

# **Annual Report for 2016**

**Statistics Netherlands**

# Contents

1	Introduction .....	2
2	Statistical programme and services.....	5
2.1	Standard statistical programme .....	5
2.2	Communication and alliances.....	7
2.3	Commissioned statistical research.....	8
2.4	New European obligations in 2016.....	9
2.5	Programme renewal.....	10
2.6	Actual output.....	11
3	Innovation and efficiency .....	12
4	Operations, information security and risk management .....	14
4.1	Human resources.....	14
4.2	Information security, quality assurance and codes of conduct .....	16
4.3	Performance indicators .....	17
4.4	External accounting model .....	20
4.5	Financial outlook .....	22
4.6	In control statement .....	24
5	Governance.....	28
5.1	Central Commission for Statistics .....	28
5.2	Amendment of the Statistics Netherlands Act .....	28
5.3	Advisory Council.....	29
5.4	Recommendation on the annual report and financial statements .....	30
5.5	Users' Councils.....	30
	Financial statements for 2016.....	32
	Other information.....	58
	Annexe A. Organisation at 31 December 2016.....	62
	Annexe B. Guide .....	63

The original financial statements were drafted in Dutch. This document is an English translation of the original. In the case of any discrepancies between the English and the Dutch text, the latter will prevail.

# 1 Introduction

There is considerable demand for information from Statistics Netherlands (CBS) from the public sector, politicians, academics and the media. CBS provides support so that public debate, research and decision-making can be based on reliable statistical information. In this annual report, CBS is looking back on its activities and results in 2016. The report describes its statistical and other products created in 2016.

Most of CBS' statistical output involves information prescribed by European legislation and so most of its activities are devoted to timely and accurate compliance with those obligations. CBS is also required by law to produce other statistics that are not required by the European Union but which meet a demand in the Netherlands. The performance of CBS' statutory duties is financed from the budget of the Ministry of Economic Affairs.

## *Results in 2016*

The standard output forms the core of CBS' work programme. It embraces a wide range of subjects. In 2016 CBS published media releases on subjects in line with the public need almost every day and they attracted much media attention. To meet the demand from users of its data, CBS has worked on making its website accessible for mobile phones and tablets and improving the accessibility of information via open data so that third parties can take over data more simply.

The Dutch public are giving increasing attention to themes such as equality and security. CBS has identified these social phenomena – and their trends – by improving the cohesion, visibility and accessibility of figures. This has led to economic and social phenomena such as government finances, inequality and legal protection and security being described in a broader context.

There is little scope for programme renewal (for example, as a result of policy priorities and social developments) because of budgetary pressures and so there was only limited work on this in 2016. The Multi-Annual Programme identifies the themes of business developments, labour market flexibility and household wealth. Further improvements to the accessibility and availability of information are another priority. Within the business developments theme, there has been more cohesion in the statistics on internationalisation of the Dutch economy and regional information has been expanded. Within the labour market flexibility theme, the StatLine tables on self-employed workers without personnel have been considerably expanded and a statistic has been created on the time employees in the flexible shell remain in a job. A more complete picture of household wealth has been built up in 2016 with additional information on investments, mortgages and non-mortgage debt. To increase the availability of information at regional (sub-provincial) level further in 2016, there was an expansion of social-economic data at district and neighbourhood level.

As the demand for statistical information from public authorities is greater than can be met from regular funding, CBS performed more commissioned work in 2016 and strengthened and further professionalised its organisation in this area.

CBS has used its knowledge and experience to contribute to specific exchanges through national and bilateral and multilateral alliances. For example, CBS and the municipality of Eindhoven opened the first Urban Data Centre (UDC) in September 2016 and the second UDC started in Heerlen in November 2016. A variant on the UDC started in Vaals: this is the Euregionaal Data Centre that works with other organisations on cross-border activities and to better identify the situation of border regions.

In 2016, CBS also launched the Centre for Big Data Statistics (CBDS) where CBS researchers and data scientists work with post-graduates, students and specialists from various national and international players in the public sector, business, academia and education on new statistics using big data. The CBDS brings together data, knowledge, infrastructure and capacity and uses its products to support evidence-based policy with up-to-date information. In this way, CBS is meeting demand for faster and more up-to-date output, offering greater detail,

at lower cost and with a reduction of the statistical burden. The CBDS is responsible for its own funding since the standard budget offers almost no scope for this.

CBS has also started implementing ISO standards in the organisation so that, despite all the cuts, the necessary quality level can be delivered. In 2016 CBS received various certifications and worked on a better description of the quality of the output.

During the first half of 2016, the Netherlands held the presidency of the European Union. A result of this for CBS was that its Director General chaired the Council Working Party on Statistics. The Dutch Presidency succeeded in implementing the ongoing legislative agenda for European statistics efficiently, effectively and successfully and concluded five Regulations.

#### *Financial framework*

As set out in the Multi-Annual Programme 2014-18 (MJP), considerable spending cuts have been made in recent years in response to the targets set by Prime Minister Rutte's first government and in the Spring Agreement. In the period 2011-15, CBS' budget was reduced by €37.3 million in connection with that government's financial targets. With the further cuts in the Spring Agreement, this will rise to €41.7 million in 2018, representing almost a quarter of CBS' original 2011 budget. CBS has achieved almost all of these cuts through efficiency measures that have led to a permanent reduction on costs, for example by completing various large redesign projects and implementing efficiency projects such as Lean Six Sigma, Lean Operational Management and agile and Scrum methods for IT projects. The remainder of the savings have been achieved by reductions in the statistical programme.

Thanks to the lead time for the efficiency projects, with the permission of the Ministry of Economic Affairs, CBS used part of its accrued equity to meet the targets in the MJP to gradually and responsibly meet the targets for the full planning period. As a result of the planned deficit for the years 2015-17, equity will fall to nil by the end of the planning period.

As a condition for meeting it, including the targets imposed by Prime Minister Rutte's first government and the Spring Agreement, the MJP incorporated an extra non-recurring financial contribution totalling €15 million in 2018 for investment in process renewal and reduction of the administrative burden. The €15 million of capital expenditure in the MJP has not been granted by the Ministry of Economic Affairs.

In addition to the targets imposed by the first Rutte government and the Spring Agreement, CBS faces targets of the second Rutte government, running from 2016 to 2018. This has not been budgeted for in the MJP. In total they amount to €12.9 million structurally from 2018. Further to the spending cuts under those two governments, CBS recently agreed a future-proof budget for performing the multi-annual programme with the Ministry of Economic Affairs. To reinforce its equity, CBS will receive an additional contribution of €12 million related to the remaining targets of the second Rutte government, i.e. €4 million in 2016, €2 million in 2017, €4 million in 2018 and €2 million in 2019. Thereafter the Ministry of Economic Affairs' contributions to CBS will be temporarily reduced by €2 million for six years from 2021 to 2026.

Of the cost savings imposed by the second Rutte government, €0.7 million in 2016, rising to €1.9 million in 2018, will be met structurally by further savings on tangible costs and secondary employment conditions. From 2017, the majority of the cost savings will be met by a reduction of €7 million in central financing for statistics not covered by European obligations but which form part of the MJP. CBS approached the ministries concerned in 2016 to ask if they would be prepared to take over the financing of these statistics in the form of commissioned work. This has resulted in the majority of these statistics being maintained with this financing. A small part of the work programme was terminated on 1 January 2017.

CBS also incurred expenses arising from redundancies and the assignment of candidates to the 'from work to work' programme required to make the necessary cuts. Costs will also be incurred for this in 2017 and 2018.

Finally, the rise in pension contributions was not fully compensated in the public sector in 2016.

Overall this means that there is almost no scope for ICT or other investment which would improve efficiency and also replace fragile and end-of-life ICT infrastructure to avoid risks to continuity and quality.

As a result of all this, equity fell from €9.9 million to €1.0 million at the end of 2016. This is a direct consequence of the additional cutbacks and overruns on top of the MJP and the loss of €15 million of capital resources that were included as a condition in the MJP. If there are no further setbacks, equity will be positive again in 2021.

#### *Evaluation of the functioning of CBS*

In 2016, the Minister of Economic Affairs, as required by the Autonomous Administrative Authorities Framework Act, had a report prepared on the effectiveness and efficiency of the operation of CBS. The independence of the production of statistics was also examined. The review covered the years 2010-15. This report was submitted to the House of Representatives in 2017.

The main conclusions of the report were that “AEF’s general opinion of the operation of CBS in the period is positive. The evaluation shows that CBS operated effectively when performing its statutory duties in the period 2010-15.” In addition, AEF’s view is that users are “extremely satisfied” about the quality of statistics produced by CBS and its services. “At the same time, the operation of CBS became more efficient during the evaluation period.” “Finally, AEF notes that the independence of the production of statistics by CBS in the evaluation period was beyond any doubt.” CBS concurs with these main conclusions and regards them as confirmation and recognition of the results of its policies.

Based on their findings, the reviewers identified a number of areas for improvement, mainly in the light of future developments. The researchers believe that these developments are a reason to further enhance the effectiveness and efficiency of CBS in a number of areas. CBS regards these recommendations as an incentive to move further along its chosen path.

#### *Administrative developments*

Until 1 January 2017, CBS had two independent administrative bodies: the Central Commission for Statistics (CCS) and the Director General. At the end of 2013, the government decided that these two bodies should be reduced to one as part of the government-wide review of the repositioning of autonomous administrative bodies. The Bill providing for this change of structure was passed in 2016 and the CCS’ status as an autonomous administrative body was abolished with effect from 1 January 2017. Since then the Director General has been advised on the performance of his tasks and powers by an Advisory Council.

The Hague, 8 September 2017

Director General of Statistics Netherlands

T.B.P.M. Tjin-A-Tsoi

## 2 Statistical programme and services

### 2.1 Standard statistical programme

The **standard statistical programme** forms the core of CBS' output and encompasses a wide range of subjects. Most of the output comprises statistical information that CBS is obliged to produce under European legislation. Every day, CBS publishes tables and media releases with the very latest information. For many years, it has published detailed figures in StatLine, a free database. CBS' entire database is also available as open data. Appendix A has a table showing the standard output in 2016 arranged by theme.

In 2016, CBS identified several **social phenomena** and their trends by improving the cohesion, visibility and accessibility of figures. This led to descriptions of economic and social phenomena in a wider context.

The trends in **government finances** are set out in the eponymous quarterly monitor. The phenomenon of **inflation** in a wider perspective including consumer prices, financial assets and property prices, was described in a number of articles in 2016.

During 2016 there was also work on a better statistical description of the phenomenon of **inequality**. *Welvaart in Nederland 2016* (Welfare in the Netherlands 2016) presents a picture of inequality in the Netherlands in the areas of the economy and social and human capital. It also describes the situation in respect of household income, expenditure and wealth in the Netherlands.

In November 2016, there was a publication on **Sustainable Development Goals (SDGs)** for the period 2015-30 instead of the *Monitor Duurzaam Nederland* (Netherlands Sustainability Monitor). Based on a UN publication with an initial list of indicators for monitoring the various targets within the SDGs, CBS measured where the Netherlands stands in terms of the SDGs.

Another phenomenon identified in 2016 was **goods transport in the Netherlands**. CBS presented current facts and trends about traffic and transport in the Netherlands in *Transport en mobiliteit 2016* (Transport and mobility 2016). Various aspects of aspects of the mobility of individuals and goods transport were identified: traffic and transport flows, infrastructure, means of transport, energy use, environmental effects, traffic accidents and the economic significance of transport.

