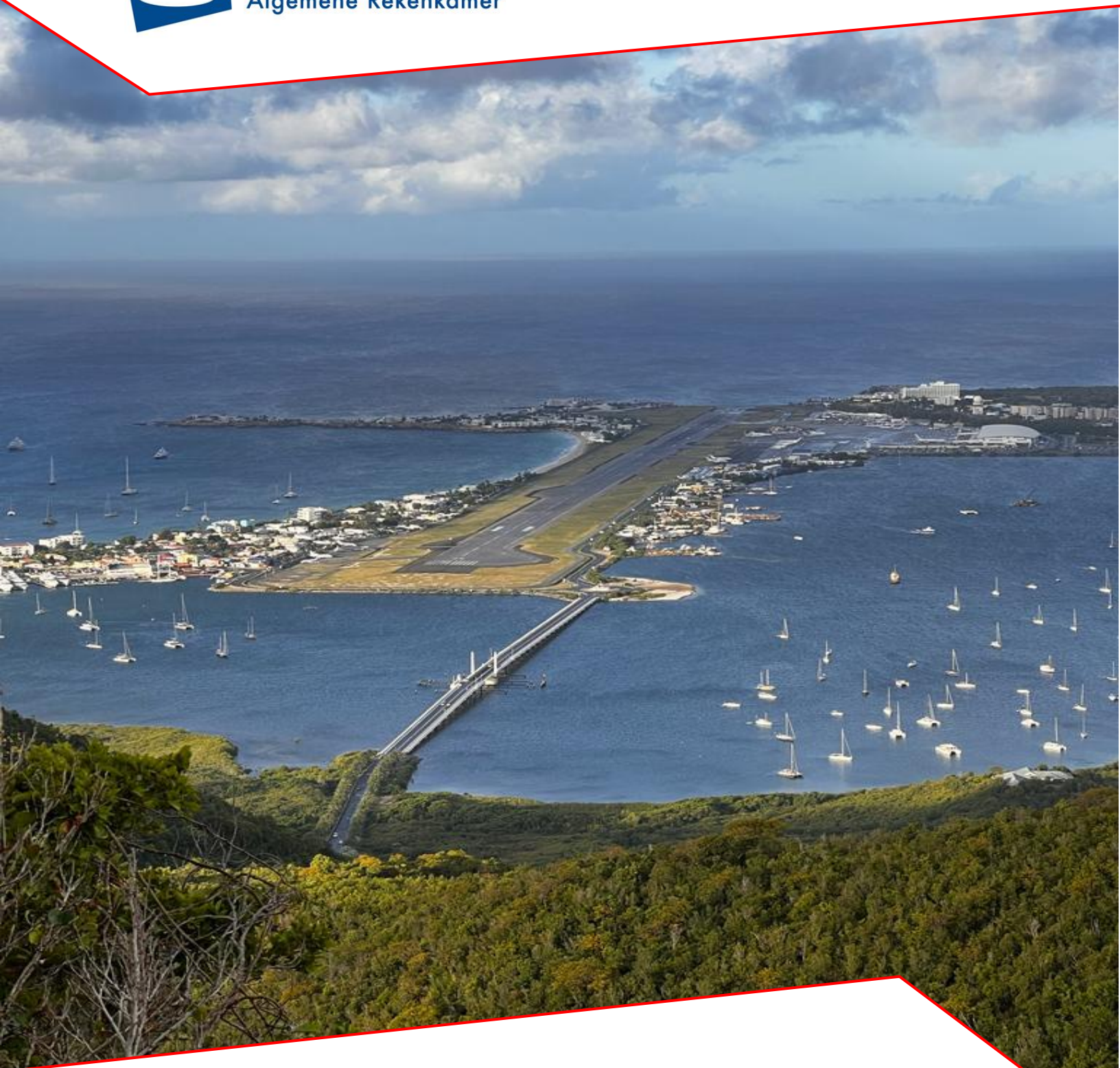




General Audit Chamber  
Algemene Rekenkamer



# Annual Report 2022

February 2023



*This document is an English translation of the original Dutch language annual report entitled: "Jaarverslag 2022". In the event of textual contradictions or any other differences, the original Dutch text will prevail.*

**February 2023**

General Audit Chamber, Juancho Yrausquin Blvd 10, Philipsburg, St. Maarten

## Preface

You are reading the 2022 Annual Report of the General Audit Chamber. In this report, we present information about our role and tasks, the opinions we have issued, our staff, our budget and our results, the audits we conducted in 2022, and our achievements in social media.

The General Audit Chamber introduced a new online interactive platform in the internet environment. Our universe of information will continue to expand with the publication of new audit reports. In the process, our prime directive is to enhance the information experience by engaging the audience. We ensure that the viewer dynamically absorbs information by using interactivity in the videos, infographics, surveys, and downloadable audit reports. Our communication mission is to explore new ways to engage and inform the public.

In May 2022, the General Audit Chamber of Sint Maarten was appointed to the Board of CAROSAI for the first time. CAROSAI, an international umbrella organization, represents the Supreme Audit Institutions of the twenty-three Caribbean member states. Its purpose is to provide a forum for member nations to share knowledge and best practices in the field of public sector auditing.

Financial transparency and public accountability are essential. Since our 2020 report, we have given a more comprehensive account of our budget and expenditures. This also holds true for the 2022 financial year. An external auditor compiled the included financial report.

