



# Parliament of Sint Maarten

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## Staten van Sint Maarten

Parliamentary Year 2016-2017-096

**National Ordinance establishing the annual accounts of Sint Maarten for the service year 2012 (National Ordinance annual accounts 2012)**

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**Report  
No. 5**

Parliament in its meeting of the Central Committee has exchanged views with the Government on the Draft National Ordinance establishing the accounts of Sint Maarten for the service year 2012.

Parliament considers the present draft to be sufficiently prepared if the questions asked below are answered in time for the public meeting so that the draft can be discussed in a public meeting.

**The National Alliance faction** has taken note of this draft national ordinance and confirms that the handling of the financial statements of 2012 is taking place five years after the fact. Since 2012 the General Audit Chamber has been reporting that the financial statements do not meet the legal requirements. The same recommendations have repeatedly been made to Government. It is the duty of Parliament to monitor the coffers of Government. The execution of this task as guardian of the Government's coffers has not always been optimal due to frequent change of government. But this must become something of the past. In the report of 2015 of the General Audit Chamber mention was made that the Minister of Finance will be sending a monthly report to Parliament regarding the financial status that he receives from the ministers concerning their monthly expenditures. Can a monthly statement be sent to Parliament as well as the quarterly report? This to avoid that at the end of the year it is established that ministers have exceeded their budget.

The faction remarks that the financial statements of the former Netherlands Antilles have never been approved.

The faction is surprised that the reports of the SOAB and the General Audit Chamber have not been followed and that there is no penalty for institutions or ministries that do not provide timely information and reports to the institutions that require and need this information to be able to complete the financial statements. The providing of information in a timely manner needs much improvement. Parliament should initiate legislation that enforces submission of the financial statements in a timely manner.

The faction asks about the situation regarding the Action Plan in which the Minister of Finance will appoint one person in each cabinet to be responsible for reporting in a timely manner on the relevant financial situation within that ministry. By introducing such a person, budget overruns will be prevented. An internal controller was also going to be appointed. What happened to those plans? How far along are they? How far along is the control mechanism? Is it ready?

"You can never spend more than what you have" is a famous saying of the Minister of Finance. Is this still the premise of the minister? If this principle is still used, Government will not exceed the annual budget at the end of 2017.

The faction refers to an agreement that was made that if Sint Maarten would have a balanced budget in three consecutive years, the Financial Supervisory Board (CFT) should be lifted. It has been mentioned that the budget has been balanced for three consecutive years, but that the financial statements have not been conclusive. Will the CFT not go away because Sint Maarten has not been delivering audited financial statements in a timely manner? How far are we with the presenting of strong, clear figures regarding our budget? Is it attainable? Is it feasible for at least 90%?

**The United Sint Maarten Party Faction** has taken note with interest of the draft and remarks that it is outdated. Nevertheless, much progress has been made since then. Can the Government indicate what changes, measures and adjustments have been made since 2012? Which improvements have been made regarding reporting since then? Which improvements have been made with regards to the content?

The appointment of a group controller for each ministry is mentioned. Has this appointment taken place? The faction agrees that very little can be done regarding these financial statements. What has the government done to avoid the mistakes of 2012 being repeated? What has been done to ensure

that the financial statements of 2016 and beyond be a better reflection of the financial reality?

**The Democratic Party faction** has taken note of the draft and mentions the handling of this makes little sense seeing that the period of 2012 has long gone.

Article 48, third paragraph, of the National Accountability Ordinance creates the possibility to adopt further rules by national decree entailing general measures to improve the budgetary discipline. Has this national decree been established?

In the supplementary report on the draft the Government indicates that it would be coming up with an action plan on improving financial management. The first evaluation of the steering committee's action plan started on July 15, 2016 and is expected to be completed by December 31, 2018. The final report must be sent to Parliament. Can Parliament receive interim reports?

Can the Government give an update on the process of implementing the procurement-to-pay procedure?

Can the Government provide Parliament information regarding the amendment to the budget for the financial year 2012 that was apparently sent to Parliament? Has this been handled by Parliament?

The faction refers to a letter dated June 21, 2016 from Member of Parliament, Mrs. S. A. Wescot-Williams entailing questions during a meeting directed to the Minister of Finance and repeats these questions. What is the status of the draft on "Tax forgiveness" (tax waiver)? For there is indication that this draft ordinance would come to Parliament after it was received by the Governor.

With regards to the draft ordinance on the amendment of the National Accountability Ordinance to include regulating the procedures for public procurement, the following: it was indicated that the Department of Legal Affairs and Legislation, which falls under the Ministry of General Affairs, would have done its legal check by September 2, 2016. What was the decision of the Council of Ministers on this draft ordinance? How far along is this ordinance at this moment?

The faction notes that it was mentioned that the legislation on the collection policy regarding taxation was considered confusing because the tax

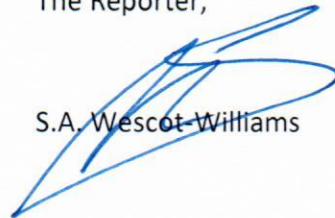
department was making use of two laws. The Government is trying to simplify this. What is the status of this legislation? Is it true that this legislation was sent to the Council of Ministers on August 23, 2016 for approval?

What is the status regarding the request of the CFT to receive money to invest in the upgrading of the Tax department? What is the outcome of this? What are the changes? How far are the changes concerning the "profit taxes" (income tax) of 2015? What are the implications of these changes for associations and foundations? Can an update be given?

This report is to be considered as Final Report.

Stipulated in the meeting of the Central Committee of February 6<sup>th</sup>, 2017.

The Reporter,

A handwritten signature in blue ink, appearing to be 'S.A. Wescot-Williams', written over the printed name.

S.A. Wescot-Williams