There have been more frequent, detailed and cohesive publications on the theme of **legal protection and security** and the new *Criminaliteitinbeeld.nl* website came into use for this in 2016. This website is an initiative of CBS, the WODC (Research and Documentation Centre), the Council for the Judiciary, the Public Prosecution Service and the National Police Corps and allows a wider and more up-to-date range of figures to be offered than was customary up to now in *Criminaliteit en rechtshandhaving* (Crime and law enforcement).

Some other developments within the regular core of the work programme at CBS in 2016 are set out below.

In 2016, the **System of Social Statistical Datasets** provided CBS and researchers with even more possibilities to combine microdata from registers, other sources of administrative data and surveys effectively. This system of registered information, linked to information from personal surveys, is also supplemented with previous panel and other surveys such as the *Sociaal-Economisch Panelonderzoek* (Social and Economic Panel Survey). This allows people and events in their lives to be followed over time.

In 2016, CBS issued a new version of the **Jaarrapport Integratie (Annual Report on Integration)**. This report identifies the position of various ethnic groups in society using themes such as population, education, labour market, social security, income, crime, health and social participation. The report also specifically addresses refugee groups. At the end of 2016, CBS abandoned the terms '**native**' (*autochtoon*) and '**immigrant**' (*allochtoon*) and instead refers to people with a 'Dutch background' or a 'migration background'. CBS opted for this new terminology after extensive consultation and agreement with stakeholders.

The first version of the **Staat van Volksgezondheid en Zorg (State of Public Health and Care - Staat VenZ)** became available in 2016 ([www.staatvenz.nl](http://www.staatvenz.nl)). Its main purpose is to present clear, up-to-date key figures for

monitoring and accounting for the policy of the Ministry of Health, Welfare and Sport. The Staat VenZ consists of a digital statement of figures, an annual report based on them and several themed reports.

The **Gezondheidsmonitor 2016 (Health Monitor 2016)**, an alliance between CBS, the National Institute for Public Health and the Environment and Area Health Authorities was performed in 2016, collecting large-scale data on several health and lifestyle characteristics. Judgements can be drawn from the results on the health of the population at a regional (sub-provincial) level. The results of the research were published in the second quarter of 2017.

The Dutch **consumer price index** and the European harmonised consumer price index offer a more detailed classification of goods and services compared with earlier years. The new classification not only provides greater detail but is also closer to current developments in spending patterns. The consumer price index has also been extended to include historical data, offering better insight into past trends.

The **business cycle tracer**, which was developed over ten years ago as a tool for determining the position and trend of the Dutch business cycle, was revised in 2016. It is admired internationally and used by several countries and institutions. The review considered whether the method is still suitable and whether the performance of the indicators still properly reflect the current state of the economy. Parts of the set of indicators in the tracer have been revised following the review.

Further to **recent revisions of economic growth**, a programme to examine a further reduction of revisions of statistics following from new information was started in 2015. This programme was continued in 2016 with the focus on reducing revisions between the first and second estimates. In 2016 it turned out that the performance indicator for revisions of GDP had not been met for 2013 and would probably not be met for 2014. For this reason, the programme was extended, focusing on reducing revisions between the first and final estimates.

Starting from the statistical year 2015, CBS has collected fewer data for **sports statistics** on specific amenities at sports facilities and organisations. These will be obtained from the Mulier Institute's *Accommodatiemonitor* (Sports facilities monitor). On the other hand, there is an expansion of the observations of financial-economic data in anticipation of future European obligations for sports statistics. Consequently, financial-economic data were collected on the keep-fit sector, which has grown strongly in recent years, for the first time in 2016.

Various standard statistics based on the **Policy administration** – the register of all employment relationships, remuneration, social benefits, annuities and pensions – were accelerated and expanded in 2016. There is now monthly information on jobs and wages. Quarterly figures will be available two months after the end of the reporting quarter.

In 2016, CBS joined the Core Group of IRIS, the international software system for **automatic coding of causes of death** for statistics. This gives CBS direct influence over the quality of this system and further improves international comparability.

In 2016, CBS collected information on corporate training from private-sector enterprises in the **Enquête Bedrijfsopleidingen (Corporate training survey)** and the initial results were available at the end of the year. This survey, which is carried out every five years in all countries in the EU, gives a view of training policy and the content and cost of training courses and also provides insight into future demand for employee skills.

CBS developed a **Waste over Time Script** in 2016 to ascertain how much electrical and electronic equipment there is in the economy and when and how much of it will appear as waste. Waste over Time is a set of rules using European production and trade statistics to determine the weight of electronic and electrical equipment sold and the waste it generates. This application is mainly used to monitor the European Waste Electrical and Electronic Equipment Directive in the member states of the EU. In addition it is used to measure the circular economy (reuse of materials).

A completely new version of the **Compendium voor de Leefomgeving (Environmental Data Compendium)** website went live in 2016. CBS, the Netherlands Environmental Assessment Agency and Wageningen University

& Research combine a large quantity of indicators in the Environmental Data Compendium that reflect the state of the environment, nature and open spaces in the Netherlands.

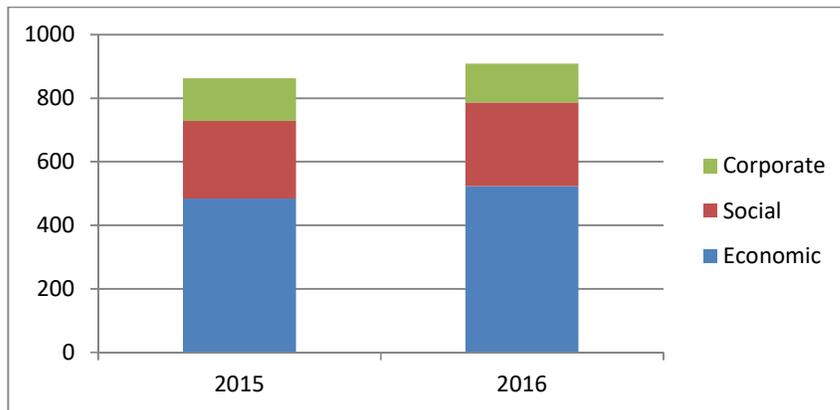
In 2016, four quarterly editions of the **Internationalisation Monitor** (Dutch editions) were published. Their themes related to the role of corporate dynamism in internationalisation, the international activities of *Agribusiness*, principal trading partner Germany and the role of autonomous SMEs in the international trade of the Netherlands.

## 2.2 Communication and alliances

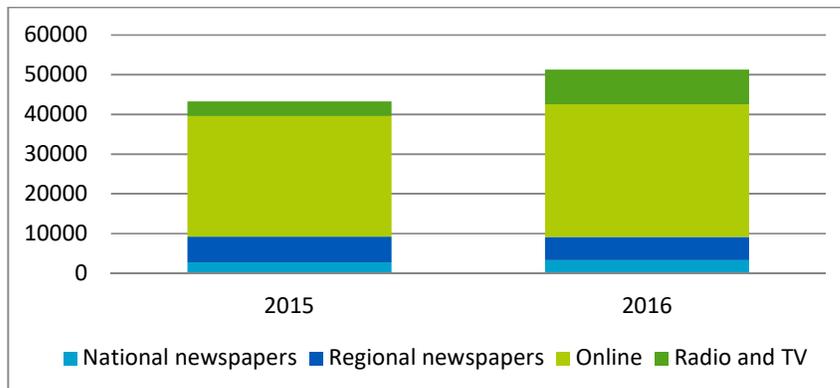
CBS made great progress in 2016 on the making the outcomes of statistics accessible to a wide audience and so encouraging the **use of statistics** by all target groups in society. It did this using its own communications resources and channels and by working with major Dutch news organisations. CBS made its own videos and delivered live contributions to news bulletins of Dutch broadcasters. CBS has also renewed its website, making it accessible for use on desktops, mobiles and tablets.

In 2016 CBS issued more **statistical media releases** than in the previous year (see figure 2.2) and these were used more frequently by the media (see figure 2.1). As well as growth in the number of reports of the outcomes of statistics in newspaper or magazine articles, online news reports or radio and TV news bulletins, newspapers are giving more space and paying greater attention to the releases through full page stories and front page reports.

2.2 Number of media releases published by CBS



2.3 Total number of reports about CBS



In 2016, CBS used its knowledge and experience to contribute to specific exchanges through national and international bilateral and multilateral **alliances**.

In October 2016, **Odissei (Open Data Infrastructure for Social Sciences and Economics Innovation)** was launched on the initiative of the Netherlands Organisation for Scientific Research (NWO). Dutch universities, CBS and NWO work within Odissei to improve the data infrastructure for social sciences. CBS' ambition is to better co-ordinate the data collections for this area of research and to offer more data files faster and more cheaply for research via the CBS Remote-Access-facility.

At the end of 2015, Ruben van Gaalen (CBS) was appointed **professor by special appointment of Register Analyses of Life Course Dynamics** at the University of Amsterdam (UvA). In 2016, the focus of the alliance between CBS and UvA was on longitudinal research into families, generations and demographic life courses, linked to internships and a doctoral research at CBS.

In September 2016, Wendy Smits (CBS) was appointed **part-time professor of Labour Market Flexibility: the Employers' Perspective** at Maastricht University and will be researching the causes and consequences of increasing flexibility in the Dutch labour market, such as why flexibility is progressing so fast in the labour market in the Netherlands compared with other countries and the exact consequences for labour and employers.

The alliances with universities and universities of applied sciences have also led to the appointment of Jan-Pieter Smits (CBS) as **professor by special appointment to the CBS chair of Quantification of Sustainability** at the Eindhoven University of Technology, where he is working on the international application of the measurement system for sustainable development designed by CBS.

The alliance with **the Nederlandsche Bank (DNB)** has intensified with the aim of creating a joint production process in 2018, in which the national accounts (CBS statistic) and the balance of payments (DNB statistic) are compiled simultaneously and with consistency. The current differences between these two statistics, both of which describe the relationship of the Dutch economy with other countries, will then be history. This alliance also includes streamlining to create a single strategy in which DNB becomes responsible for observations of financial institutions and CBS for other domestic sectors (non-financial enterprises, government, households) of the economy.

### 2.3 Commissioned statistical research

There is a huge demand from a great many users for the statistical information and services that CBS provides. CBS has a statutory duty to meet that demand but the budget it receives from the Ministry of Economic Affairs is limited. Insofar as the necessary information or services are no longer included in the standard work programme, CBS meets the demand by providing **statistical services for a fee**, mainly for ministries, local authorities and other public institutions but occasionally market players also commission studies. The results of the commissioned work are published on the CBS website and are therefore available to everyone. In 2016, CBS strengthened and further professionalised the organisation for customised work by extensive standardisation of products and shorter response times to questions from potential customers and this has led to further growth in customised work. This section presents some examples of customised work performed.

In 2016, CBS performed the **Ouderen in instellingen en tehuizen** (Dutch edition) survey of residents of care and nursing homes for the Netherlands Institute for Social Research (SCP). Also in co-operation with the SCP, CBS carried out the **2016 Time Use Survey** into the way the Dutch spend their time. Setting this research against the previous Time Use Survey from 2011 created a good picture of day-to-day patterns and changes in the way the Dutch organise their time.

Local authorities have an increasing need for management information to check the effectiveness of policy and to compare their region with others. In 2016, CBS examined **childcare** in 102 municipalities at the request of

the umbrella organisation Vereniging voor Statistiek en Onderzoek. The figures give information on the number of children in childcare, the hours and number of households using childcare.