We encourage other organizations using taxpayer money to emulate this practice to improve transparency and public accountability.

**Alphons M. Gumbs MSc.**  
Chairman

**Keith de Jong, LL.M**  
Secretary-General

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## 1. General

### 1.1. Introduction

Every year before July 1, the General Audit Chamber presents a report covering the previous year to Parliament and the Governor. In our annual report, we give account for the activities conducted from 1 January 2022 to 31 December 2022.<sup>1</sup>

### 1.2. Importance of an independent Audit Chamber

The United Nations underlined and codified the independence of Audit Chambers in a resolution enacted in 1977. According to the [Lima Declaration](#), an Audit Chamber should be entirely independent, with no political intervention. An Audit Chamber can only fulfill its responsibility to audit public funds if completely independent.

***An Audit Chamber must be fully independent,  
without any political interference. It is only with  
full independence that an Audit Chamber can  
fulfill its mandate to reduce waste and the  
misuse of public resources***

Lima Declaration 1977

The independence of the General Audit Chamber has been called into question on numerous occasions throughout 2022. Therefore, the system of checks and balances exercised by an independent authority must not be compromised in any way.

#### 1.2.1. Appointment of a deputy member

In April 2022, the General Audit Chamber submitted to the Parliament a recommendation list identifying three candidates to fill the position of deputy member on the Board, as required by law. All candidates meet the defined profile. We received a letter on June 20, 2022, from the Presidium of Parliament<sup>2</sup> in which they questioned the recommendation list produced by unanimous consensus of the Board of the Audit Chamber. By law, the list is binding; the Parliament must nominate two of the three candidates. In a reaction, we stated that there is no legal basis for the Presidium not to complete the process.

On November 15, Parliament nominated two candidates for the position of deputy member. The Governor was informed accordingly. On November 18<sup>th</sup>, the nomination was forwarded to the Prime Minister. The Prime Minister chooses the new deputy member based on the nomination. A decision was not taken in 2022.

In September 2022 the board sent a list of three candidates to Parliament for one of the other vacant positions as deputy member. However, one of the candidates withdrew her candidacy in November. The Board intends to fill this vacant position in 2023.

#### 1.2.2. Instruction to conduct an audit

In Q4 2022, the Parliament passed a motion requesting/commissioning the General Audit Chamber to conduct an audit into the effectiveness of Parlatino. Despite the fact that the measure was adopted in Parliament, we have yet to receive an official request for 2022.

It is worth noting that the legislature explicitly mentions that Parliament cannot commission or instruct the General Audit Chamber to conduct investigations. Instead, it can only submit a request to the Audit Chamber, leaving it to the institution to decide whether to accept it. The General Audit Chamber drafted a policy regarding such requests in 2020 to facilitate and define the procedure; this policy was also shared with Parliament and concerns the standard framework for assessing when we will accommodate such a request.<sup>3</sup>

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<sup>1</sup> National Ordinance General Audit Chamber, article 38.

<sup>2</sup> The Presidium then in office was comprised of: Mrs. G. Heyliger-Martens, Mr. W. Marlin, and Mr. Sidharth Bijlani.

<sup>3</sup> That policy will be updated in fiscal year 2023.

In this context, we believe that the word "*commission*" was an unfortunate choice of terminology. However, it is crucial to make the distinction in this annual report to clarify and confirm our independent position.

### **1.2.3. Press Conference: Minister of Finance assignment to the General Audit Chamber**

The Minister of Finance explicitly stated in the press conference held on July 13, 2022, that he had instructed the General Audit Chamber to investigate the government's housing policy.

We note that the Minister of Finance is answerable to the General Audit Chamber as the subject of audits. Such public statements may jeopardize the independent position of the General Audit Chamber. The matter was discussed with the Minister in a personal meeting on October 13, 2022.

### **1.2.4. Unilateral amendment of the General Audit Chamber's budget**

Each year, the General Audit Chamber submits its budget to Parliament, with a copy to the Minister of Finance, by May 1st. It is not permitted to adjust the budget unilaterally without prior consultation with the General Audit Chamber.

However, this has been done to the General Audit Chamber's 2022 budget. For example, in the National Budget 2022 (unchanged in the Budget Amendment 2022), ANG 40,000 was added for the "Legal and expert advice" budget item".

## **1.3. Reading Guide**

The second chapter describes our organization, responsibilities, and authorities. Chapter 3 presents an overview of our 2022 research activities and findings. We also disclose our social media results.

The financial results for the fiscal year 2022 are detailed in Chapter 4. We enlisted an independent accountant to compile the financial report for the fiscal year 2022. The report is presented in Appendix 1.

## 2. The General Audit Chamber

### 2.1. Role

The Constitution establishes our institution. How we are organized and perform our duties is governed by law.<sup>4</sup> We are the institute that examines national government revenues and expenditures' efficiency and legitimacy (legal compliance).<sup>5</sup>

#### 2.1.1. Tasks and authorities

We are independent in the performance of our duties. In addition, the National Ordinance General Audit Chamber grants us certain authorities, such as the authority to compel information.<sup>6</sup>

The General Audit Chamber is authorized to conduct three types of investigations:



Legal Compliance Audits  
(Is the money spent lawfully?)



Performance Audits  
(Is the money spent efficiently?)



Integrity Audits  
(Was integrity maintained?)

