



Press Release

December 5th, 2014

Still no improvement in financial management on Sint Eustatius Age Bakker (Cft): 'Fiscal discipline Statia a must!'

Oranjestad – The Board of financial supervision (College financieel toezicht Bonaire, Sint Eustatius and Saba – Cft) visited Sint Eustatius to meet with the executive council as well as with the island council on Wednesday, December 3rd. One concern is the risk that the island may realize a deficit over 2014. The Cft discussed the concrete steps that are needed in order to still achieve a balanced budget in 2014. Age Bakker, chairman of the Cft, emphasized to put a hold on future financial commitments to prevent a further increase of the deficit. Furthermore, the Cft prompted the executive council to respect the budget.

Execution of the budget

During the visit of the Cft in May this year the Cft advised Sint Eustatius to be proactive in taking measures to balance the budget so as to prevent new deficits and sustain a healthy financial management. These measures are needed because of disappointing returns from the harbor and the airport, both indicators of a downturn in the economy of Sint Eustatius in 2014. Unfortunately it seems that the measures taken this year have been insufficient. To avoid a deficit on the budget, Sint Eustatius must put a hold on financial commitments and must maintain its vacancy stop.

Financial management

During the year the executive council appeared to have entered into financial obligations without prior budget approval. In the advice on the first and third quarterly financial report of Sint Eustatius the Cft has stated that this is not allowed. The island council approves the budget; it is the task of the executive council to execute it. If during the execution of the budget amendments need to be made, the executive council must obtain prior consent of the island council. The Cft warned the executive council that entering into obligations without this consent is a serious matter.

It is worth a compliment that Sint Eustatius has submitted a balanced budget for 2015 on time. This resulted in a positive advice from the Cft in October 2014. However, the two matters of concern mentioned above are considered sufficiently serious to warrant close monitoring by the Cft. Chairman Bakker of the Cft explains that it is a matter of fiscal discipline: 'A budget can be approved, but it is the execution of it that counts.'

[End of press release]

Caption:

Still no improvement to be seen on financial management on Sint Eustatius.

Note for the editing department – not for publication

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