To meet the demand for statistical information from the municipalities of Heerlen and Eindhoven, in 2016 they and CBS established **CBS Urban Data Centres** to increase the volume of information at local level available to them and improve access to it. By consolidating their expertise and data, CBS and the municipalities can use them more effectively for the benefit of society in general. Other municipalities have now shown interest and are discussing setting up Urban Data Centres with CBS. As an extension to this, CBS has entered into an alliance with the *World Council on City Data (WCCD)*, a world leader in standardised urban indicators, specialising in certification of cities in terms of quality of life, sustainability and smart data. These alliances facilitate municipalities' eligibility for ISO 37120 certification by the WCCD. Local, national and international bodies currently have insufficient data to produce information on the situation in border regions. In October 2016, Vaals started a variant of the UDC, the **Euregionaal Data Centre**, in which CBS along with national and international partners, including the Maastricht *Institute for Transnational and Euregional cross-border co-operation and Mobility*, will better identify cross-border activities and the situation of border regions.

The **Ondernemersplein.nl** project was started in 2014 and continued in 2016. In this project, CBS has made international trade information accessible to enterprises and provided publications on industrial sectors and regions. The **Staat van het MKB** (State of SMEs) programme commissioned by the Ministry of Economic Affairs also continued in 2016. In 2016 the focus was on better accessibility of the statistical information on Ondernemersplein.nl partly by developing the facts and figures page to make statistical information more accessible and partly by facilitating the use of open data, making updates of information more efficient.

Commissioned by the National Co-ordinator for Groningen, CBS has researched **developments in the marketability and prices of houses in the area around the Groningen gas field**. This resulted in a publication on housing market trends since the first quarter of 1995 to the second quarter of 2016.

For the **Caribbean Netherlands**, there has been investment in improving the quality of sources of administrative data in public bodies in particular, as these serve as the basis for statistics on population, tourism and foreign trade. Additional work, financed by the departments involved, was done on estimates of the gross domestic product of each island and statistics on households, jobs and wages, and income distribution. Work on improving price observations was commissioned by the Ministry of the Interior and Kingdom Relations and recommendations were made on improving the statistics on government finances.

## 2.4 New European obligations in 2016

**EU statistics** support the formulation of national policy but also the development, monitoring and evaluation of EU policy with reliable, objective, comparable and coherent information. To do this, the European Commission outlined its **statistical work programme for 2016** in mid-2015. This programme is part of the European statistical programme for 2013-17 and also largely determines the work programme of CBS.

The European statistics work programme for 2016 is in line with the priorities of the EU, in particular the Europe 2020 strategy for smart, sustainable and inclusive growth, which includes EU targets on employment, innovation, education, social cohesion, climate and energy. As in previous years, the European Commission's plans for 2016 were ambitious. The work programme embraces policy intensification in practically every area of statistics, such as economic and monetary policy, social policy, the internal market and sustainability. In 2016 CBS worked on meeting the **new European obligations**.

1. Expanding the regulation on environmental accounts. This expansion means that each year CBS has to provide statistical information on expenditure on environmental protection, accounts for the environmental goods and services sector and physical energy flows.
2. Expanding the questionnaire for the European Deficit Procedure (EDP Questionnaire). This questionnaire is part of EU supervision of member states' budgets.

3. Provision of information on government finances to the European Central Bank. CBS has taken over this duty from the DNB.
4. Providing supplementary information on healthcare bills.
5. Implementing the regulation on Statistics on Accidents at Work (combination of National Survey of Working Conditions and the survey of Accidents at Work in the Netherlands).
6. Implementing the regulation on mobility of students in higher education.
7. Provision of data on participants in education, the education followed and people's educational level based on the revised 'International Standard Classification of Education: Fields of Education and Training 2013'.
8. Expansion of statistics on energy with a breakdown of household energy consumption by type of final use.

During the first half of 2016, the **Netherlands held the presidency of the European Union**. A result of this for CBS was that its Director General chaired the Council Working Party on Statistics. One of the related duties was to advance the EU legislative agenda. Looking back, it can be said that the Netherlands acted as an honest broker to implement the ongoing legislative agenda on European statistics efficiently, effectively and successfully. The Dutch Presidency succeeded in concluding five Regulations on goods transport by rail and inland waterways, trade with third countries, the balance of payments, international trade in services and foreign direct investment, and prices for natural gas and electricity.

## 2.5 Programme renewal

The Multi-Annual Programme for 2014-18 (MJP) identifies three main themes for programme renewal: business developments, labour market flexibility and household wealth. Further improvements to the accessibility and availability of information are another priority.

Within the **business developments** theme, more cohesion was brought to the information used for statistics on the internationalisation of the Dutch economy. The regional information already available was expanded further with respect to the effect of new sites, business closures and relocations, the formation of clusters of enterprises and regional business-cycle information. There was research into the blurring of distinctions between the activities of retailers as a result of an increase in internet sales and purchases by Dutch consumers from websites of enterprises established abroad. In the area of green growth and sustainability, there was work on an indicator relating to the use of secondary raw materials (recycling) and imports time series in Raw Material Consumption. Finally, the indicators for energy consumption by enterprises were developed further.

Within the **labour market flexibility** theme, the StatLine tables on self-employed workers without personnel have been considerably expanded, in part with more information on their incomes and self-employment by region. A distinction was drawn between 'classic' self-employed workers without personnel (who mainly offer products, such as farmers and retailers) and the 'new' self-employed (who mainly offer their labour). In 2016 a feasibility study was performed to identify the use of social security by self-employed people. This has not led to a publication. A self-employment file containing all information held by CBS on self-employed workers without personnel was set up on the CBS website. A statistic has also been created within the labour market flexibility theme on the time employees in the flexible shell remain in a job in the form of inflow cohorts (all flexible staff who started work in the same period). Information also became available on the flow from the flexible shell to permanent employment, by the employee's educational level. The outflow to self-employment, unemployment with no benefits, and unemployment with benefits was also identified. A set of tables was prepared on the relationship between flexibility and company operations. In the area of labour migration, a new table appeared on the working careers of migrants.

In 2016, a fuller picture of the **household wealth** was created, with investments, mortgages and non-mortgage debt within a cohesive system of income, spending and wealth statistics and the national accounts. This new information is contributing to a better description of the phenomenon of inequality and identifies households' risks in terms of pensions and care. There was also research into the extent to which independent

entrepreneurs such as the self-employed and director majority shareholders aim to provide pension buffers by building up capital in their business or private wealth.

Municipalities are getting more duties as a result of the further decentralisation of government tasks and in consequence need more information. To further improve the accessibility and availability of **regional (sub-provincial) information**, there was work in 2016 on expanding variables at neighbourhood and district level. Figures on safety also became available. In addition, process optimisation enabled the publication of figures for a district and neighbourhood to be brought forward by six months. Results are published on the CBSinuwBuurt.nl website. By publishing more indicators in regional cohesion, users can get a deeper and more factual understanding of phenomena being examined. 170 characteristics and 2300 maps are now available.

## 2.6 Actual output

Output 2016									
Theme	Media releases	Statline-tables	Publicaties	Eurostat	Micro-databases	Information (info service)			
		of which	electronic*	databases		by phone (incl. answering machines)	by email (incl. letters and faxes)	Twitter	
	quantity								
Labour and social security	76	387	25	12	94	207	1113	1115	36
Enterprises	47	197	4	4	25	47	533	547	4
Population	43	305	17	25	8	61	813	860	13
Construction and housing	34	233	4	15	32	48	174	188	1
Financial and business services	12	74	0	0	14		34	61	
Health and welfare	33	189	17	4	4	29	407	534	13
Trade, hotels and restaurants	43	74	2	3	21		164	199	1
Manufacturing and energy	37	291	6	3	126	11	104	231	3
Income and spending	28	70	2	1	9	87	285	520	18
International trade	40	158	0	6	46	1	240	220	6
Agriculture	22	111	1	7	78	3	112	178	6
Macroeconomics	40	172	6	18	106		110	292	4
Nature and environment	9	66	12	3	14		59	112	4
Education	15	124	9	3	9	40	163	183	2
Government and politics	17	65	6	0	0		89	119	
Prices	28	107	6	6	87	4	7908	1960	12
Security and justice	33	71	3	1	92	17	199	247	4
Traffic and transport	39	141	14	8	99	3	136	192	5
Leisure and culture	22	159	6	5	39		228	265	6
Migration background							155	106	4
Caribbean Netherlands		33	2	4					
Economic cycle	32								
Emancipation									
European Union				2			123	152	5
Globalisation									
Historisc series		0	0						
Lifecycle									
Netherlands regions	1	38	5	4			378	456	2
Business climate									
Ageing population									
Census									
Other	24	321	3	103	1	2	2065	568	12
<b>Total</b>	<b>675</b>	<b>3386</b>	<b>150</b>	<b>237</b>	<b>904</b>	<b>560</b>	<b>15592</b>	<b>9305</b>	<b>161</b>

\*Since 2016 all publications have been fully electronic. CBS' policy since then is that only 'Etalageboekjes' such as Trends in The Netherlands and certain customised publications which are fully financed externally are published on paper.

### 3 Innovation and efficiency

CBS is making more and more use of big data for official statistics. The aim is to continue producing statistics efficiently in the future and also to expand CBS' base by knowledge-sharing with third parties and carrying out commissions. CBS launched the **Centre for Big Data Statistics** (CBDS) for research into the possibilities offered by big data in September 2016, during a trade mission by the Prime Minister, Mark Rutte and State Secretary Martijn van Dam to South Korea. The CBDS is physically located in two linked real-time sites, with the focus in Heerlen, where CBS researchers and data scientists work on new statistics using big data with post-graduates, students and specialists from various national and international players in the public sector, business, academia and education. The CBDS brings together data, knowledge, infrastructure and capacity and CBS uses its products to support evidence-based policy with new, real-time information, often with greater detail. The CBDS is working on substantive projects on economic growth, energy transition, mobility, health, security and border regions. It is also focusing on methodological themes, such as integration of big data-sets from different sources and systems, data integrity, ethics and privacy.

CBS is innovating and experimenting and in that context in 2016 set up an **innovation portal** (<https://www.cbs.nl/nl-nl/onze-diensten/innovatie>) with beta products for innovations and experiments that are being worked on. The innovation portal has information on using DOT maps (a new visualisation technique), identifying the importance of the internet economy, developing a meter to measure the happiness and welfare of the Dutch population and measuring traffic intensity on major roads using big data. There was also work on sentiment indicators based on social media data in 2016. This will be continued in 2017.

As part of **observation renewal**, CBS will continue to search for new and improved sources which allow it to use records in combination with estimates generated by models. The observation renewal for the consumer price index (CPI), making greater use of scanner data and internet robots, continued in 2016. Existing methods have been improved and new methods are being developed to process the voluminous data flows into price indices, for example, by using website information on vacancies and prices.

To ensure continuity of observations, CBS is working in the **Phoenix programme** to modernise the processes and application landscape for data collection. Thanks to this modernisation, the observation process is more flexible and efficient. The new observation chain will be much more automated than at present. A first part of the new observation chain was brought into use in 2016 for observations in three surveys and for the first time CBS made use of a questionnaire designed for completion on smartphones for this.

In association with other public authorities and market organisations, CBS developed the **Reference Ledger System** and **Standard Business Reporting (SBR)**, which allow data from enterprises to be recorded just once in a standard format. This saves them and intermediaries time in compiling and delivering mandatory reports, which are then easier for CBS to process. Furthermore CBS is returning benchmark information to enterprises and intermediaries using SBR. The first SBR statements were received by CBS in 2016.