The findings, conclusions, and recommendations are documented in reports. The purpose of our reports is twofold: the Government can use them to improve financial management, and Parliament can use them to support its oversight role.

We may also issue notices to Parliament and the Governor. Further consultations may follow the issuance of notices. We may also (confidentially or otherwise) share suggestions, comments, and concerns that can improve financial management with Ministers.<sup>7</sup>

### 2.2. The organization

The Board of the General Audit Chamber consists of a chairperson and two members. As replacements, three deputy members are appointed. As of March 2022, the Board consists of a chairperson and two members. The composition is shown in Figure 1.

Figure 1: Board of the General Audit Chamber in 2022



Mr. Alphons Gumbs  
Chairman



Mrs. Mandy Daal-Offringa  
Member



Mrs. Sheryl Peterson  
Member  
(as of March 4<sup>th</sup>, 2022)

As a rule, the Board meets every two weeks. In 2022, nineteen board meetings took place.

<sup>4</sup> National Ordinance General Audit Chamber.

<sup>5</sup> Constitution of St. Maarten, article 74.

<sup>6</sup> Idem, article 26.

<sup>7</sup> Idem, article 39.

### 2.3. Cooperation and contact

We value collaboration with other institutions. Our interactions continued in 2022. The following is a summary:

#### 2.3.1. CAROSAI

From May 15-20, the CAROSAI Congress was held in Aruba. This conference is held every three years in the host country of the president-elect. CAROSAI is the international umbrella organization for audit institutions, consisting of twenty-three Caribbean member countries. CAROSAI's mission is to provide its members with an opportunity to exchange ideas and experiences in public sector auditing.

The General Audit Chamber of St. Maarten, represented by Mr. Alphons M. Gumbs (Chairman), was elected to the Board of CAROSAI following productive discussions, workshops, master classes, and organizational matters on auditing topics.

For the first time, the General Audit Chamber of St. Maarten is represented on the CAROSAI Board. Aruba, as host, took over the chairmanship of the Board from Guyana's Court of Audit.



Photo from left to right: Mrs. Sandra Stephens-Malcolm (Turks & Caicos Islands); Mr. Terrance Bastiaan (Bahamas); Mrs. Xiomara Williams-Croes (Aruba); Mr. Deodat Sharma (Guyana); Mr. Alphons Gumbs (St. Maarten); Mrs. Sue Winspear (Cayman Islands). Not shown: Mrs. Pamela Monroe-Ellis.

The Board is responsible for the strategic outlook and development of CAROSAI for the years 2022-2025. The General Audit Chamber was

represented by its Board members, Mr. Alphons Gumbs, Ms. Mandy Daal-Offringa, Ms. Sheryl Peterson, and supported by the Secretary-General, Mr. Keith de Jong.

#### 2.3.2. Parliamentary meetings: National ordinance amending the National Ordinance on Registration and Financing of Political Parties

Sessions with Parliament were held on May 13 and June 9 to discuss the National Ordinance amending the National Ordinance on the Registration and Financing of Political Parties. During both sessions, the Minister of General Affairs, who oversees legislation, made a presentation to Parliament prepared by the General Audit Chamber to correct several legal discrepancies.

The draft law was subsequently adopted. We thank the Minister of General Affairs for her commitment and dedication regarding the amendment of the law. Please refer to section 3.5.2 of this annual report for more detailed information.

#### 2.3.3. Parliamentary Meeting about the 2021 Annual Report of the General Audit Chamber

The General Audit Chamber submitted its 2021 Annual Report to the Parliament on June 15, 2022. The functions and responsibilities of the General Audit Chamber, the significance of a Supreme Audit Institution, our budget and financial realization, social media operations, and reports were among the topics discussed.



### 3. Operations

This chapter describes the operational activities for the fiscal year 2022.

#### 3.1. Secretariat Staffing

By law, the General Audit Chamber has a workforce of 8 FTEs.<sup>8</sup> Figure 1 depicts the 2022 staffing level.

The staff in 2022 consists of four full-time employees. These include a secretary-general, a researcher, a senior administrative officer, and a general administrative officer. In addition, the audit team was strengthened by using a part-time chartered accountant and two part-time consultants in 2022.

On July 31, 2022, our all-round administrative officer resigned from the General Audit Chamber. Our new all-round administrative officer joined the team on September 1.

**Figure 1: the level of staffing in 2022**

Function	Status
Secretary-General	Full-time
Researcher	Full-time
Head of Financial Administration	Full-time
Administrative Officer	Full-time
Chartered Accountant	Part-time
Consultant	Part-time
Consultant	Part-time

Due to the budgeted budget cuts related to COVID-19, open [positions](#) have remained vacant.

#### 3.2. Training and Education

The board successfully completed the workshop entitled "Beyond good corporate governance" in April 2022. The secretariat attained the Accredited Occupational Emergency Response (*BHV-Bedrijf Hulpverlening*) certificate in October 2022.

#### 3.3. Audit activities

In the following sections, we discuss our audit work.

##### 3.3.1. Compliance Audit: 2019 Financial Statements St. Maarten



The 2019 Financial Statements should have been prepared by September 1, 2020, but were not submitted to us and SOAB until October 2021. We have six weeks from receipt of the SOAB's report to submit our review. This report was received on February 25, 2022. Our report was submitted to Parliament on March 29, 2022.

There is little improvement in financial management. We conclude that the 2019 financial statements do not provide a true and fair representation.

