



General Audit Chamber  

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Algemene Rekenkamer



# Annual Report 2021

February 2022



**February 2022**

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

## Foreword

This is the Annual Report 2021 of the General Audit Chamber. The year 2021 was dominated by the financial impact due to the COVID pandemic. The Government was provided with vaccines to combat the virus starting in February 2021. With that, the path to economic recovery was initiated. An important element is represented by the Country packages containing conditions related to Dutch financial support in the form of loans. The first steps towards financial reform were taken in 2021. The Government made strides in reducing the backlog in Government's financial statements. As such, the 2017 and 2018 financial statements were presented and those for the years 2019 and 2020, are expected to follow in short order. Despite operating based on a crisis budget though not sacrificing quality, the Audit Chamber provided its reports to Parliament on Government's financial statements for 2017 and 2018 within the legally required deadline of 6 weeks.

By issuing a total of 12 reports, 3 of which of a confidential nature, and by strengthening our internal policies as well as providing sound, in-house financial management, we have further enhanced our position as a respected institution in 2021, despite facing financial challenges.

**Alphons M. Gumbs MSc.**  
Chairman

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

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## **1. General**

### **1.1. Introduction**

Before July 1 of each year, the Parliament and the Governor must receive a report from the General Audit Chamber about the activities of the previous year. In this annual report, the General Audit Chamber details the activities carried out from January 1<sup>st</sup>, 2021, through December 31<sup>st</sup>, 2021.<sup>1</sup>

### **1.2. Reader's Guide**

Chapter 2 provides information about our organization, our tasks, and our authorities. Chapter 3 offers a summary of our operations and the results of our audit work in the fiscal year 2021. We also reference our social media results. Chapter 4 describes the realization data for the fiscal year 2021. We engaged an auditor to draft our financial management report 2021. This report is provided in Appendix 1.

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

## 2. The General Audit Chamber

### 2.1. Role

How we carry out our tasks and how we are organized is regulated by national ordinance.<sup>2</sup> We are the institution charged with investigating the government's efficiency and legal compliance in terms of income and expenditure.<sup>3</sup>

#### 2.1.1. Tasks and Authorities

We are autonomous in the performance of our tasks and duties. This independence provides us with the flexibility to conduct audits of public finances. The General Audit Chamber has been granted certain rights including the authority to demand information.<sup>4</sup>

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



**Legal Compliance Audits**  
(Has the money been spent according to regulations and law?)



**Performance Audits**  
(Was the money spent efficiently?)



**Integrity Audits**  
(Were activities conducted with integrity?)

Our findings are presented in reports along with our conclusions and recommendations. The recommendations may be used by those who are audited but are primarily meant to support Parliament in the execution of its oversight role.

We are also authorized to issue notifications to Parliament and the Governor. Following the notifications, further consultation is possible. In addition, we can issue proposals, remarks, and objections, to Ministers for the benefit of improving the Government's financial management.<sup>5</sup> These communications may also be issued confidentially to the party concerned. [For more information on our role and audits, click here.](#)

### 2.2. The organization

The Board of the General Audit Chamber consists of a chairman and two members. As substitutions for board members, 3 deputy members can be appointed. Until mid-2021, the Board was comprised of a chairman, a member, and a deputy member. A request to appoint a third board member has been pending at the Prime Minister's Office since December 2020. Despite repeated (written) requests in 2021, this request was not acted upon. On June 25<sup>th</sup>, 2021, the term of the deputy member ended.

Figure 1 provides a representation of the composition and hierarchy.

**Figure 1: Governance and hierarchy**

The Board:

- Mr. Alphons Gumbs, Chairman
- Ms. Mandy Daal-Offringa, Member
- Ms. Sheryl Peterson, deputy member (until June 25, 2021)

Normally, the Board convenes every two weeks. In 2021, the Board held 18 meetings. For more information about our organization, click [here](#).



