; three cases were suspended or moved into court proceedings.<sup>42</sup>

### 4.5 Refund

Because of eligibility requirements, the amount companies were required to refund remained limited. When applying for Business Payroll Support, businesses were expected to provide proof of turnover tax returns (stamped).<sup>43</sup> Evidence had to be provided upfront to qualify, not after the fact.<sup>44</sup> This allowed the tax return to be verified, reducing the risk of overpayment from inaccurate tax information.

Following additional review, the Ministry of Finance checked the volume of excess payroll subsidies. This was reported to the Cft. Based on SZV's analysis, the Ministry claims that ANG 266,064 remains pending further investigation.<sup>45</sup> The amount represents 0.54% of ANG 49.1 million paid out in Business Payroll Support to the 43 audited companies.<sup>46</sup>

In comparison, Aruba received a total of Afl. 271 million in financial assistance because of the pandemic in 2020.<sup>47</sup> The 2020 wage subsidy assessment received on Nov. 25, 2021, shows that Aruba is required to recover an amount of Afl. 73 million (26.9%) in wage subsidy overpayments.<sup>48</sup> One crucial difference is that in the case of Aruba, the verification of turnover loss to be eligible for financial support took place mainly after the fact. In contrast, in St. Maarten, this verification took place in advance.

<sup>40</sup> SZV Report, Final Report Payroll Support COVID-19, July 19, 2022, page 6.

<sup>41</sup> SZV Report, Final Report Payroll Support COVID-19, July 19, 2022, page 4.

<sup>42</sup> Letter to the Cft from the Minister of Finance, dated August 1, 2022, ref. 4328B.

<sup>43</sup> Response from the Cabinet of the Minister of Finance dated Oct. 7, 2022.

<sup>44</sup> Articles 18 and 19 of the Temporary Regulations. 2021 (AB 2021, no. 15).

<sup>45</sup> 2022|Further Audit SSRP, page 3.

<sup>46</sup> 2022|Further Audit SSRP, page 3 and letter to the Cft from the Minister of Finance, dated August 1, 2022, ref. 4328B.

<sup>47</sup> <https://icb-instituut.com/in-februari-2021-ontvingen-1-410-bedrijven-salarissubsidie-ad-in-totaal-256-miljoen-florin-voor-18-253-werknemers-aruba/>

<sup>48</sup> Opinion of the Cft on the draft budget 2022 of Aruba, November 29, 2021.

Before every publication, we allow the relevant minister(s) the opportunity to respond to our report.

We requested a response to the final draft report from the Minister of Finance and the Minister of Health, Social Development, and Labor on November 18, 2022. No responses were provided to us. We did receive a timely response from the Cabinet of the Minister of Finance on the findings following the audit.

As such, we thank the Minister of Finance and his cabinet for their cooperation and exchange of information. Similarly, we thank the Director of the SMDF for her assistance during the review.

Despite several requests, no reaction has come from the Ministry (and Minister) of VSA. We note that submitting information to the Audit Chamber is a legal requirement.

During the investigation, it became evident that it was difficult, if not impossible, to establish whether the SSRP was effective. Mass layoffs seem to have been prevented. However, this conclusion cannot be substantiated due to the lack of reliable data. This is an opportunity for the government to improve. It should be possible to examine whether limited public funds are effectively spent. The funds used to implement SSRP may have originated in the Netherlands, but these loans must be repaid.

One conclusion we can draw is that, compared to Aruba, where Afl. 73 million (of a total of Afl. 271 million) needs to be reclaimed from third parties, St. Maarten's reimbursable amount is ANG 266,064 (this amount is still in dispute).

The emphasis for a final audit related to employer reimbursement should be placed on effectiveness. In addition, the impact of the delay in paying SSRP and the program's overall effectiveness deserves more significant and specific attention.



General Audit Chamber  
Algemene Rekenkamer