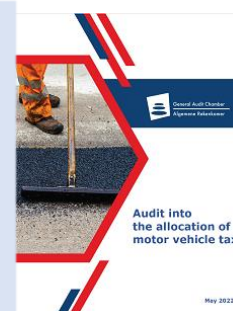
Click [here](#) to read the report.

##### 3.3.2. The audit into the allocation of Motor Vehicle Tax

On May 16, 2022, we issued our report on the allocation of motor vehicle tax. By law, the revenue from this tax is supposed to go into a road fund, but in practice it is allocated to general funds.

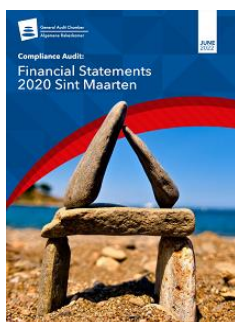
In 2021, about one-third of the revenue was spent on infrastructure. Our recommendation is to create a multi-year plan that includes structural improvement projects that can be implemented in phases.

Click [here](#) for the report.



<sup>8</sup> Full-time equivalent: often abbreviated as FTE, is a unit of measurement used to express the size of a position or staff. One FTE works a full week and is equivalent to a full-time employee, while 0.5 FTE is equivalent to working half time.

### 3.3.3 Compliance Audit: 2020 Financial Statements St. Maarten



The Government submitted the 2020 Financial Statements with a one-month delay. The Government was current with its financial statements at that time. We received the SOAB's report on May 9 and reported on June 15, within the six-week statutory deadline.

No substantial improvement has been made to date. We hope that with the proposed implementation of the Country Packages, there will be a structural improvement in financial management.

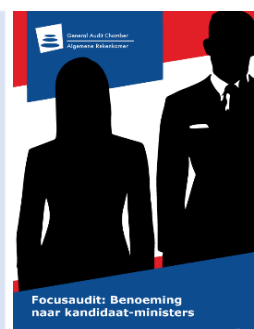
To read the report, click [here](#).

### 3.3.4 Confidential: Focus Audit of the screening process for ministerial candidates

To maintain a private internal reference, the General Audit Chamber performed an audit of the ministerial candidate nomination procedure.

The purpose of this study is to describe the process, the legislative framework, the possible involvement of the General Audit Chamber, and areas where we believe the efficiency of the process can be enhanced.

Due to the private nature of the content of the screening process's, this report is confidential.



### 3.3.5 Audit on the possibilities of rent reduction for Government



The report on the possibilities of reducing rental costs for Government was published on July 4, 2022. Rental costs are a material expenditure of the government. Under the Country Packages (section B.10), there are plans for a 20% reduction in rental expenditure by 2025, using the 2020 budget as a baseline.

We question whether this goal is realistic. Moreover, the basis used to calculate the 20% reduction is unclear, and nor is the economic impact. Rent reductions may be possible, according to a survey of all landlords.

### 3.3.6 Compliance Audit: APS' 2021 Financial Statements

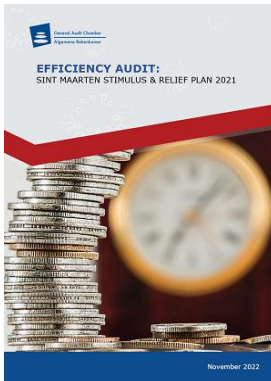
Our report on the APS's 2021 Financial Statements was sent to Parliament in October 2022. In 2021, the coverage ratio increased to 104.1% (from 101.9% in 2020). As a result, assets, as in past years, are insufficient to cover general and investment risks. Since its founding, the APS has not been financially healthy.

According to internal policy, the actuarial interest rate is reduced by 0.25 percentage points per year, resulting in a 4.5 percentage point drop in the coverage ratio in 2021. Despite inflation, pensions remain unindexed. Pension accrual is 1.75% rather than 2%. Local investment is still not progressing.

To read the report, click [here](#).



### 3.3.7 Efficiency audit: a review of SSRP (2021)



In November 2022, our review of SSRP (2021) was published. From the ANG 103 million transferred to SSRP to implement the Payroll Support program, ANG 97 million was spent. For the Income and Unemployment support programs ANG 12.58 million was allocated to SMDF in 2021. Approximately ANG 9.8 million was spent.

The fate of the individuals/businesses that relied on emergency assistance after the programs ended is unclear. Further investigation of the reason for delays in disbursements is warranted.

Click [here](#) to read the report.

### 3.3.8 Administrative Appointments: Part 4

The confidential report Administrative Appointments: part 4 was presented in December to the Minister of General Affairs, responsible for the Security Service and the issuance of so-called Statements of No Objection (VGB) based on security screenings.

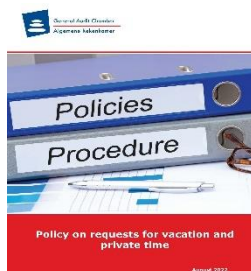
During our previous review entitled Administrative Appointments: 3 (Confidential) we discovered that several persons were holding confidential positions without a VGB. In our review, we show that there are currently still persons in positions, who do not possess a VGB.

No individual may serve in a confidential position, without possessing a VGB.



## 3.4 Policy

### 3.4.1 Internal policy: Vacation and request for personal leave



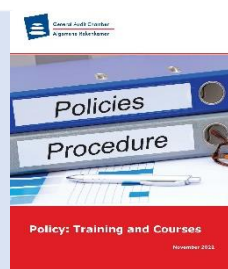
Internal policies were adopted in 2022 to further regulate vacation requests and personal leave. This policy is based on government regulations and policies, specified for our organization.