<sup>2</sup> National Ordinance General Audit Chamber.

<sup>3</sup> Constitution of Sint Maarten, Article 74.

<sup>4</sup> Idem, Article 26.

<sup>5</sup> Idem, Article 39.

### 2.3. Cooperation and contacts

Cooperation and contacts with other institutions continued in 2021. A summary is provided below:

- On January 14<sup>th</sup>, an introductory meeting was held between the liaison for the COHO Curaçao and the Secretary-General.
- On January 27<sup>th</sup>, an introductory meeting was held between the Attorney General and the Secretary-General of the General Audit Chamber.
- On February 3<sup>rd</sup>, a meeting was held with the Minister of Justice regarding the audit "Administrative Appointments Part: 3".
- On March 4<sup>th</sup>, the Board, accompanied by the Secretary-General, provided a presentation on the report "Retrospective: 10 Years of the General Audit Chamber," to a closed session of Parliament's Committee on Public Expenditure.
- On March 11<sup>th</sup>, the Board held an introductory meeting with the Board of the Integrity Chamber.
- On March 12<sup>th</sup>, an introductory meeting was held with the Ombudsman and the Board of the Audit Chamber.
- On April 6<sup>th</sup>, an introductory meeting between our Board and the Council of Advice was held.
- During January through April, the Chairman and the Secretary-General met with the Vice-Chair of the Advisory Council and its Secretary Director, in connection with the appointments to the Electoral Council and the Central Voting Bureau. The President of the Common Court of Justice was also involved in the process. Together, the heads of these institutions comprise the Nominating Committee.
- On March 16<sup>th</sup>, the Secretary-General represented the Audit Chamber in consultative meetings with counterparts (SG's) of the Courts of Audit (Audit Chambers) within the Kingdom.
- In June, the secretariat planned to participate in SXM DOET, but due to the COVID situation, the event was not held. Instead, the secretariat opted to carry out voluntary work, by assisting a local preschool.
- During the year, introductory discussions were also held with the General Audit Chamber of Aruba and the Court of Audit of Curaçao, the Council of Ministers, and the Temporary Work Organization, in the context of the implementation of the Country Packages.
- On October 27<sup>th</sup>, the Audit Chamber provided a presentation to members of Parliament about the budget cycle and issuance of discharge.
- In November, successive meetings were held with the Evaluation Committee reviewing the Kingdom Act on Financial Supervision, the Steering Committee of the Trust Fund, Kingdom Council member, Ms. Maria van der Sluijs-Plantz, the management of the Integrity Chamber, and the secretaries-general of the Courts of Audit (Audit Chambers) within the Kingdom.
- During the fiscal year, formal contact was maintained with the Cft, SOAB, and the ministries on matters of mutual interest.

### 3. Operations

The operational activities for the fiscal year 2021 are described in the following paragraphs.

#### 3.1. Secretariat staffing

By law, the General Audit Chamber has a staffing capacity of 8 FTEs.<sup>6</sup> Figure 2 depicts the actual staffing in 2021.

In 2021, the staff consists of 4 full-time employees. These include a secretary-general, a researcher, a policy officer, and an all-round administrative assistant. In addition, the audit team was supported in 2021 by a part-time chartered accountant and two part-time consultants.

Due to budget reductions associated with COVID-19, unfilled positions remained vacant.

Figure 2: actual staffing levels in 2021

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

#### 3.2. Training and Education

In July, the Secretariat completed advanced online training in first aid. In addition, the SG completed a post-HBO Management and Organization Course. Our researcher started an MBA training on Big Data in 2021 and completed the first 3 modules.

#### 3.3. Audit activities

The audit activities performed in 2021 are described in the following sections.