An **acceleration of economic statistics** has been achieved. Part of this is that the annual cycle of national accounts has been altered from three to two annual estimates so that the definitive annual figures are available 18 months rather than 30 months after the end of the reporting period. This acceleration of the national accounts is in line with the wishes of users. To make this possible, further acceleration has been achieved in statistics used as a source for the national accounts, such as manufacturing statistics, and alternative sources and methods are being used.

In 2016, CBS started a survey of characteristics of the Dutch **business population** for use in a new way of looking at and measuring the Dutch economy. Consideration is being given to whether indicators for measuring the business population are more at the micro-level, i.e. between individual enterprises and between enterprises and consumers.

The **Lean Six Sigma** method, introduced at CBS in 2014 to make small-scale improvements in processes to achieve a more structured approach to efficiency, was implemented throughout the organisation in 2016. Eight Black Belts (cross-departmental project leaders), 81 Green Belts (project leaders within a department) and

almost 400 Orange Belts (project employees) have been trained. All managers have been trained as Champion Belts. 106 improvement projects have been completed, releasing 26 600 hours annually that can be used for meeting targets.

**Lean Operational Management (LOM)** is being deployed at CBS in addition to the Lean Six Sigma method to create greater efficiency. This approach is designed to lower the threshold in resolving process bottlenecks with staff so that critical performance indicators can be achieved and enhanced. More than 550 employees were using LOM in 2016. Currently there are 200 experienced employees in this area. This has led to greater focus on the intended results (customer requirements) and performance. As a step towards ISO certification (ISO 9001: 2015), CBS is working on applying LOM across the organisation by the end of 2018.

**Scrum** is now the standard approach to carrying out development processes at CBS. CBS' staff were used for Scrum training and coaching in 2016. This achieved the goal of implementing Scrum in 2016 without external expertise. To investigate where further improvements could be made to Scrum, experiences are being shared with five other organisations: Eneco, ABN Amro, DNB, CAK and Vektis. These discussions showed that the operational implementation of Scrum at CBS was going relatively well. Teams can, however, improve their self-guidance. In addition, CBS teams will facilitate more technically, so that they can work and test faster. The first steps towards the implementation of automatic testing have now been taken.

CBS's working processes and changes in them depend strongly on IT. It is, therefore, important that the **data and information infrastructure** can meet all necessary demands. Significant steps were taken in 2016 on achieving the infra-strategy adopted in 2015 with high-performance computing, exploring the possibilities offered by the Cloud (data where the Cloud offers a more suitable/desirable solution) and improved facilities for data exchange. This theme will be vital for other domains in future years and demands smart solutions and investment. In addition there have been flows of employees in the IT organisation. A large number of new employees have joined from outside CBS, bringing new knowledge and skills necessary for achieving the desired flexibility and further professionalisation of the IT organisation. In addition there has been investment in professional development, which will continue in the next few years. Modern, more community-based, types of work are improving co-operation and productivity.

## 4 Operations, information security and risk management

### 4.1 Human resources

At the end of 2016, CBS had 2 187 employees. The average operational workforce rose slightly during 2016 to 1 864 FTE compared with 1 780 FTE a year earlier. This was the net effect of several movements. The workforce fell as a result of the cost cutting by Prime Minister Rutte's first government and in the Spring Agreement. Against this there were increases resulting partly from a rise in the amount of commissioned work, conversion of external hiring for work with a structural requirement for employees (in particular IT) and pro-cyclical recruitment to absorb pending retirements. In many cases these were new appointments on temporary contracts.

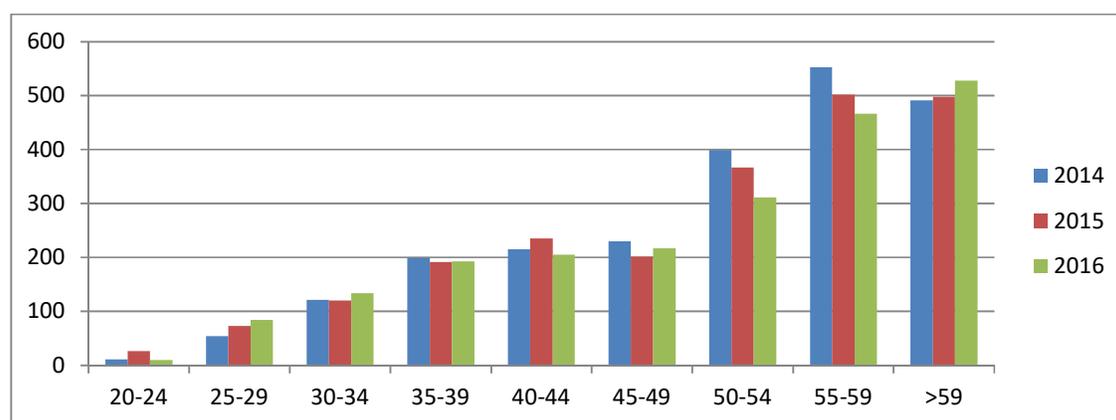
At the end of 2016, 60.3% of the employees were 50 years of age or older. A year earlier this figure had been 61.7% and so the trend of a rising average age of employees seems to have come to an end. This is also shown by the trend in the average age of CBS staff, which has fallen to 50.0 years (2015: 50.4 years).

The breakdown by directorate is:

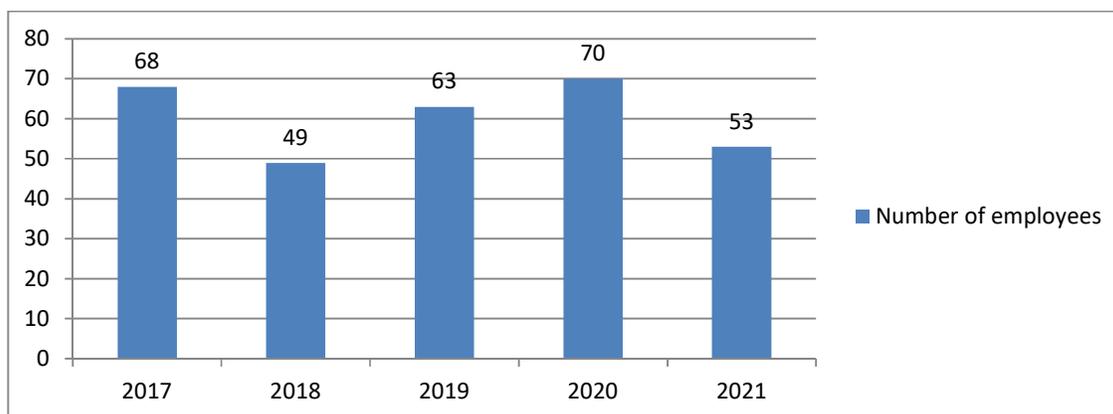
Average FTEs per directorate	
Economic and business statistics and national accounts	504
Socio-economic and spatial statistics	528
Data collection	267
Corporate services, IT and methodology	416
Other	149
	<hr/> 1.864

It is expected that a total of about 300 (or roughly one in seven) employees will leave CBS between 2017 and 2021 as they reach the state retirement age. In part this is meeting targets; in part CBS is responding by being present promptly and recognisably in the labour market. This includes an active internship policy and intensive contacts with vocational colleges and universities.

#### 4.1.1 Number of employees by age group

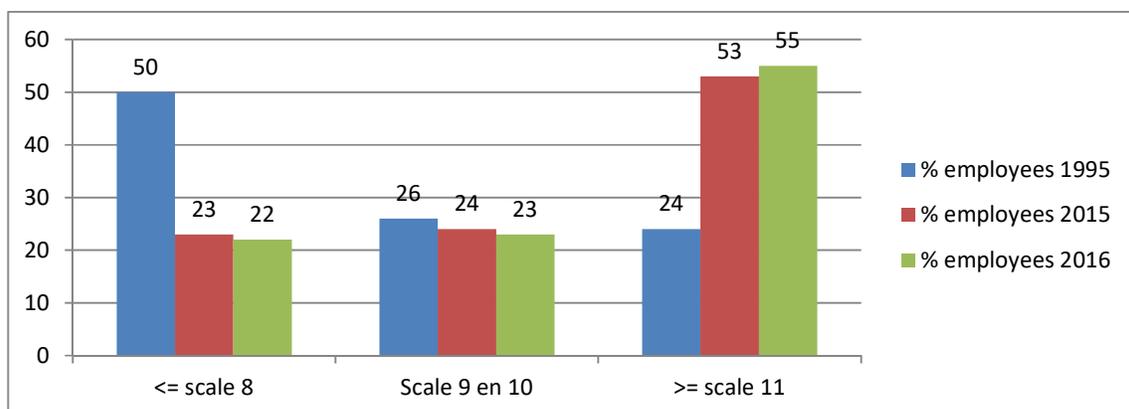


#### 4.1.2 Expected outflow as a result of retirement



The increasing complexity and further automation of statistical processes are contributing to the decline in the amount of semi-skilled and unskilled work and the increasing need for more highly educated staff. This is reflected in the composition of the workforce by job grade. The change is still happening and increased slightly compared with 2015. By the end of 2016, 78% of staff were in scale 9 or above. By comparison, the proportion in 1995 was only 50%.

#### 4.1.3 Employees by job grade (%)



A revised strategic personnel plan was drawn up in 2015 so that sufficient staff will be available and capable of carrying out CBS' duties and strategy now and in the future. Elements of this plan were developed further in 2016. CBS' aim is to have the right person in the right place, not just today but also in the future.

In the area of recruitment and employer branding, a labour market campaign was set up for IT staff in early 2016 and some 40 talented IT employees have been recruited. The introduction programme for new employees was modernised and a new process was set up to better match supply and demand for internships. A series of master classes were developed for managers to enhance leadership skills. A new appraisal cycle was also introduced in which supervisors and staff expressly discuss performance and development. In addition, unnecessary external hiring was avoided in 2016 by monitoring what expertise was hired in frequently by CBS and creating vacancies for this, in particular in IT.

CBS attaches great importance to promoting good working conditions for its staff. The aim is for lively and healthy employees who can be deployed sustainably now and in the future. Various activities with this in mind were organised in 2016. For example, the Director General and the Works Council jointly drew up an agenda on health and vitality. A Health Week was also organised in 2016 during which attention was paid to various aspects of health through several small-scale and accessible activities. The emphasis was on healthy nutrition and information on the risks from long periods of sitting down at work.

As in previous years there was again much attention to reducing sickness absence further in 2016. The self-steering employability model launched in 2015 was implemented throughout CBS by the end of 2016. The emphasis is on what employees can do and not on their disability. Employees and supervisors are also in control and have responsibility for tackling sickness absence and the intervention required. Sickness absence was 4.3% in 2016 (2015: 4.7%), its lowest level since the early 1990s.

CBS attaches great importance to constructive consultations with the **Works Council**. The following subjects were among those discussed in 2016 in formal and informal meetings with the Works Council and organised negotiations with the trades unions: the consequences of the efficiency targets imposed on CBS, the introduction of the new appraisal cycle and the proposed changes in the organisational structure as a result of the reorganisation of the IT sector in 2016. The reorganisation of the Corporate services, IT and Methodology Directorate in March 2017 and the temporary working organisations in the Quality Assurance & Auditing and CBS Communication and News departments were also topics for discussion in 2016.

