



## Press release

May 8<sup>th</sup>, 2014

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### **Sint Eustatius executive council needs to ensure that budget remains balanced Age Bakker (Cft): 'Sint Eustatius encouraged to be proactive in its financial management'**

**Oranjestad – Achieving a balanced budget in 2014 will be a challenge, according to Age Bakker, chairman to the board of Financial Supervision (College financieel toezicht Bonaire, Sint Eustatius and Saba – Cft). It will be important for the executive council to take timely measures, if revenues turn out to be lower than expected, or in case expenses show an escalation. Both councils confirmed that based on their respective responsibilities they will continue to intensify efforts to furthering the successes achieved in financial management in recent years.**

On Monday, May 5<sup>th</sup> the Cft visited Sint Eustatius and met with the executive council and the island council. During the visit of the board to Sint Eustatius, Mr. Hyden Gittens was introduced as a new board member of the Cft. He is the successor of Mr. Max Pandt, who was a much appreciated member of the Cft since the onset of financial supervision. Both councils expressed their appreciation with the recent nomination of Mr. Gittens and expressed confidence in continuing the good communications between the government and the Cft.

#### **Execution of the budget**

As recent reports show indications of short falls in revenue compared to budget projections, the Cft admonished Sint Eustatius to be proactive in taking measures, so as to avoid a deficit position at the end of 2014. In this way recent improvements achieved in the Island's financial management can be sustained. In the discussions between the Cft and the executive council it transpired that due to some disappointing developments in local revenue collection, as well as unforeseen increases in personnel costs, including overtime payment, the achievement of a balanced budget in 2014 will be a challenge. The executive council is fully aware of the situation and stands ready to take timely corrective measures if needed.

The executive council, in collaboration with the finance department is in the process of finalizing the 1<sup>st</sup> quarter reporting for 2014, and will submit this, along with any request from budget amendments for evaluation by the Cft. The Cft will be able to react in more detail after receiving the budget amendment and the report of the first quarter of 2014. During the meeting with the island council, parties also agreed to improve the timely distribution of the quarterly financial reports among all members of the council.

#### **Further strengthening of financial management needed**

In order to improve the monitoring of the budget execution and enable the administration to take timely action, the information flows from the financial administration need to be improved. The Cft will closely monitor the progress of Sint Eustatius to strengthen its financial management.

[End of press release]

#### **Caption:**

The financial management by the executive council needs further improvement.

#### **Note for the editing department – not for publication**

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