##### 3.3.1. Mini Audit on the Efficiency of Government Office Housing Policy



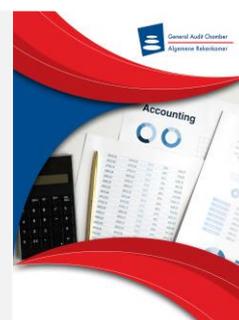
On March 30<sup>th</sup>, 2021, the General Audit Chamber published the results of a performance audit on the efficiency of government housing policy. Questions included: How much is paid in rent? Is the policy efficient? The report demonstrates the importance of having usable data, particularly given the lack of policy. We hope that the government will adopt our recommendations, given that rental expenses are a material line item in the budget.

Click [here](#) for the report.

##### 3.3.2. Confidential: Mini Audit regarding use of an external party for the preparation of the Annual Financial Statements for 2017 and 2018

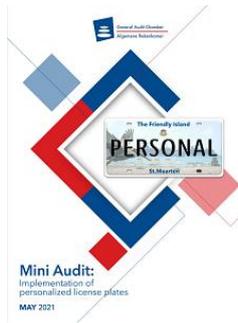
The General Audit Chamber issued a confidential report on April 29<sup>th</sup>, 2021, to the Minister of Finance regarding the use of an external party for the preparation of the 2017 and 2018 Financial Statements.

The audit objective which is described in the report is to determine whether the cost associated with this outsourcing was efficient, whether the assignment was issued based on the terms of reference, whether the quality of the financial statements improved, and whether the process surrounding the procurement was legally compliant.



<sup>6</sup> Full-time equivalent: often abbreviated as FTE, is a unit of calculation that can be used to express the size of a job or staffing capacity. One FTE is a full working week and equivalent to a full-time employee, while 0.5 FTE indicates that work is conducted only half of the time.

### 3.3.3 Mini Audit into the implementation of personalized license plates



On May 10<sup>th</sup>, 2021, the Audit Chamber issued its report on the potential of introducing personalized license plates. In this report we describe the possible revenue stream related to the introduction of so called "vanity plates", as well as what actions are necessary for implementation. Our aim was to provide an added value to the Government, in terms of securing potential new revenue streams.

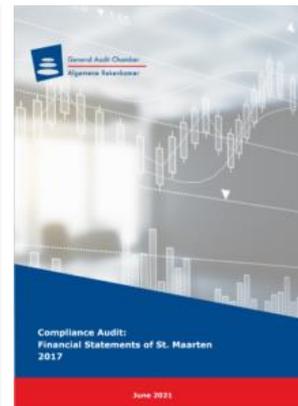
Click [here](#) for the report.

### 3.3.4 Compliance Audit: 2017 Financial Statements of Sint Maarten

The 2017 Financial Statement should have been prepared by September 1<sup>st</sup>, 2018. Instead, these were presented to us and the SOAB on October 30<sup>th</sup>, 2020.

By law, we have 6 weeks to issue a report on the Financial Statements, after receiving SOAB's report on findings. That report was received on June 11<sup>th</sup>, 2021. On June 21<sup>st</sup>, the Audit Chamber presented its report on the 2017 Financial Statements to Parliament.

Little improvement in the financial management is apparent as compared to previous years. We conclude that the 2017 Financial Statements do not provide a true and fair representation.



### 3.3.5 Mini Audit into the Settlement of Bounced Checks



On July 21<sup>st</sup>, 2021, the Audit Chamber published its report on the settlement of bounced checks. In this report, we present the issues related to cheques issued with insufficient funds, and the options available to mitigate the occurrence of bounced cheques in the future.

Paying online through the bank is the most likely solution, with the understanding that government quickly and efficiently processes each payment as well as issue a receipt.

Click [here](#) for the report.

### 3.3.6 Administrative Appointments: part 3

The General Audit Chamber presented its confidential report on Administrative Appointments: part 3, on August 24<sup>th</sup>, 2021, to the Prime Minister. In this report, we present our findings related to the security screening procedure, along with officials currently serving without the requisite declaration of no objection, as well as the positions where the procedure was (in)correctly applied.