The goal is to increase uniformity, describe procedures and further define all relevant terminology. Vacation and personal leave requests are requested online and digitally approved whenever possible.

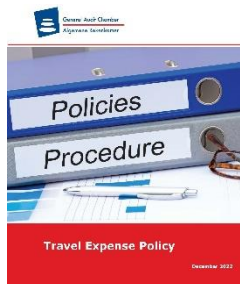
### 3.4.2 Internal policy: Training and Courses

An internal policy on training and courses was adopted by the board in December. The policy specifies who can attend training or courses and when, along with the procedures to be followed.

The policy also provides guidelines on how to proceed when a course or training is discontinued or not successfully completed. The policy is based on government regulations and policies specific to our organization.



### 3.4.3 Internal policy: Travel and accommodation costs



In December, the Board established the internal policy on travel and accommodation expenses. This policy governs procedures regarding business travel and accountability. An advance travel plan is prepared. To the extent possible, expenses are reimbursed in advance by the organization.

Per diem expenses are country specific and accounted for by submission of receipts; residual per diem is refunded. Reporting identifies the results achieved.

## 3.5 Advising

### 3.5.1 Opinion on ministers' integrity statements

Under Article 2 of the National Ordinance on Integrity, a minister shall, within 30 days of accepting his position, submit to the Prime Minister a written statement regarding his assets and those of his immediate family. The Prime Minister decides which business interests, secondary functions, and activities are undesirable. The Prime Minister seeks the advice of the General Audit Chamber on the decision to be taken.

There have been no appointments of ministers in the fiscal year 2022.

### 3.5.2 Advice on the financial reports of political parties

By law, the financial reports of political parties are submitted to the Electoral Council with a statement from an accountant who has examined the reports. The Electoral Council sends the financial report to the General Audit Chamber to verify the accuracy of the financial data.

By virtue of its duties and authorities under Article 74 of the Constitution, the General Audit Chamber is charged with verifying the efficiency and lawfulness of the revenues and expenditures of the Country. The constitutional authority of the General Audit Chamber is limited to public funds.

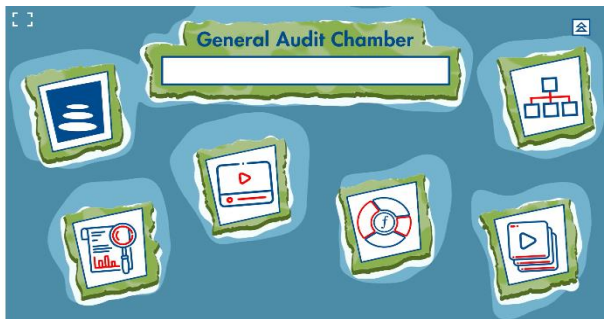
Given the above, on September 1, 2022, the law was amended (AB 2022, No. 42), transferring the responsibilities of the General Audit Chamber for advising the Electoral Council to the SOAB.

#### 4. Communication

Social media is a valuable tool for expanding public outreach communications. We have increased our so-called "reach" or coverage using social media.

##### 4.1. Online digital environment

August saw the launch of our new online interactive platform. Building on the innovation of our explainer videos, it introduced a dynamic digital resource focused on the viewer. A simple click takes the viewer to the General Audit Chamber's "universe". The environment continues to expand with the publication of new audit reports.



By engaging the audience, we aim to enhance the information experience. Interactivity in videos, infographics, surveys, and audit reports guarantees that information is processed actively by the audience.

##### 4.2. Social media statistics

We monitor key performance metrics (KPIs). Engagement and reach are our two primary key performance indicators (KPIs) for social media. Measures of engagement on social media include the number of likes, shares, and comments made on a given post. A message's reach is proportional to the number of times it was viewed. Interestingly, social media metrics soared after the release of our online interactive environment.

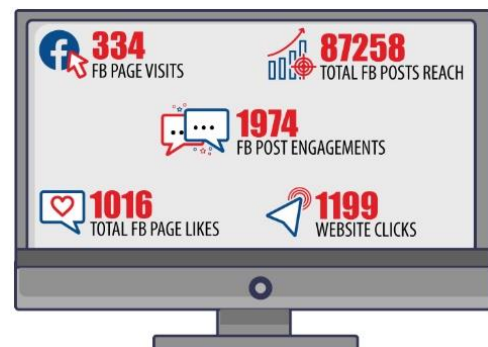
###### 4.2.1 Facebook

*Reach:* In 2022, the General Audit Chamber achieved a total "reach" of 87,258, an increase of more than 1,500% compared to 2021 (5,404).

The "post engagement" in 2022 is 1,974 compared to 423 in 2021—an increase of 466%.

The main reason for the increase is our post on the launch of the interactive online environment (over 31,000 views), followed by a post on the content of the online environment (over 27,000 views). Figure 2 presents the KPIs of our [Facebook page](#) for 2022.

Figure 2: Key performance indicators (Facebook)



#### 4.2.2 LinkedIn

Figure 3 depicts the KPI's of our [LinkedIn](#) page for fiscal year 2022. The LinkedIn page experienced an increase in visitors and interactions compared to 2021. In 2022, there are 310 page views (2021: 94 views). The number of *impressions*<sup>9</sup> increased from 1,055 in 2021 to 8,281 in 2022. Our followers also improved to 150 (2021: 97).