Where possible, CBS encourages **corporate social responsibility** and focuses on sustainable operations. For example, in 2016 the equipment for using water from disused mines to heat the CBS building in Heerlen was incorporated in a cluster network with other users of the water in Limburg. This has the advantage that the energy is exchanged among the mine water customers so that less energy has to be drawn directly from the source. To encourage the use of electric vehicles, double recharging stations have been installed in the car parks at CBS in The Hague and Heerlen. As in 2015, CO<sub>2</sub> emissions from using natural gas were fully offset by international Gold Standard certificates and only green electricity was used in 2016. Energy consumption outside office hours has been reduced. CBS considers corporate social responsibility when procuring goods and services. The tender for drinks vending machines resulted in machines being A+++ certified and using LED lighting and a smart automatic stand-by function. A new waste management tender was issued, including more separation of waste (such as plastic and organic waste). New waste management was in place in early 2017.

To comply with the **Participation Act**, there has been a pilot to examine to what extent work at CBS can be performed by people with an occupational disability, searching for positions or work that they can perform (*job carving*). This led to two trial placements in 2016.

## 4.2 Information security, quality assurance and codes of conduct

### Information security

CBS has substantial quantities of confidential data in its possession and data security is vital. People, enterprises and institutions that entrust their data to CBS must be able to rely on this information remaining confidential. The Statistics Netherlands Act states that the data that CBS collects may only be used for statistical purposes. CBS has excellent technical and organisational facilities in place to secure these data. CBS also places high standards on the quality of information security. CBS has documented that it wishes to be demonstrably compliant with the Civil Service Information Security Baseline, a set of standards for general information security measures for all parts of operations relevant to information security. In 2016, the security measures in place at CBS were brought fully in line with these standard where this was not already the case. In this context the 'Information security awareness' programme was completed in 2016 and safeguarding measures that focus on the conduct of staff were established, including by e-learning modules and the provision of IT tools. Furthermore, during 2016 PricewaterhouseCoopers carried out privacy audits based on the standards of the Dutch Data Protection Authority and these were concluded positively. They ensured that CBS continues to meet the highest standards for protecting privacy.

### Quality assurance

CBS introduced quality management based on ISO 9001 in 2015 to improve its products, processes and services and to meet even better the needs and expectations of society, customers and other interested parties. The number of processes independently certified, including certification of the Data Collection directorate was

expanded further in 2016. The aim is that all processes will be fully ISO 9001 certified by 2019. In this way, CBS is showing that it regards quality management as very important and is furthermore acting on one of the recommendations of the peer review performed in 2015 in connection with the European Statistics Code of Practice, which reads, “*Statistics Netherlands should take measures to embed more deeply its quality management throughout the organisation and consider also the adoption of recognised industry certification systems.*”

The certification of processes is confirmation that CBS makes active use of the plan-do-check-act (PDCA) cycle (creative tool for quality management and problem solving), that management measures are adequately anticipating risks and that there is structural attention to continuous improvement.

CBS’ efforts to improve the quality and efficiency of processes in 2016 using the *Lean Six Sigma* method and *Lean Operational Management* are set out in section 3.

### **Codes of conduct**

In accordance with the Statistics Netherlands Regulations of the Board, CBS has a Code of Conduct setting out its policy on integrity. CBS ensures that employees are able to report suspected irregularities or breaches of codes of conduct or legislation and regulations without imperilling their legal position. There are also external and internal complaints procedures. In addition, CBS meets the European Statistics Code of Practice. The CBS Code of Conduct sets out how the principles of impartiality, reliability, relevance, efficiency, statistical confidentiality and transparency are important for society as a whole, for users of statistics, for parties which provide CBS with information that underlies the statistics and for CBS employees themselves.

## **4.3 Performance indicators**

CBS’ performance indicators serve as an external accountability instrument and an internal management tool.

### **Discrepancies between provisional and final figures – economic growth**

The ‘Discrepancies between provisional and final figures – economic growth’ performance indicator relates to the estimate of growth in GDP. The standard is that the discrepancy between the first estimate of GDP growth for a quarter (45 days after the end of the quarter) and the final estimate for that quarter (two and a half years after the end of the year) must be less than 0.75 percentage points for at least three quarters of a year. At the conclusion of the 2013-15 national accounts cycle in 2016, the target for this indicator had not been met for the year 2013 since the discrepancy for the second and fourth quarters of 2013, at 0.8 and 0.9 percentage points respectively, was more than 0.75 percentage points. Based on current insights, it is also expected that the target for 2014 will not be met.

Several estimates of economic growth are made for each quarter. The flash estimate, published 45 days after the end of the quarter, and the standard estimate, published 90 days after the end of the quarter, receive the greatest attention. Thereafter the figures may be revised a few times when the annual estimates are published. More information becomes continuously available between the date of the first estimate after 45 days and the definitive estimate after two and a half years and this is incorporated in subsequent estimates.

Further to revisions in the estimates of economic growth, a programme was started in 2015 to investigate ways of reducing the discrepancies. Its focus was on reducing the discrepancy between the first and second estimates. This programme was developed further in 2016. After missing the target for 2013, a new action plan was drawn up in 2016 and launched in 2017, following through on the 2015 programme to reduce the difference between the flash estimates and the standard quarter estimates. This is designed to reduce the size of the discrepancies between quarterly estimates and annual estimates.

### **Reduction in the statistical burden for enterprises**

One of the performance indicators is the administrative, or statistical, burden. As far as possible, CBS obtains the basic information it needs to produce reliable and coherent statistical information from existing records.

These records are not always sufficient, however, and so further surveys continue to be necessary. CBS still needs information from enterprises in order to continue producing high-quality statistics.

CBS collects data in such a way as to keep the administrative burden for enterprises and institutions to a minimum and works closely on this with the Business Respondents' Users' Council, which includes representatives of enterprises and industry organisations. Significant progress has been made in this area in recent years and this has also been highlighted by enterprises. The administrative burden caused by CBS is among the lowest in Europe and is 0.25% of the total burden caused by the government in the Netherlands. Nevertheless CBS pays structural attention to the actual and perceived administrative burden, always balancing the statistical burden against the absolute necessity of guaranteeing the reliability of data.

Enterprises are closely involved in efforts to simplify and modernise the questionnaires used by CBS with a view to reducing the statistical burden. In addition in 2015, it was decided that almost half of the traders required to report data on their European supplies for the International Trade in Goods statistics would in future be allowed to report annually rather than every month. This and several other measures mean that the administrative burden caused by CBS fell by €4.7 million to €14.5 million in 2015. With these measures, together with earlier reductions, CBS has achieved the target set by the Ministry of Economic Affairs of reducing the administrative burden by €5.8 million compared with the burden in 2009. Consequently, the target for this performance indicator was met.

The performance indicator requires the administrative burden not to increase compared with the previous year. From 2016, however, the decline in the administrative burden is expected to be reversed slightly. A reduction in the exemption threshold from 2016 was required to continue to meet the coverage of international trade set in the European Regulation. Since the total value of trade by enterprises has increased, they exceed the threshold more quickly in 2016 and so more enterprises will be required to submit returns. If more enterprises have to submit returns, the statistical burden will go up.

## Non-financial performance indicators

Name and description	Target for 2016	2016 outturn	2015 outturn	2014 outturn	2013 outturn	2012 outturn
<b>Publication calendar – press releases</b> Proportion of press releases published on the planned date.	At least 90% of planned press releases must be published on the planned date.	100%	100%	100%	99%	94%
<b>Publication calendar – compulsory deliveries to Eurostat</b> Proportion of deliveries to Eurostat made on the planned date.	At least 90% of the data deliveries to Eurostat must be made on the planned date.	100%	97%	96%	91%	90%
<b>Number of formal corrections to publications</b> Number of press releases corrected or replaced with another press release.	A maximum of three press releases a year.	1 press release	1 press release	0 press releases	0 press releases	0 press releases
<b>Discrepancies between provisional and definitive figures – economic growth</b> The number of times the final quarterly economic growth figures for a year differs by more than 0.75 percentage points from the flash estimates for the quarters of that year.	The discrepancy for at least three quarters of a year must be less than 0.75 of a percentage point.	(reference year 2013) unsatisfactory (2 quarters OK)	(reference year 2012) satisfactory (4 quarters OK)	(reference year 2011) satisfactory (4 quarters OK)	(reference year 2010) satisfactory (4 quarters OK)	(reference year 2009) satisfactory (4 quarters OK)
<b>Discrepancies between provisional and definitive figures – international trade</b> The number of discrepancies of more than 4% between the provisional and definitive figures of the components of the six-week version of the monthly international trade figures.	At least 80% of the differences must be less than 4%.	(reference year 2015) 90%	(reference year 2014) 100%	(reference year 2013) 100%	(reference year 2012) 96%	(reference year 2011) 88%
<b>Discrepancies between provisional and definitive figures – population growth</b> Subindicator, annual figure: the absolute discrepancy of the sum of the provisional monthly population growth figures from the definitive annual figure. Subindicator, monthly figures: the number of times the definitive population growth figures for the months of the previous calendar year differs by more than 4000 from the provisional figures.	Accumulated over 12 months, the discrepancy must be no greater than 16000.  For at least 8 of the 12 months, the discrepancy in the monthly figure must be less than 4000.	(reference year 2015) satisfactory  (annual total: 929; all months discrepancy <4000)	(reference year 2014) satisfactory  (annual total: 1420; all months discrepancy <4000)	(reference year 2013) satisfactory  (annual total: 1514; all months discrepancy <4000)	(reference year 2012) satisfactory  (annual total: 1550; all months discrepancy <4000))	(reference year 2011) satisfactory  (annual total: 4446; all months discrepancy <4000)
<b>Reduction of response burden</b> The outcome of the annual response burden measurement with the 'Response Burden Meter' (HEDM).	The response burden for the business sector must be no greater in 2014 than in 2013 and will be reduced as much as possible in line with the reduction target for 2015 of between 20% and 30% (reference year 2009).	Satisfactory  Definitive figure (HEDM) for 2015: €15 million	Satisfactory  Definitive figure (HEDM) for 2014: €19 million	Satisfactory  Definitive figure (HEDM) for 2013: €21 million	Satisfactory	Satisfactory

#### 4.4 External accounting model

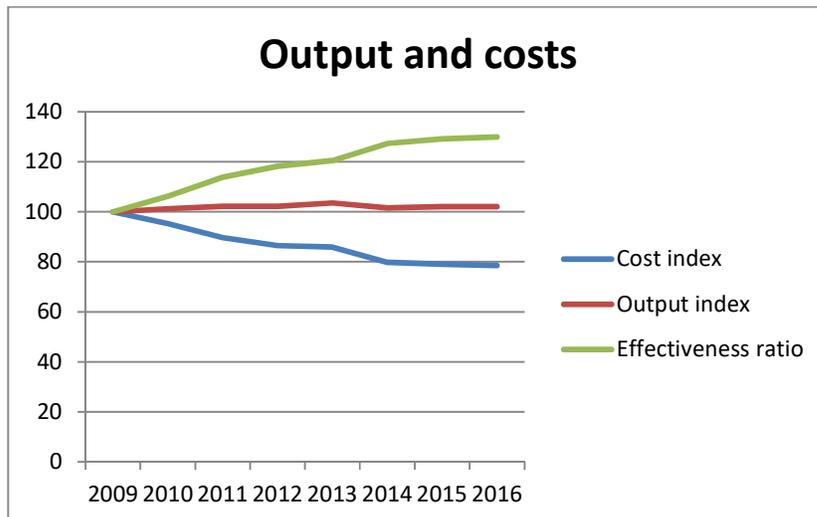
The accounting model allocates the total full cost for 2016 of €191.6 million (excluding restructuring expenses) to CBS' statistical activities. The table below gives the results for 2016, differentiating between costs for the standard statistical year programme and costs for customised information. The costs of supplying customised information are based on the total full cost that CBS charges. The costs for the standard programme were €162.1 million of which €149.1 million was required to meet European statistical obligations. €13 million was spent on other statistics for which there is a national requirement as set out in the MJP. The costs for customised information were €29.5 million.