The Board may – in the near future - decide whether this report is subject to review (and whether it will be made public).



### 3.3.7 Compliance Audit: 2018 Financial Statements of Sint Maarten



The Governments 2018 Financial Statements are required by law to be prepared by September 1<sup>st</sup>, 2019. The 2018 Financial Statements were presented on October 30<sup>th</sup>, 2020 (more than 2 years after the period required by law), and SOAB's findings were presented to us on July 16<sup>th</sup>, 2021. Subsequently we presented our report to Parliament on August 17<sup>th</sup>, well within our 6-week statutory deadline.

There is no discernable (structural) improvement of government's financial management. Expenses have been incurred for which no resources were budgeted, and income was not realized or was lower than budgeted.

Click [here](#) for the report.

### 3.3.8 Mini Audit: Responsible Gambling

On September 27<sup>th</sup>, 2021, Parliament was presented with our Mini Audit on responsible gambling. There are 20 gambling facilities dispersed over 13 square miles on Sint Maarten. Risks related to gambling addiction are therefore present. However, due to the lack of data, we were unable to determine whether a gambling problem exists nor could we determine the extent of the problem.

With 13 casinos and 7 lotteries, the annual fixed revenue from the license fee should be ANG 10.7 million. However, revenues were far below that potential (ANG 4.7 million) in 2020. Subsidies for (voluntary) programs to combat problem gambling have been suspended since 2016. Click [here](#) for the report



### 3.3.9 Compliance Audit: APS' 2020 Financial Statements



We sent our report about APS' 2020 Financial Statements to Parliament on October 12<sup>th</sup>. Despite the changes to the pension system and the increase of retirement age, the fund's coverage ratio at the end of 2020 had dropped to 101.9% (2019: 103.8%). This means that, as in previous years, the fund's assets are insufficient to cover general and investment risks. APS has not been financially sound since its inception.

Indexation of the pension has been reduced from 2% to 1.75% due to the coverage ratio and the new law. The [ALM study](#) conducted in 2020/2021 reveals that the fund will have to make further changes. The fund explicitly waited to conduct an ALM study, against our explicit advice in recent years. Further austerity, according to the ALM, is likely.

Click [here](#) for the report.

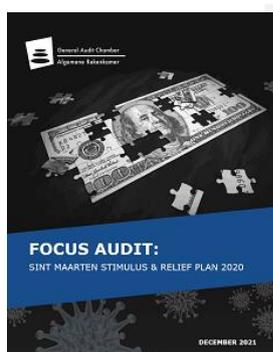
### 3.3.10 Audit of VDSM's confidential expenditures 2016 -2020

Based on the National Ordinance on the General Audit Chamber, the Chairman and the Secretary General are authorized to audit VDSM's confidential expenditures. On December 3<sup>rd</sup>, the Chairman issued a confidential notification to the Prime Minister, regarding the confidential expenditures of VDSM.

Considering national interest and in accordance with legislation, this notification is not public.



### 3.3.11 SSRP 2020



The report on SSRP 2020 was published on December 14<sup>th</sup>, 2021. Liquidity support totaling ANG 124.5 million was received in 2020 in the form of loans. Approximately ANG 72 million was spent on Business Payroll Support. The remaining (approximately) ANG 52 million was earmarked for 'general funds'. The government is unable to provide exact information about how this latter amount was spent. Accountability is therefore lacking.

Based on agreements, the government must report monthly (via the Cft) to the Kingdom Council of Ministers on (at least) 3 different topics. It is unclear whether Parliament are provided with the same information.

Click [here](#) for the report.

### 3.4 Internal policies: confidential notifications



In August 2021, the Board approved the internal policy on confidential notifications. The purpose of this policy is to ensure that there is follow-up and redress of identified shortcomings, integrity issues, and/or legal compliance errors that given the nature of the material is confidential.