Figure 3: Key performance indicators (LinkedIn)

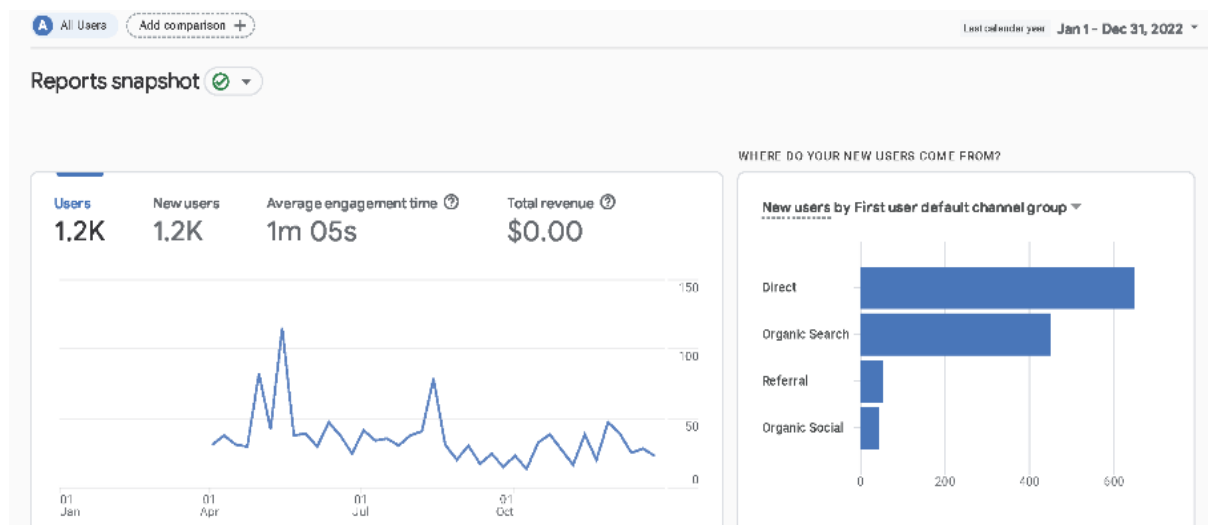


#### 4.2.3 Website

Figure 4 shows the KPIs related to our website [www.arsxm.org](http://www.arsxm.org) in 2022. The number of visitors to the site was approximately 1,200.

On average, visitors spend one minute and five seconds on the site per visit. Most visitors use their browsers to view the website.

Figure 4: Key performance indicators (website)



<sup>9</sup> Impressions: total number of times a post was displayed to LinkedIn users.

## 5 Financial Accountability

This chapter presents the use of our budget for fiscal year 2022.

### 5.2 Budget 2022

Financial management is the purview of the Chairperson.<sup>10</sup> The Secretary-General is authorized to perform specific financial operations. The Secretary-General reported quarterly in 2022. We use our internal financial systems to record expenditures.

#### 5.2.1 Budget Realization

In 2022, our actuals total 70% of the budget. Personnel expenses are lower than budgeted. A significant reason is the budgeted cutbacks due to COVID-19 and (consequently) unfilled vacancies. One business trip was conducted. In the National Budget 2022 (unchanged in the Budget Amendment 2022 of the Country), ANG 40,000 was added to the budget item "Legal and expert advice". Without these unanticipated resources, our actual outlays on material expenditures would have been 80%. Instead, the realization was 75%.

Table 2 presents a summary of the actual budget expenditure.<sup>11</sup>

Table 1: Summary of budget realization in 2022

Budget item (ANG)	National Budget 2022	Expenditure	Residual	Realization (%)
Personnel Expenditure	892,393	587,977	304,416	66
Material Costs	831,000	620,322	210,678	75
Capital Expenditure	0	0	0	
<b>Total</b>	<b>1,723,393</b>	<b>1,208,299</b>	<b>515,094</b>	<b>70</b>

### 5.3 Financial Report

We have consistently provided the Minister of Finance with timely quarterly reports on our material expenditures. An independent auditor has prepared our financial report on material expenses. Appendix 1 includes this financial report.

<sup>10</sup> National Ordinance General Audit Chamber, article 49, second paragraph.

<sup>11</sup> Based on the Budget amendment 2022 by National ordinance (AB 2022, no. 56).

## **Appendix 1: Financial report on material expenditures**



**GENERAL AUDIT CHAMBER**

**at St. Maarten**

**Management report 2022**

The General Audit Chamber  
Attn. Mr. K. de Jong  
Philipsburg  
ST. MAARTEN

St. Maarten, February 15, 2023

Ref.:A23.013/md/PL

Subject: Management report 2022

Dear Mr. de Jong,

Following your request, we have prepared the 2022 Management report of The General Audit Chamber.

Our procedures were limited to gathering of relevant information such as bank statements and specifications prepared by management, processing of this information in the accounting records, classifying the information and presenting it in the format agreed upon with management.

These procedures do not provide assurance about whether the financial figures are free of material misstatement as that provided by an audit or a review.

Please do not hesitate to contact us if you require further details.

Yours sincerely,

BDO St. Maarten B.V.



