Executive Summary

Implementation of a new financial system and optimized financial processes	
Sint Maarten	
A. Improvement of financial management	
A.1 Strengthening the financial function	
Background	As part of theme A of the country package of Sint Maarten, in a baseline analysis the current (IST) position has been analysed and described for the main financial processes (Procure to Pay – P2P, Order to Cash – O2C, Payroll, Subsidies and Budgeting). Together with specific recommendations regarding the processes and the organization, the overall recommendation was the implementation of an integrated financial system (ERP) that can replace the current legacy financial system. A blueprint was made for the desired future state (SOLL) of the main financial processes and the functional requirements for the new system were mapped. Based on this, a comprehensive Program Initiation Document (PID) was established to outline the different characteristics of the sub-program and the implementation efforts that will be performed as part of the sub-program. The sub-program primarily focuses on the implementation of the Microsoft Dynamics ERP system (F&O), implementation of the redesigned optimized processes, implementation of adequate process controls, and management of the organizational change.
Objective	The ultimate goal is to ensure that financial management, financial supervision & oversight, and financial policies are operating effectively, ensuring that the Government is in control. This objective is driven by the following strategic goals: • The financial processes and systems are set up in an appropriate manner and business process controls (AO/IC) are properly implemented, such that the Government is able to obtain an unqualified auditor's opinion (over the 2026 financial statements). • The organization and the people within the Government embrace the change and new way of working that result from the implementation of new financial processes and systems.
Activities	This plan of approach focuses on phases 1 and 2 of the sub-program, which consists of the setup of the core system as well as the configurations of the 5 main processes in the system and related applications, the design and implementation of the desired state financial processes, and the setup of the process control framework for the desired state financial processes. Hence, the two phases consist of three focus areas: ▪ The implementation of Microsoft Dynamics 365 F&O. Herein, phase 1 focuses on the setup of the core system of the financial administration with new Microsoft Dynamics 365 Finance & Operations (Microsoft D365 F&O) software. This core implementation focuses on the foundational setup, the conversion of the master data, and establishing the required interfaces. The

	aim of the core implementation is to ensure that the basic architecture is set up and that the blueprint of the new IT-landscape is designed. Subsequently, phase 2 focuses on the configurations of the 5 main financial processes in its desired state, namely the P2P, O2C, Payroll, Subsidies, and Budgeting processes. 2. Phases 1 and 2 will ensure that the desired state of the financial processes (P2P, O2C, Payroll, and Subsidies, incl. the F&O aspects of these processes) are properly documented, validated with the process owners, and implemented and optimally supported by CRM/ Azure systems. Whereas phase 1 focuses on the documentation and validation of the SOLL processes, phase 2 focuses the implementation hereof. 3. Phases 1 and 2 of the sub-program will ensure that the process control framework is implemented, and the process controls are designed (phase 1) and implemented (phase 2) for the P2P, O2C, Payroll and Subsidies processes.
Intended results	The intended results for phase 1 and 2 of the program are as follows: 1. The P2P, O2C, Payroll, Subsidies and Budgeting processes and systems are set up in an appropriate manner and business process controls (AO/IC) are properly implemented. 2. Reliable and efficient P2P, O2C, Payroll, Subsidies and Budgeting processes are in place and are facilitated by well-functioning financial systems, allowing that the quality of the financial organization of the Government is at the desired level. 3. The organization and the people within embrace the change and new way of work that result from the implementation of new financial processes and systems.
Chosen approach	To ensure that the intended results are achieved, a comprehensive program called 'Future of Finance' is established. This program includes 12 underlying projects (projects A – L) that will jointly result in the improvement of the financial management. Particularly the first 6 projects included in this sub-program will contribute to the achievement of the above-mentioned objectives and results.
Conditions, coherence and/or interdependencies	Within theme A (Financial management) measure A.1 of the country package, several projects have started to implement the recommendations to improve the budgeting process and to enhance the quality and timeliness of the financial reporting. All these projects that are part of the same program (project G-L) will provide important input for the optimization of the financial processes and will help the conversion of clean financial data to Microsoft D365 F&O.
Timetable	The total sub-program consists of 4 phases. This plan of approach focuses on phases 1 and 2 of the sub-program. First, phase 1 started in January 2024 and will take about 12 months. Main goal is to have the main financial processes documented and validated, including a proper process control framework and supported IT applications, and to 'go live' with Microsoft D365 F&O on January 1, 2025, at the latest. This will be supported by change management plane and

	resulting initiatives to support the organization with the expected changes of the above. Second, phase 2 will start in January 2025 and will take about 12 months, ending on December 31, 2025. Main goal is to configure and fully implement the 5 main financial processes in its desired state, namely the Payroll, P2P, O2C, Subsidies and Budgeting processes. Furthermore, a proper process control framework for these main financial processes should be in place at the end of phase 2. This will continue to be supported by change management initiatives to support the organization with the expected changes of the above.