The Board may subsequently decide that a confidential notification issued to a Minister, Ministers, Governor, or Parliament is subject to review (or if it is made public) in the future.

### 3.5 Advice

#### 3.5.1 Opinion on ministers' integrity declarations

According to Article 2 of the National Integrity Ordinance, a minister shall, within 30 days of assuming office, submit to the Prime Minister a written statement regarding his assets and those of his immediate family.

The Prime Minister decides, which business interests, ancillary positions, and ancillary activities, are undesirable. Regarding the decision to be taken, the Prime Minister requests the advice of the General Audit Chamber.

We received no request for advice after the Jacobs Cabinet took office in 2020.

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

According to the National Ordinance on Registration and Financing of Political Parties, we examine the financial reports of political parties at the request of the Electoral Council.<sup>7</sup> Our advice is sent to the Electoral Council.

The financial reports for 2017, 2018, 2019, and 2020 have not yet been presented to us. We are currently in the process of having the legislation related to this type of advisory services amended, as we believe that the finances of political parties do not involve public funds, and as such, advising thereon is a violation of the Constitution. The draft ordinance has been approved by the Legal Affairs and Legislation Department as of Feb 2021 and is under consideration by the government. The process is not proceeding smoothly, though a clear reason is not known to us.

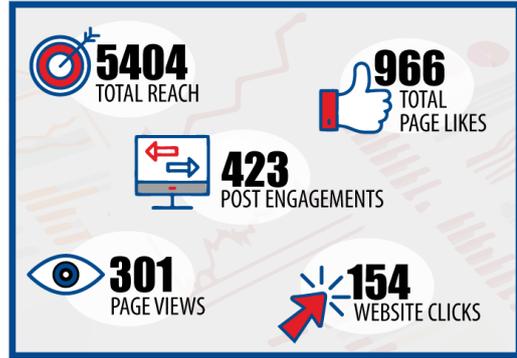
<sup>7</sup> National Ordinance on Registration and Financing of Political Parties, Article 29.

### 3.6 Social Media

Social media is a valuable tool for expanding communication to the public.

The so-called performance indicators (KPIs) are relevant to measuring reach and engagement.

Engagement refers to the number of likes, referrals (shares), and comments on social media posts. Reach indicates how many times the message has been viewed. The KPIs of our [Facebook page](#) for the year 2021 are shown graphically on the right.



We will continue to innovate in the field of communication and information in the future.

## 4 Financial Accountability

Below is a brief description of the realization of our budget for the fiscal year 2021.

### 4.5 Budget 2021

The financial management is required to be carried out by the Chairman.<sup>8</sup> The Secretary-General is mandated to perform certain financial operations. Quarterly reporting on the financial operations by the Secretary-General was done in 2021. We use our internal financial systems to record expenses.

#### 4.5.1 Budget realization

The overall realization of budget 2021 is approximately 70%. Personnel expenses are lower than budgeted. A major reason for the underutilization is the mandatory reductions due to COVID-19, as well as not filling staff vacancies. There was no business-related travel in 2021.

#### 4.5.2 Improper unilateral amendment of the budget

Before May 1<sup>st</sup> of each year, the General Audit Chamber submits its budget to Parliament for the following year. In April 2021, we submitted our 2022 budget request, on time and in compliance with the law. To guarantee independence, the lawmakers opted to provide the General Audit Chamber with autonomy in the preparation of its budget. Only in consultation with the Minister of Finance is a deviation from a submitted budget possible.

However, for the fiscal year 2021, our budget for travel and training was unilaterally reduced without consultation. Due to the absence of travel, we remained within budget. However, regarding required training and education, we acted in accordance with our submitted budget. Because of the unilateral and improper reduction to ANG 3,750, our actual realization of ANG 5,621 represents a slight budget overrun.

Table 2 presents an overview of the budget realization. These figures have been verified by an independent auditor.