P.C. Lungu FCCA

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**BALANCE SHEET AS AT 31 DECEMBER 2022**  
(before appropriation of result)

<b>ASSETS</b>	Note	<i>December 31, 2022</i>	<i>December 31, 2021</i>
<i>(in Antillean Guilders)</i>			
<b>Fixed assets</b>	1		
Tangible fixed assets			
Building Improvements		15,940	18,887
Equipment		3,489	2,600
Furniture and fixtures		19,818	29,065
Computers		<u>10,735</u>	<u>20,176</u>
		49,982	70,728
<b>Current assets</b>			
Prepaid expenses	2	0	1,310
Cash and banks	3	513,246	520,581
Total assets		<u><u>563,228</u></u>	<u><u>592,619</u></u>



<b>EQUITY AND LIABILITIES</b>	Note	<i>December 31, 2022</i>	<i>December 31, 2021</i>
<i>(in Antillean Guilders)</i>			
Investments Reserve	4	80,363	104,824
To be settled with Government	5	477,461	484,832
Accounts payable	6	5,404	2,963
Total Equity and liabilities		<u>563,228</u>	<u>592,619</u>

## STATEMENT OF ACTUAL VERSUS BUDGETED COSTS FOR 2022

<i>(in Antillean Guilders)</i>	Note	Actual 2022	Actual 2021	Budget 2022
<i>Operating Expenses</i>				
Housing expenses	7.1	132,070	142,903	161,000
Office expenses	7.2	17,134	24,241	37,000
General Expenses	7.3	471,120	432,824	633,000
Depreciation	1	24,461	25,596	-
Appropriated reserve depreciation		(24,461)	(25,596)	-
<b>Total Expenses</b>		<b>620,324</b>	<b>599,968</b>	<b>831,000</b>

### Explanation of under- and overspending

The operating expense budget of the General Audit Chamber totaled ANG 831,000. This amount is established by national ordinance. The General Audit Chamber received four advance payments from Government totaling ANG 830,000. The operating expenses are underspent by ANG 209,676. This remaining amount will be settled with Government. See page 10 for the total breakdown.

### Legal and professional advice

For the year 2022, a budget was made available to seek additional advice (in the form of a certified accountant) pertaining to the financial audits (SSRP, APS, Financial Statement 2020 of Country St. Maarten). The General Audit Chamber was unable to obtain the expertise advice. Also, the budget of the General Audit Chamber was unilaterally increased in the amount of ANG 40,000. This amount was added without prior consultation and, as a result, was not allocated in the original operational budget.

### Board members fee

The budget is based on a full board for the year. In 2022, the board was incomplete, which led to an underspending of ANG 45,625.

### Rent

The budget of the General Audit Chamber was submitted to Government in 2021, in accordance with the law. In February 2022, a new lease was signed in where a rent reduction was negotiated.

## NOTES TO THE MANAGEMENT REPORT

### General notes

#### Activities

On the 10th of October, 2010 the General Audit Chamber was established by the Constitution and started its operations. By official letter of August 23rd, 2019 (DIV number 3300) it was approved for the General Audit Chamber to manage their own financial management as of January 1st, 2020. The payroll administration of personnel is currently still being managed by the Government.

By Constitution, the General Audit Chamber is responsible for investigating the effectiveness and legal compliance of the Government's income and expenditure.

The 2022 management report has been drawn up in accordance with the provisions of the National Accountability Ordinance.

### Principles for balance sheet valuations

#### General

Assets and liabilities are valued on the basis of historical cost. Unless stated otherwise in the relevant accounting policy for the specific balance sheet item, the assets and liabilities are stated at nominal value. Impairment of fixed assets are taken into account.

Assets that have been obtained in whole or in part from third parties other than at market price and that have been transferred to the Country, are valued at market value at the time of transfer.

#### Tangible fixed assets

Tangible fixed assets are valued at acquisition price or production costs, less accumulated depreciation and, if applicable, with impairment. Depreciation is based on the estimated useful life and is calculated on the basis of a fixed percentage of the acquisition price or manufacturing costs.

The depreciation percentages used are as follows:

Improvements to housing, etc.	10%
Inventory	15%
ICT and software	20%

#### Cash and cash equivalents

Cash and cash equivalents are valued at nominal value and are at the free disposal of the Country, unless stated otherwise.

#### Current liabilities

Short-term liabilities concern liabilities with a term of up to 1 year. Unless stated otherwise, these are valued at nominal value.



## NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2022

### ASSETS

#### (1) Tangible fixed assets

	Building improvements	Equipment	Furniture and fixtures	Computers	Total
<i>(in Antillean Guilders)</i>					
Balance as at 1 January 2021	29,457	4,972	73,576	58,508	166,513
Accumulated depreciation	(10,570)	(2,372)	(44,511)	(38,332)	(95,785)
Book value	18,887	2,600	29,065	20,176	70,728
Movements in book value					
Investment	-	1,636	2,079	-	3,715
Depreciation	(2,947)	(747)	(11,326)	(9,441)	(24,461)
	(2,947)	889	(9,247)	(9,441)	(20,746)
Balance as at 31 December 2022					
Costs	29,457	6,608	75,655	58,508	170,228
Accumulated depreciation	(13,517)	(3,119)	(55,837)	(47,773)	(120,246)
Book value	15,940	3,489	19,818	10,735	49,982
Depreciation percentages used	10%	15%	15%	20%	

Due to the passing of hurricane Irma in September 2017, the General Chamber Audit suffered damages to its inventory. Consequently, an insurance claim was received of US\$95,659. The non-current assets purchased between 2017 and 2019 reflects the period that the General Audit Chamber was still under the financial management of the Government. As per January 1st, 2020 these non-current assets are held by the General Audit Chamber.