Costs per statistical group (thousands of euros)	Regular programme 2016 funded from Min Econ Affairs budget	Demand-driven 2016 (commissions and other income)	Total 2016	Regular programme 2015 funded from Min Econ Affairs budget	Demand-driven 2015 (commissions and other income)	Total 2015
Labour, Income and Living conditions	11 507	2 625	14 132	10 840	2 038	12 878
Business statistics	32 674	1 671	34 345	32 796	1 419	34 215
Data collection	38 078	5 165	43 243	37 902	6 503	44 405
Demographic and socio-economic statistics	10 963	2 953	13 917	10 494	2 564	13 057
Services and provision of information	1 001	5 472	6 473	966	4 555	5 522
Environmental	10 985	2 062	13 046	10 755	1 874	12 629
National accounts	14 343	1 105	15 448	14 437	1 006	15 443
Government finances and Consumer prices	12 403	673	13 076	13 075	464	13 539
Quaternary sector	10 778	2 720	13 498	10 541	2 204	12 745
Corporate register	6 854	155	7 009	6 349	308	6 657
Traffic and transport	5 473	252	5 725	5 205	106	5 311
Other statistical groups	0	1 316	1 316	0	1 237	1 237
Blaise	0	3 360	3 360	0	3 000	3 000
Presentation of CBS figures	7 051	0	7 051	7 200	0	7 200
<b>Total</b>	<b>162 111</b>	<b>29 528</b>	<b>191 639</b>	<b>160 561</b>	<b>27 277</b>	<b>187 838</b>

The table below shows a number of key financial indicators for CBS for recent years.

<b>Indicators for 2009-2016</b>								
(amounts in millions of euros)								
	2009	2010	2011	2012	2013	2014	2015	2016
Wages and salaries	113,0	112,9	110,0	106,8	104,4	101,7	103,7	111,0
Pension charges and social security contributions	25,1	26,0	26,2	27,7	28,5	28,1	26,4	28,4
Inscourced staff	16,0	15,6	11,8	11,0	11,7	8,5	12,1	9,6
Other operating expenses	41,0	39,0	39,3	39,1	39,4	36,9	39,2	36,7
Depreciation charges	9,4	12,5	9,1	9,3	9,3	7,4	6,4	5,9
Demand-driven costs	-17,9	-21,4	-22,0	-25,0	-22,3	-22,9	-27,3	-29,5
<b>Costs of statistical programme</b>	<b>186,6</b>	<b>184,6</b>	<b>174,4</b>	<b>168,9</b>	<b>171,0</b>	<b>159,7</b>	<b>160,5</b>	<b>162,1</b>
Additional costs for EU programme from 2009	-1,7	-2,4	-4,3	-4,3	-7,1	-7,2	-8,3	-8,6
Cost reduction due to reduction of statistical programme	0,0	0,0	0,0	0,0	0,0	4,0	4,0	4,0
<b>Costs of statistical programme excluding EU-programme and reduction of the regular programme</b>	<b>184,9</b>	<b>182,2</b>	<b>170,1</b>	<b>164,6</b>	<b>163,9</b>	<b>156,5</b>	<b>156,2</b>	<b>157,5</b>
Price rise compared with previous year		3,80%	0,30%	0,60%	2,00%	0,60%	1,60%	4,00%
<b>Costs of statistical programme excluding EU-programme extension adjusted for price rises</b>	<b>184,9</b>	<b>175,5</b>	<b>163,4</b>	<b>157,2</b>	<b>153,4</b>	<b>145,6</b>	<b>143,1</b>	<b>138,7</b>
Average number of FTEs	2.140	2.059	1.964	1.875	1.833	1.777	1.780	1.864
Labour costs per FTE (thousands of euros)	64,5	67,5	69,3	71,7	72,5	73,0	73,1	74,8

The annual statistical programme remained constant between 2009 and 2013 but since 2014 there has been a contraction as a number of statistics have been curtailed or ended while new European obligations have been added. Labour costs in the period 2009-16 decreased because of lower staff numbers but labour costs per employee rose in the same period as a result of collective agreements and higher pension contributions. Other operating expenses fell in the period from 2009 to 2016 as a consequence of the policy of restraint and further retrenchment. On balance, the total cost of the statistical programme fell from €184.9 million in 2009 to €157.5 million in 2016. Adjusted for wage and price rises (total approximately 13% for the period from 2009 to 2016), total costs fell to €138.7 million in 2016. Against this, output rose. The ratio of output to costs is shown in the chart below.



## 4.5 Financial outlook

In addition to the targets set by Prime Minister Rutte's first government and in the Spring Agreement, CBS has faced targets for 2016 to 2018 set by the second Rutte government for which no provision had been made in the MJP. In total this involved a sum rising to €12.9 million structurally from 2018. Of the cost savings, €0.7 million in 2016, rising to €1.9 million in 2018, will be met structurally by further savings on tangible costs and secondary employment conditions. From 2017, the majority of the cost savings will be met by a reduction of €7 million in central financing for statistics for which there is no EU or national statutory obligation. CBS approached the ministries concerned in 2016 to ask if they would be prepared to take over the financing of these statistics in the form of commissioned work. This has resulted in the majority of these statistics being maintained with this financing. A small part of the work programme was terminated on 1 January 2017.

CBS also has to structurally cover additional work resulting from a new European obligation from 2013.

The rise in pension contributions was not fully compensated in the public sector in 2016.

CBS also incurred expenses arising from redundancies and the assignment of candidates to the 'from work to work' programme to meet the spending cuts.

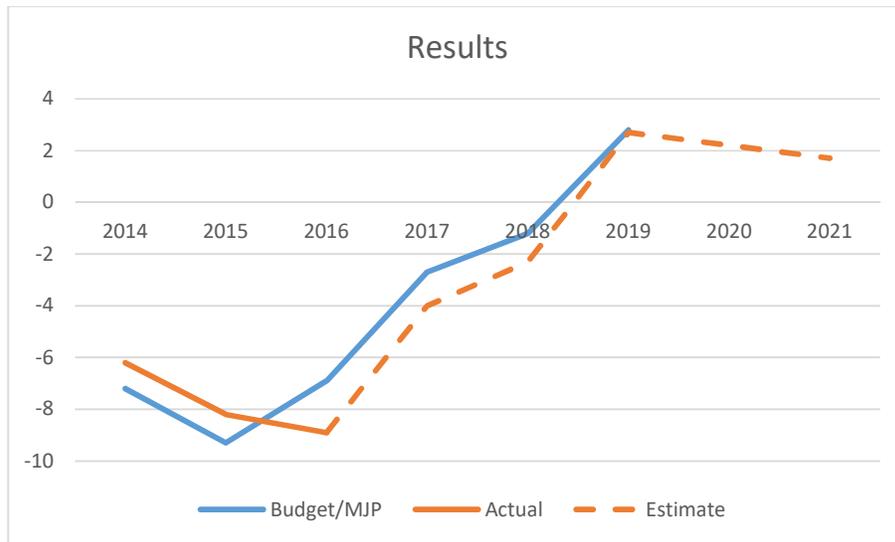
Finally, the Ministry of Economic Affairs has announced that the €15 million for capital expenditure that CBS had requested in the MJP will not be granted.

Further to the spending cuts of the first and second Rutte governments, CBS recently agreed a future-proof budget agreed for performing the MJP with the Ministry of Economic Affairs. To reinforce its equity, CBS will receive an additional contribution of €12 million related to the remaining targets of the second Rutte government, i.e. €4 million in 2016, €2 million in 2017, €4 million in 2018 and €2 million in 2019. Thereafter, the Ministry of Economic Affairs' contributions to CBS will be temporarily reduced by €2 million for six years from 2021 to 2026. The Ministry of Economic Affairs has granted CBS permission to budget for a small negative equalisation reserve in the years 2019 and 2020.

As a result of this, equity fell from €9.9 million to €1.0 million at the end of 2016. This was largely forecast in the financial long-term outlook in the MJP. As a result of the unforecasted measures on top of the MJP (incomplete compensation of pension contributions and costs for redundancies and the assignment of candidates to the 'from work to work' programme) and the failure to grant the €15 million of resources for capital expenditure, there will be an equity deficit for longer than assumed in the financial long-term view. Based on current forecasts there will be no liquidity problem in 2017.

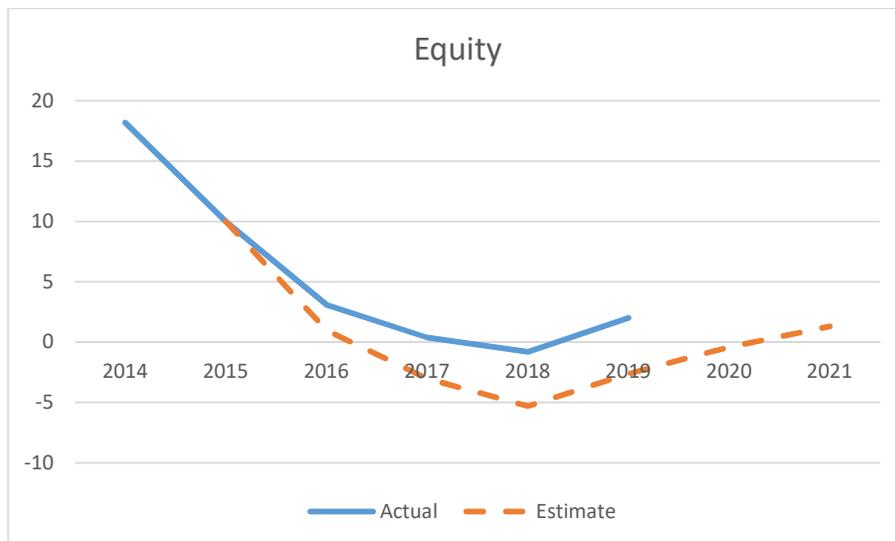
The 'estimate' line in the *Results* chart below shows the movement in the deficit according to the most recent information.

Chart: Results



The 'estimate' line in the *Equity* chart below shows the movement in equity according to the most recent information.

Chart: Equity



## 4.6 In control statement

### Introduction

The management system of CBS is a vital part of its operations and supports management in achieving the objectives. The design and operation of this system are reviewed periodically. CBS also regards the *Handreiking Sturing Semipublieke Sector* (Semi-public sector management handbook) and the *Normenkader financieel beheer en toezicht* (Financial management and supervision standards framework) as significant criteria for CBS being in control. Key elements of this are:

- Strategic planning process;
- Risk management;
- Internal controls and a proper planning and control system;
- Governance system;
- In control statement.

### Strategic planning process

The strategic planning process is a key part of the management system. Strategy is developed in a multi-annual programme in accordance with Section 14 of the Statistics Netherlands Act. The MJP outlines the work that CBS will perform in the coming years and defines the medium and long-term targets, the main points of the related policy and the financial and organisational conditions that have to be met. The Advisory Council makes recommendations before the MJP is submitted to the Minister for approval.<sup>1</sup> In addition, a strategic agenda is drawn up after consultations with employees and users to provide greater internal direction on all work to meet the long-term targets. CBS then translates the MJP into annual work programmes which set out the work it will perform in a given year within the set annual budget. The directorates' annual plans form the basis for the work programme and set out how the various directorates will contribute to achieving the CBS work programme.

