



## Press release

October 24th, 2019

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### **Cft: "More attention is needed for the realization of policy intentions"**

**Kralendijk - The Board of financial supervision Bonaire, Sint Eustatius and Saba (Cft) requests the Executive Council and the Island Council of Bonaire for attention with regard to the realization of the budgeted policy intentions. The second execution report shows an under-spending in staff costs, whereas strengthening the middle management of the civil service has been a spearhead of Bonaire for some time now. The Cft visited Bonaire on October 22<sup>nd</sup> and held discussions with, among others, the members of the Executive Council and the Island Council.**

#### **2018 and 2019 budgets**

The Island Council adopted the 2018 financial statements of Bonaire on June 25<sup>th</sup>. The year ended with a positive result of 12.7 million dollars. The island Council has earmarked 7.1 million dollars of the surplus among others for infrastructure and maintenance work.

The second quarterly report for 2019 shows a positive balance of 11.2 million dollars for the period up to and including June 2019. The Cft calls on the Executive Council to energetically implement the policy intentions, to prevent the year 2019 from ending with a surplus. The Cft also requested the Executive Council once again to make a more realistic estimate of tax revenues and personnel costs. In recent years staff costs have been overestimated and the tax revenues underestimated.

#### **Implementation of government agreement**

The government agreement, concluded between Bonaire and the Netherlands in November 2018, is in execution since April this year. The second progress report was submitted early October. It can be deduced that a start has been made on the strengthening of the execution power. However, further steps need to be taken in this area. The Personnel Affairs and Organization department (P&O) has therefore been conducting a staff analysis since May. An improvement plan will be drawn up based on the results of this study. The Cft is looking forward to take notice of the contents of this plan.

#### **Budget and accountability cycle**

The Cft observes that improvements have been made on a number of aspects. The budget and accountability cycle is running according to plan. The draft budget for the financial year 2020 was submitted to the Cft for advice on August 7<sup>th</sup> and was presented to the Island Council on September 2<sup>nd</sup>, whereby the Cft advice has been taken into account.

Some progress was also made with regard to the staffing of the Supervisory Boards of government entities. At the Water and Energy Company Bonaire (WEB) and the Bonaire International Airport (BIA), the Supervisory Boards are now fully staffed. The Executive Council is currently working on the staffing of the Supervisory Board of the Oil Trading Bonaire (OTB). The timely submission of annual accounts of government entities still requires a great deal of attention.

#### **Financial management**

The Board calls for continuous attention from the Executive Council and the Island Council for financial management, which is still not in order. This is evident, among others, from the auditor's statement of abstention for the 2018 financial statements, based on errors and uncertainties found. If no improvement is made, this may prevent the approval of an unqualified auditor's report on the 2021 financial statements.

The financial management 2.0 improvement plan was submitted to the Executive Council in September. The outstanding subprojects, originating from the improvement plan 1.0, are partly



included in the improvement plan 2.0. The implementation of the financial management 2.0 improvement plan will be closely monitored by the Cft.

During the Cft's visit, discussions were held with the Executive Council, the Island Council and the program manager of the government agreement.

[End of press release]

**Photo:**

Cft

**Caption:**

The financial management is still not in order.

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

Contact person Board:

Secretariat Board of financial supervision

Ray Thuis – Secretary

Telephone (+5999) 461-9081 / (+5999) 461-9082 / (+5999) 461-9084

Email info@cft.cw

Internet www.cft.cw

Press contacts:

Jefka Martina

Telephone (+5999) 512-6861