<b>(2) Current assets</b>	12/31/2022	12/31/2021
<i>(in Antillean Guilders)</i>		
<u>Other receivables and prepaid income</u>		
Prepaid telephone expenses	0	1,310
	0	1,310

As per December 31, 2022 there were no prepaid expenses.

<b>(3) Cash and banks</b>	12/31/2022	12/31/2021
<i>(in Antillean Guilders)</i>		
Windward Island Bank N.V. (ANG)	474,750	478,330
Windward Island Bank N.V. (USD)	38,496	42,251
	513,246	520,581

The bank balances are conform the balance on the bank statements as per December 31, 2022.

## EQUITY AND LIABILITIES

### (4) Investments reserve

#### Movements in the investments reserve were as follows:

(in Antillean Guilders)

General reserves	Appropriated reserve depreciation	Appropriated reserve Improvements to be made	Total
Balance as at 1 January 2022	51,912	52,912	104,824
Changes in 2022	(23,023)	(1,438)	(24,461)
Balance as at 31 December 2022	28,889	51,474	80,363

#### Appropriated reserve depreciation

The reserve was recorded in connection with the fixed asset recovery investments financed by the Government in the prior years. The reserve is being amortized and it's offsetting the depreciation charge recorded for the respective assets, considering their useful life. The reserve will be fully depleted at the end of the depreciation period of these assets.

#### Appropriated reserve, improvements to be made

Management presented the amounts received from the insurance company as compensation for the losses incurred regarding the damages caused by hurricanes Irma and Maria as designated reserve. Considering that the proceeds from the insurance company were solely to replace assets, the reserve will be amortized together with the depreciation charge for the assets being replaced.

**(5) To be settled with Government**

The underspending of 2020 has been settled with the first quarterly payment of 2022. The remainder of the underspending of 2020 has been settled with the second quarterly payment of 2022. Regarding the third and fourth quarterly payments, the General Audit Chamber received the amounts in accordance with its budget.

	12/31/2022	12/31/2021
<i>(in Antillean Guilders)</i>		
Balance as at January 1, 2022	484,832	215,857
Correction to opening balance	(1,482)	1,190
Settled in 2022 / correction	(215,565)	
Government grant	830,000	867,753
Actual expenses (less depreciation)	(620,324)	(599,968)
To be settled with Government	<u>477,461</u>	<u>484,832</u>

As per December 31<sup>st</sup>, 2022, the total amount to be settled with Government is ANG 477,461. This amount consists of the unspent budget in 2021 (totaling ANG 267,785) and the unspent budget in 2022 (ANG 209,676).

In agreement with the Ministry of Finance, the General Audit Chamber should settle the unspent budget of 2021 in 2023. However, the amount to be settled with Government as per December 31, 2022 will be settled in 2023 as well. As a result, as per 2024, any unspent budget is settled with the previous year. The correction to the opening balance consists of a prior year adjustment, booked in 2021, which was erroneously not included.

<b>(6) Accounts payable</b>	12/31/2022	12/31/2021
<i>(in Antillean Guilders)</i>		
Trade creditors	3,922	2,963
Other payable	1,482	-
	<u>5,404</u>	<u>2,963</u>

As per December 2022 an amount of ANG 3,922 for trade creditors was still to be paid. In February 2023, this amount was fully paid.

**(7.1) Housing expenses**

	Actual 2022	Actual 2021	Budget 2022
	<u>          </u>	<u>          </u>	<u>          </u>
Rent	92,070	106,650	108,000
Cleaning	466	956	2,500
Utilities	15,932	12,170	18,000
Insurance premium	3,534	3,554	5,000
Maintenance building	6,452	5,805	10,000
Security expenses	0	918	2,500
Other maintenance	13,616	12,870	15,000
	<u>132,070</u>	<u>142,903</u>	<u>161,000</u>

**(7.2) Office expenses**

	Actual 2022	Actual 2021	Budget 2022
	<u>          </u>	<u>          </u>	<u>          </u>
Telephone and internet	7,995	9,338	12,000
Office supplies	2,954	10,392	10,000
Subscription books	6,185	4,511	15,000
	<u>17,134</u>	<u>24,241</u>	<u>37,000</u>

**(7.3) General expenses**

	Actual 2022	Actual 2021	Budget 2022
	<u>          </u>	<u>          </u>	<u>          </u>
Legal and professional advice	299,266	312,449	390,000
Board members fee	102,375	93,000	148,000
Representation expenses	30,116	17,141	30,000
Other services	3,265	1,512	10,000
Travelling and hotel expenses	17,812	2,654	30,000
Membership fee	2,874	-	4,000
Training expenses	12,446	9,371	15,000
Bank charges	2,637	2,562	5,000
Postage and freight	329	153	1,000
Prior year adjustments	-	(6,020)	-
Depreciation expense	24,461	25,596	-
Appropriated reserve depreciation	(24,461)	(25,596)	-
	<u>471,120</u>	<u>432,822</u>	<u>633,000</u>
<b>Total operating expenses</b>	<u><b>620,324</b></u>	<u><b>599,966</b></u>	<u><b>831,000</b></u>



General Audit Chamber  
Algemene Rekenkamer