### Risk management

There has to be a view of the risks that may impede achievement of the targets. Risk management is designed to manage or reduce risks that threaten CBS' targets. Risks are regularly assessed and recalibrated as part of risk management, giving particular attention to risks relating to the MJP. CBS' risks fall into four categories: strategic risks, compliance risks, financial risks and operational risks. Suitable measures are being and will be taken in line with the risk analysis. CBS has also determined its risk appetite and when risks are no longer deemed acceptable. The main remaining risks are set out below.

#### *Strategic risks*

A significant precondition for a sound statistical process and reliable operations is the continuity of the IT infrastructure, including the hardware, the corresponding software and the computer centre. To function properly, CBS depends on an advanced data and information infrastructure built on speed and efficiency and the use of relevant technologies. One aspect of this is adapting the application landscape to new observation methods and the use of big data but the resources CBS requires for this are under pressure, as explained in financial risks below. CBS has a centralised system for managing and allocating IT resources and in 2016 it reassessed its priorities for current and planned IT projects. The outcome is that only investments that are strictly necessary and improvements in the IT infrastructure that are essential to safeguard the continuity of operations will be made in 2017. Priority is being given to modifications to the data collection process (Phoenix). As a result, it will not be possible to start various other replacement projects and some projects will be scaled down or deferred. Consequently, many systems that have been upgraded time and again over many

---

<sup>1</sup> This statement is based on the Statistics Netherlands Act as in force from 1 January 2017, i.e. after the abolition of the CCS as an autonomous body.

years to meet continually changing circumstances will become more outdated. This creates risks for the continuity of the operations, the management of the systems and the associated management costs.

#### *Financial risks*

CBS is faced with a tight financial framework for the entire period of the current MJP. With additional funds for investments and barring any financial setbacks, it was envisaged that, after a period of a projected equity deficit, CBS' equity would just reach zero at the end of that period in 2018. It has now become clear that this will not happen and the latest projections suggest that, if there are no further setbacks, it will be 2021 before equity is positive again.

As set out in the current MJP, considerable spending cuts have been made in recent years in response to the targets set by Prime Minister Rutte's first government and in the Spring Agreement. In addition to those targets, CBS now faces the new targets set by the second Rutte government, for which no provision had been made in the MJP. In 2016 the target was €4.6 million, in 2017 it is €10.6 million and in 2018 and thereafter €12.9 million. Of these cost savings, €0.7 million in 2016, rising to €1.9 million in 2018, will be met structurally by further savings on tangible costs and secondary employment conditions. In addition, from 2017, the cost savings will be met by a reduction of €7 million in the programme. Since most of the statistical programme arises from European obligations which leave no room for savings, the reductions will affect statistics that are not required by the EU. In 2016, CBS approached the relevant ministries to seek alternative financing for those statistics, with the result that it will still be possible to generate most of the statistics in the work programme. A small part of the work programme was terminated on 1 January 2017.

In the period from 2011 to 2017, CBS' budget has been reduced by a total of over €49 million in connection with the financial targets set by the first Rutte government (€37.3 million), the Spring Agreement (€1.4 million) and the second Rutte government (€10.6 million). With further cutbacks to be made in 2018 under the Spring Agreement, the total spending cuts will rise to over €52 million, which represents more than a quarter of CBS' original 2011 budget of €188 million.

In 2016, the rise in pension contributions was not fully compensated in the public sector. CBS also incurred expenses arising from redundancies and the assignment of candidates to the 'from work to work' programme required to make the necessary cuts. The effects of these measures will continue to be felt in the coming years. The cumulative effect of all these factors is that CBS' equity will be in a temporary deficit from 2017 onwards.

When it submitted the MJP, CBS called on the Ministry of Economic Affairs to provide additional financing for investment in IT, innovation and staff to enable it to achieve its efficiency targets. That funding has not been granted, which means there is scarcely any scope to make the extensive modifications to the IT landscape required to avert risks to the organisations' continuity and the quality of its service.

Further to the spending cuts of the first and second Rutte governments, CBS recently agreed a future-proof budget agreed for performing the MJP with the Ministry of Economic Affairs. To reinforce its equity, CBS will receive an additional contribution of €12 million related to the remaining targets of the second Rutte government, i.e. €4 million in 2016, €2 million in 2017, €4 million in 2018 and €2 million in 2019. Thereafter, the Ministry of Economic Affairs' contributions to CBS will be temporarily reduced by €2 million for six years from 2021 to 2026. The Ministry of Economic Affairs has granted CBS permission to budget for a small negative equalisation reserve in the years 2019 and 2020.

#### *Compliance risks*

CBS has substantial quantities of confidential data in its possession and data security is vital. Internal monitoring of the protection of personal and business data is primarily the responsibility of line management, but CBS has also appointed a data protection officer and a security officer, both of whom have a supervisory and an advisory role. The data protection officer supervises compliance with the Data Protection Act (Wbp) and, by extension, monitors the proper governance of information security. He performs the latter task in conjunction with the security officer, who advises management on specific measures to improve information security and ensure that CBS complies with relevant legislation and regulations.

New EU privacy legislation will enter into force in 2018. In 2017, CBS will make the necessary preparations to ensure that it can comply with the new legislation in time. In line with its 2016 objective, by the end of the year CBS had achieved compliance with the Civil Service Information Security Baseline (BIR), in other words, being demonstrably in control with regard to information security. In 2016, the ESS IT security framework, a set of standards for information security similar to the BIR, was adopted at European level. CBS' objective for 2017 is to demonstrate that it also complies with that framework. It is CBS' stated ambition to be entirely privacy-proof by the spring of 2018 thus ensuring that it continues to meet the highest privacy protection standards. The BIR and the ESS IT security framework are both based on ISO standards 27001 and 27002 for information security. The standards adopted by the Dutch Data Protection Authority refer to a large extent to those same ISO standards. Accordingly, there is an overlap between privacy audits and information security audits. A proposal will be drafted and implemented for developing an integrated process to secure privacy-proof certification and external certification of information security by the end of 2017. CBS also monitors compliance with legislation and regulations and arranges internal and external audits.

Given the radical measures that have been taken to increase efficiency, it is important to devote attention continuously to maintaining the quality of the statistical output. As with privacy protection and information security, CBS endeavours to demonstrate its compliance with generally accepted international standards. In 2017 the quality management system is being improved in line with ISO 9001 principles in order to ensure that the quality of the output meets the statutory requirements or, in the case of commissioned research, the wishes of the customer. CBS' goal is to secure ISO 9001 certification by the beginning of 2019.

#### *Operational risks*

With the anticipated departure of a large number of employees who will be reaching retirement age in the coming years, CBS faces the enormous challenge of recruiting new skilled employees in the labour market. This can be accomplished with labour marketing and by offering more internships and traineeships, as well as through collaboration with partners to recruit talented employees. CBS also has a good onboarding programme and offers working conditions geared to personal growth and development. It is important for CBS to be able to constantly keep pace with external developments. CBS has to remain agile if it is to keep pace with rapid technological developments and changing demands of the market. The relatively high average age of the workforce and the lengthy period in which employees remain in the same job means that special attention has to be devoted to the permanent employability of staff members, for example by working more on the basis of short-term projects in order to enhance their flexibility and internal mobility. The health and vitality of employees must also receive constant attention.

#### **Internal controls and a proper planning and control system**

The authority of the directors and sector managers are set out in the Statistics Netherlands Mandate, Authorisation and Empowerment Decree 2015, which includes the maximum amounts that directors can sign for in contracts and their authority in respect of staff matters.

The BISNIS corporate information system supports CBS in meeting its legitimacy requirements. The reliability and continuity of automated data processing is important in this. In addition, segregation of duties and internal controls are built into the system, which is in line with the organisation structure and authorities.

The Director General enters into individual management contracts with all heads of directorates. The management contract lists the head of the directorate's responsibilities, including performance of duties within the agreed budget and reporting on bottlenecks, variances and the achievement of the agreed output. Interim reporting on progress and subsequent reports on the actual performance delivered are in the form of quarterly reports which include performance indicators. Closing procedures are embedded in the organisation for the quarterly reports. In addition to the quarterly reports, monthly financial reports are prepared at CBS, directorate and sector level showing achievement of the budget and a forecast.

CBS applies central management of projects with a major IT component. The central portfolio council chaired by the Deputy Director General in his role of Chief Information Officer (CIO) advises the Director General on

allocation of resources to projects. The final adoption of the development portfolios and budgets is done by the Director General. The aim is to co-ordinate the large number of wishes for capacity and resources by central management. The content and reservations in the Long-term Development Portfolio are recalibrated four times a year. The heads of directorates are responsible for carrying out the development projects and progress is monitored by the CIO. Major projects are reported to the Bureau ICT-Toetsing (BIT) for a possible audit.

CBS uses efficient methods and working processes to achieve the same performance with fewer resources. They include the Lean Six Sigma method, in which small-scale improvements are made in order to achieve a more structured approach to efficiency and gain tighter control of processes. CBS has also adopted Lean Operational Management, a method of working designed to lower the threshold in resolving process bottlenecks with teams of employees so that critical performance indicators can be achieved and enhanced. Scrum, a flexible method of delivering operational products with a multidisciplinary team working in short sprints of a fixed length of one to four weeks, is also starting to bear fruit.

### **Governance system**

The main structure at CBS consists of the Director General, the Deputy Director General, the heads of directorates for statistics, corporate services, data collection, communications and the head of the policy staff. Notwithstanding his position in the CBS organisation, the group controller can report directly to the Director General. The Director General holds weekly meetings with the board of directors to perform his statutory duties, exercise his authority and manage day-to-day operations. The board of directors discusses matters that cross individual directorates' boundaries. These include policy development, strategy, communications, quality and the statistical programme.

The checks and balances on the actions of the Director General are based mainly on the Statistics Netherlands Act,<sup>2</sup> the Autonomous Administrative Authorities Framework Act and Statistics Netherlands Regulations of the Board. Supervision by the Ministry of Economic Affairs is based on detailed management agreements between it and CBS. Until 2016 there was also a Central Commission for Statistics (CCS). On 1 January 2017 amended legislation came into force under which the CCS ceased to be an autonomous administrative body and an Advisory Council was set up (see sections 5.1 and 5.2).

As well as the statutory checks and balances, there are a number of additional control mechanisms such as the annual audit (which includes reliance on the internal risk management and control systems), supervision of data protection by the Dutch Data Protection Agency, international audits on the quality of statistics and the periodic *peer review* by Eurostat.

### **In control statement**

The Director General of Statistics Netherlands is responsible for the internal risk management and control systems tailored to CBS, which are designed to manage significant risks and ensure strategic, compliance, financial and operational risks are properly managed. The Director General of Statistics Netherlands believes that the risk management and control systems have been properly implemented in accordance with elements in the *Normenkader financieel beheer en toezicht* (Financial management and supervision standards framework) and provide adequate assurance that the quality of operations is sufficient and that financial reporting meets the requirements placed upon it.

---

<sup>2</sup> This statement is based on the Statistics Netherlands Act as in force from 1 January 2017, i.e. after the abolition of the CCS as an autonomous body.

## 5 Governance

### 5.1 Central Commission for Statistics

The Central Commission for Statistics (CCS) was set up in 1892 and became an autonomous administrative body in 1996. On 1 January 2017 amended legislation came into force under which the CCS ceased to be an autonomous administrative body and an Advisory Council was set up.