Table 1: an overview of budget realization 2020

Budget Item (ANG)	Country Budget 2021	Expense	Remainder	Realization (%)
Personnel expenses	620,075	578,827	41,248	93
Material costs	867,750	599,968	267,782	69
Capital investments	0	0		
<b>Total</b>	<b>1,487,825</b>	<b>1,178,795</b>	309,030	<b>79</b>

### 4.6 Financial Report 2021

We provided the Minister of Finance with timely, quarterly reports on operational expenditures. An independent auditor prepared our financial report regarding the operational (material) expenditures. Appendix 1 contains this financial report.

<sup>8</sup> National Ordinance General Audit Chamber, article 49, second paragraph.

## **Appendix 1: Financial report on operational (material) expenditures 2021**



General Audit Chamber  

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Algemene Rekenkamer

**GENERAL AUDIT CHAMBER**

**at St. Maarten**

**Management report 2021**

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

St. Maarten, February 25, 2022

Ref.:A22.035/md/PL

Subject: Management report 2021

Dear Mr. de Jong,

Following your request we have prepared the 2021 Management report of The General Audit Chamber included in this report.

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 ACCA

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**BALANCE SHEET AS AT 31 DECEMBER 2021**

(before appropriation of result)

<b>ASSETS</b>	Note	<i>December 31, 2021</i>	<i>December 31, 2020</i>
<i>(in Antillean Guilders)</i>			
<b>Fixed assets</b>	1		
Tangible fixed assets			
Building Improvements		18,887	21,834
Equipment		2,600	3,347
Furniture and fixtures		29,065	40,105
Computers		20,176	23,844
		70,728	89,130
<b>Current assets</b>			
Prepaid expenses	2	1,310	5,190
Cash and banks	3	520,581	272,955
Total assets		592,619	367,275



<b>EQUITY AND LIABILITIES</b>	Note	<i>December 31, 2021</i>	<i>December 31, 2020</i>
<i>(in Antillean Guilders)</i>			
Investments Reserve	4	104,824	135,610
To be settled with Government	5	484,832	215,857
Accounts payable	6	2,963	15,808
Total Equity and liabilities		<u>592,619</u>	<u>367,275</u>

**STATEMENT OF ACTUAL VERSUS BUDGETED COSTS FOR 2021**

*(in Antillean Guilders)*

	Note	Actual 2021	Actual 2020	Budget 2021
<i>Operating Expenses</i>				
Housing expenses	7.1	142,903	113,725	176,000
Office expenses	7.2	24,241	16,925	34,000
General Expenses	7.3	432,824	404,542	657,750
Depreciation	1	25,596	24,449	-
Appropriated reserve depreciation		(25,596)	(24,449)	-
<b>Total Expenses</b>		<u>599,968</u>	<u>535,192</u>	<u>867,750</u>

**Explanation of under- and overspending**

The General Audit Chamber received four advance payments from Government totalling ANG 867,753. The operating expenses are underspent by ANG 267,782. This remaining amount will be settled with Government.

Legal and professional advice

For the year 2021, a budget was made available to seek advice regarding pension from the General Audit Chamber. This did not take place, which resulted in an under-spending of ANG 112,551.

Board members fee

The budget is based on a full board for the year. In 2021, the board was not complete, which led to an under-spending of ANG 55,000.

## 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 2021 management report have 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 is 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, as far as possible, 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 2021

### 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	51,314	159,319
Accumulated depreciation	(7,623)	(1,625)	(33,471)	(27,470)	(70,189)
Book value	21,834	3,347	40,105	23,844	89,130
Movements in book value					
Investment	-	-	-	7,194	7,194
Depreciation	(2,947)	(747)	(11,040)	(10,862)	(25,596)
	(2,947)	(747)	(11,040)	(3,668)	(18,402)
Balance as at 31 December 2021					
Costs	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
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>	12/31/2021	12/31/2020
<i>(in Antillean Guilders)</i>		
<u>Other receivables and prepaid income</u>		
Prepaid telephone expenses	1,310	5,190
	1,310	5,190
	1,310	5,190

The prepaid expenses consist of overpaid telephone expenses in prior years.  
In 2021 an amount of ANG 3,880 was applied to invoices.  
The remaining balance will be applied to invoices received in 2022.

