

PLAN OF ACTION FOR CLEAN-UP

Balance and general ledger clean-up	
Sint Maarten	
A.1.5 Financial management	
Reasons for the project	This project specifically relates to implementation activity A.1.5. The clean-up of the balance sheet and ledger can be seen as an important precondition and a 'quick win' for improving financial management. Due to the malfunctioning of the systems and the lack of proper work processes such as monthly closing procedures and internal audits, the balance sheet and ledger have become seriously contaminated with old ledger accounts and thousands of old, irrecoverable and unjustified outstanding items. There is also an outdated budget model that dates from the time before the government accounting regulations. This causes problems and inefficiency in the preparation of the annual accounts and is also the main reason for the negative statements and opinions of both the internal government accountant and the Court of Audit. When implementing a new financial system, it must also be prevented that this polluted and outdated information is converted to the new system.
Objective	The objective of this project is to clean up the balance sheet and general ledger, including taking measures to prevent new pollution, so that a timely planning and audit cycle can be achieved, which meets the modern requirements of government households. Structured in a solid and sustainable set-up and embedding.
Approach chosen	The project is part of a broader program aimed at improving financial management. The project, together with three other sub-projects, will be led by one program manager. In addition, a steering committee will monitor the progress and results of the project and act as a sounding board for the program manager/sub-projects where necessary. In addition to internal capacity, external capacity will also be deployed to safeguard the required knowledge, skills and capacity. External capacity has been found in a team of specialists, who will be supported by advanced and starting assistants as well as the employees of the accounting department. The deployment of the specialists is based on actual availability. One of the specialists also works as a consultant within the ministry of TEATT and will therefore also be the liaison with that ministry with regard to the clean-up (permits, licenses, etc.). He is also well acquainted with Grant Thornton and can therefore be used as a liaison with the project they are carrying out. Finally, he will make the link with the 2021 annual accounts.
Intended results	An important principle is that the clean-up is sustainable. On the one hand, this means that new contamination immediately after the clean-up must be prevented. On the other hand, this means that the new structure of the general ledger accounts and the adjusted budget model can also be used effectively when drawing up subsequent annual accounts and can be used when setting up the new financial system. Simultaneously with the start of the clean-up, therefore, a start will be made on the implementation of month-end closing procedures and the process of periodic internal audits through coaching and training of the employees of the accounting department.

Initials [Aruba/Curaçao/ Sint Maarten]	Initials the Netherlands

	<p>Based on a quick scan and previous experience in preparing the annual accounts (and the audit thereof), the following areas for the clean-up have been identified:</p> <ol style="list-style-type: none"> 1) General ledger scheme, budget and accountability models 2) MVA 3) FVA – Marven NV, Deposits and Student loans 4) Suspense accounts 5) Debtors 6) Creditors 7) Other receivables 8) Other debts 9) Liquid assets
Coherence and/or dependence	The project has a direct relationship with the implementation activities A.1.1 (Improving financial work processes) and A.1.2 (Exploring new accounting system). The knowledge gained from the clean-up and preventing new pollution can be used directly in setting up current and new financial work processes.
Planning	<ul style="list-style-type: none"> • Preparation & Planning : Q2 and Q3 of 2021 • Clean-up execution 9 domains: Q4 2021 to Q2 2022 • Lead time 9 months, 1 October 2021 – 30 June 2022

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