<b>(3) Cash and banks</b>	12/31/2021	12/31/2020
<i>(in Antillean Guilders)</i>		
Windward Island Bank N.V. (ANG)	478,330	221,857
Windward Island Bank N.V. (USD)	42,251	51,098
	520,581	272,955
	520,581	272,955

The bank balances are conform the balance on the bank statements as per December 31, 2021.

## 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 2021	76,908	53,512	130,420
Changes in 2021	(24,996)	(600)	(25,596)
Balance as at 31 December 2021	51,912	52,912	104,824

#### 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 taking into account 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 the hurricanes Irma and Maria as a designated reserve since the respective funds are not being considered part of the settlement with the Government. Taking into account that the proceeds received from the insurance company were solely to replace the assets damaged, the reserve will be amortized together with the depreciation charge for the assets being replaced.

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

The General Audit Chamber received four advance payments from Government totalling ANG 867,753.

	12/31/2021	12/31/2020
<i>(in Antillean Guilders)</i>		
Balance as at January 1, 2021	215,857	-
Correction to opening balance	1,190	-
Government grant	867,753	751,049
Actual expenses (less depreciation)	(599,968)	(535,192)
To be settled with Government	<u>484,832</u>	<u>215,857</u>

In agreement with the Ministry of Finance, the amount to be settled with Government as per December 31, 2020 will be reimbursed in the first two quarters of 2022.

<b>(6) Accounts payable</b>	12/31/2021	12/31/2020
<i>(in Antillean Guilders)</i>		
Trade creditors	2,963	15,808
	<u>2,963</u>	<u>15,808</u>

As per December 2021 an amount of ANG 2,963 was still to be paid. In 2022 this amount was fully paid.



**(7.1) Housing expenses**

	<u>Actual 2021</u>	<u>Actual 2020</u>	<u>Budget 2021</u>
Rent	106,650	90,000	115,000
Cleaning	956	8,883	4,000
Utilities	12,170	7,871	19,500
Insurance premium	3,534	3,554	5,000
Maintenance building	5,805	2,970	15,000
Security expenses	918	447	2,500
Other maintenance	12,870	-	15,000
	<u>142,903</u>	<u>113,725</u>	<u>176,000</u>

**(7.2) Office expenses**

	<u>Actual 2021</u>	<u>Actual 2020</u>	<u>Budget 2021</u>
Telephone and internet	9,338	8,387	15,000
Office supplies	10,392	7,041	10,000
Subscription books	4,511	1,497	9,000
	<u>24,241</u>	<u>16,925</u>	<u>34,000</u>

**(7.3) General expenses**

	<u>Actual 2021</u>	<u>Actual 2020</u>	<u>Budget 2021</u>
Legal and professional advice	312,449	275,818	425,000
Board members fee	93,000	78,000	148,000
Representation expenses	17,141	25,868	40,000
Other services	1,512	10,168	10,000
Travelling and hotel expenses	2,654	6,529	6,000
Membership fee	-	6,078	4,000
Training expenses	9,371	165	3,750
Bank charges	2,562	1,916	20,000
Postage and freight	155	-	1,000
Prior year adjustments	(6,020)	-	-
Depreciation expense	25,596	-	-
Appropriated reserve depreciation	(25,596)	-	-
	<u>432,824</u>	<u>404,542</u>	<u>657,750</u>
<b>Total operating expenses</b>	<u><b>599,968</b></u>	<u><b>535,192</b></u>	<u><b>867,750</b></u>



General Audit Chamber

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Algemene Rekenkamer

**February 2022**