The CCS assessed and adopted CBS' multi-annual programmes and annual plans. In practice these duties involved assessing the internal consistency and relevance of the programme-based intentions for the coming period in relation to the public need and the financial and organisational frameworks. The CCS was involved in drawing up CBS' budget and financial statements, which were adopted by the Director General in consultation with the CCS. The Director General also submitted the Annual Report of Statistics Netherlands to the CCS for approval.

The CCS supervised the reduction of the administrative burden, avoidance of unfair competition and supply of microdata. The CCS promoted the co-ordination and quality of statistical information provided by central government. The CCS also safeguarded CBS' independent position and the professional independence of official statistics.

The Audit Committee (AC) of the CCS prepared the discussion of management issues. The AC concerned itself in particular with the review of internal financial reports, the budget and the financial statements. The CCS produced its own annual report for the Minister of Economic Affairs to account for the performance of its duties. The reports of the CCS are posted on the CBS website.

At the end of 2016, the members of the CCS were:

Inge Brakman, chair (AC member)

Tini Hooymans

Janneke Plantenga

Steven Brakman

Frans van der Wel (chair of the AC)

Johan van Hall (deputy chair and AC member)

Corien Wortmann-Kool

### 5.2 Amendment of the Statistics Netherlands Act

Government-wide research was undertaken in 2012-13 on repositioning all autonomous administrative bodies as part of the Civil Service Reform Agenda. The cabinet concluded that it was not necessary for CBS to have one autonomous administrative body (CCS) supervising the other (the Director General). Consequently, at the end of 2013, the government decided that these two bodies should be reduced to one: the Director General of Statistics Netherlands would remain as an autonomous administrative body while the CCS would cease to be an autonomous administrative body and its duties would be repositioned. These proposals were incorporated in a Bill to amend the Statistics Netherlands Act. The Bill was submitted to the cabinet and the Council of State then issued its advice during 2015. At the end of 2015, the Bill was tabled for debate by the House of Representatives.

The principles in the original Bill were to ensure the independent production and reliability of statistics. The Director General of Statistics Netherlands continues as an autonomous administrative body, maintaining the single-member management and legal personality of CBS. As an additional guarantee for the independent production of statistics compared with the existing guarantees of independence in the Autonomous Administrative Authorities Framework Act and the Statistics Netherlands Act, the Bill stated that the five-year evaluation under the Autonomous Administrative Authorities Framework Act that focuses on the effectiveness and efficiency of CBS would be expanded: the report will include an evaluation of the independence of CBS. The Explanatory Memorandum stated that it is desirable that the Director General of Statistics Netherlands

should set up an advisory council to act as a sounding board for the content of the non-mandatory statistical programme.

The CCS presented its views on the repositioning in a letter to the Ministry of Economic Affairs which, on request, was also sent to the Economic Affairs standing committee. In its letter, the CCS stated that in its opinion an outside view in three areas was desirable for the proper functioning of CBS: establishing the statistical programme, policy on the combination of data collection, privacy and ICT and sound internal governance of both operations and the efficient use of resources. The CCS believed there should be a legal basis for this governance appropriate to CBS, specifically because of its wide range of duties for all parts of society. In addition, the regulations also gave the CCS the right to nominate the Director General, who is appointed by the Minister, and the CCS also saw this as appropriate given the desired independent status of the Director General.

### 5.3 Advisory Council

In 2016, the Bill was debated in the House of Representatives, which passed the Vos, Mulder and Gesthuizen amendment to maintain external advice to the Director General. An Advisory Council was set up to advise the Director General, either at his request or on its own initiative, regarding the implementation of his/her duties and powers. The Advisory Council in any case advises the Director General on the following matters:

- the work programme and multi-annual programme;
- possible ways to advance the accuracy and completeness of published official statistics so as to meet the demands of users for the purposes of practice, policy and science, and also considering the collection of data for preparing statistics and the provision of information;
- CBS' operations and efficient allocation of resources.

The Advisory Council is also entitled to make a recommendation on the appointment of the Director General.

The Senate passed the amended legislation, which came into effect on 1 January 2017. The Statistics Netherlands Regulations of the Board approved by the Minister also came into force on that date.

The Advisory Council can appoint committees, from among its members but also including persons other than members of the Advisory Council, for the purpose of preparing an advisory report. Advisory reports shall be adopted by the Advisory Council. All advisory committees are chaired by an Advisory Council member. The Advisory Council shall in any case set up the following advisory committees:

- an Audit Committee (AC) for the preparation of advice to the Director General on operations, including financial reporting and risk management policies;
- an ICT committee (ICT Cttee) for the preparation of advice to the Director General on strategy and policy and their implementation in the areas of data protection and ICT;
- a programme committee (PR) for the preparation of advice to the Director General on the multi-annual programme, the work programme and the advancement of accuracy and completeness of the statistical releases.

In accordance with the Statistics Netherlands Act, Advisory Council members are appointed by the Minister. Members of subcommittees are appointed by the Director General. In accordance with the Statistics Netherlands Regulations of the Board, the Director General sets financial compensation of the council members.

With a view to ensuring continuity, the members of the Central Commission for Statistics were asked to join the Advisory Council and/or the Audit Committee, the ICT committee or the programme committee. These members have been appointed for a term equal to the remaining period of their CCS membership. If they had not yet been reappointed as CCS members, these members may be reappointed once for a term of four years. A recommendation on any vacancies will be made as quickly as possible to the Minister or the Director General. The following members had been appointed at 1 April 2017:

**Advisory Council**

Inge Brakman (chair)  
Johan van Hall (deputy chair)  
Corien Wortmann-Kool  
Frans van der Wel

**Audit Committee**

Frans van der Wel (chair)  
Charlotte Insinger  
Peter van den Berg

**ICT Committee**

Johan van Hall (chair)  
Tini Hooymans  
Karel van Lambalgen  
Bibi van den Berg

**Programme Committee**

Inge Brakman (acting chair)  
Steven Brakman

**5.4 Recommendation on the annual report and financial statements**

As the CCS ceased to exist as an autonomous administrative body with effect from 1 January 2017, its duties with respect to the CBS 2016 annual report and financial statements also lapsed. In accordance with its statutory duties, the Advisory Council makes a recommendation on the annual report and financial statements.

**Statement of the CBS Advisory Council**

The Advisory Council has examined the CBS 2016 annual report and financial statements. Based on its authority laid down in the Statistics Netherlands Act, it recommends the Director General of Statistics Netherlands to adopt the 2016 annual report and financial statements.

The Hague, 8 September 2017

I. Brakman, chair

**5.5 Users' Councils**

Various councils have been set up to advise the heads of CBS directorates on thematic areas or subjects. The chairs of these councils meet the Director General each year.

At the beginning of 2017, the chairs of these councils were:

Michaël van Straalen - Business Respondents' Users' Council

Eduard van de Lustgraaf - Economic Statistics Users' Council

Pim Claassen - Macroeconomic Statistics Users' Council

Peter van der Heijden – Methodology Advisory Board

Han Entzinger - Social Statistics Users' Council

Peter Boelhouwer - Statistics of the Living Environment Users' Council



## **Financial statements for 2016**

The result of Statistics Netherlands for 2016 came to EUR 8.9 million negative.

The financial statements and the notes thereto are included further below in this annual report. The financial statements were audited by KPMG Accountants N.V., which has issued an independent auditor's report. The latter is included below the financial statements.

<b>Balance at 31 December 2016</b>			
(after result appropriation)			
		<b>31-12-2016</b>	<b>31-12-2015</b>
<i>Amounts in thousands of euros</i>			
<b>NON-CURRENT ASSETS</b>			
<b>1) Tangible fixed assets</b>			
New-build (modifications of building shell)	7.109		9.873
IT resources	4.807		5.623
Plant and equipment	1.203		1.450
Other fixed operating assets	<u>920</u>		<u>1.009</u>
		14.039	17.955
<b>2) Financial fixed assets</b>			
Other financial fixed assets	<u>3.206</u>		<u>4.773</u>
		<u>3.206</u>	<u>4.773</u>
<b>Total non-current assets</b>		<b>17.245</b>	<b>22.728</b>
<b>CURRENT ASSETS</b>			
<b>3) Receivables</b>			
Debtors	4.007		3.335
Other receivables	<u>13.948</u>		<u>10.164</u>
		17.955	13.499
<b>4) Cash and cash equivalents</b>			
Cash and cash equivalents	<u>12.778</u>		<u>17.102</u>
<b>Total current assets</b>		<b><u>30.733</u></b>	<b><u>30.601</u></b>
<b>TOTAL ASSETS</b>		<b><u>47.978</u></b>	<b><u>53.329</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>5) Equity</b>			
Equalisation reserve		1.032	9.950
<b>6) Provisions</b>			
Unemployment benefits	10.910		12.792
Restructuring in 2000	145		209
Long-service awards	2.641		3.129
Long-term sickness	<u>132</u>		<u>152</u>
		13.828	16.282
<b>7) Current liabilities</b>			
Taxes and social insurance contributions	5.129		5.011
Other liabilities	<u>27.989</u>		<u>22.086</u>
		<u>33.118</u>	<u>27.097</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>47.978</u></b>	<b><u>53.329</u></b>

## Statement of income and expenditure for 2016

	Actual 2016	Budgeted 2016	Actual 2015
<i>Amounts in thousands of euros</i>			
<b>INCOME</b>			
<b>8) INCOME</b>			
Ministry of Economic Affairs	153.181	151.978	151.402
Paid contracted work	29.021	27.210	27.143
	<u>182.202</u>	<u>179.188</u>	<u>178.545</u>
Other income	507	316	541
<b>TOTALE INCOME</b>	<u>182.709</u>	<u>179.504</u>	<u>179.086</u>
<b>9) EXPENSES</b>			
Wages and salaries	120.564	117.076	115.823
Pension and social charges	28.381	25.628	26.377
Addition to/release of provisions	-8	0	-521
Depreciation of tangible fixed assets	5.964	6.928	6.375
Other operating expenses	36.731	37.455	39.263
<b>TOTAL EXPENDITURE</b>	<u>191.632</u>	<u>187.087</u>	<u>187.317</u>
<b>Net income (expense)</b>	<u>-8.923</u>	<u>-7.583</u>	<u>-8.231</u>
<b>10) Financial income and expenses</b>			
Interest income	5	25	15
Interest expenses	0	0	0
	<u>5</u>	<u>25</u>	<u>15</u>
<b>RESULT FOR THE YEAR</b>	<u><u>-8.918</u></u>	<u><u>-7.558</u></u>	<u><u>-8.216</u></u>

### Result appropriation

The result for 2016 of EUR 8.9 million negative has been withdrawn from the equalisation reserve.

## Cash flow statement for 2016

	2016	2015
<i>Amounts in thousands of euros</i>		
<b>Net income (expense)</b>	-8.923	-8.231
<b>Adjustments for:</b>		
Addition to less release of provisions	5	-502
Depreciation	5.964	6.375
Amortisation of financial fixed assets	1.567	1.567
Withdrawal from provisions	-2.459	-3.122
Reclassification of provisions	0	-187
Capital gain on disposal of non-current assets	456	216
Change in working capital, excluding cash	<u>1.565</u>	<u>-5.332</u>
	7.098	-985
Interest received	5	15
Interest paid	0	0
<b>Cash flow from (used in) operating activities</b>	-1.820	-9.200
Investments in financial fixed assets	-2.504	-6.181
Payment of receivable from Ministry	<u>0</u>	<u>350</u>
<b>Cash flow from (used in) investing activities</b>	-2.504	-5.831
<b>Cash flow from financing activities</b>	0	0
<b>Change in cash and cash equivalents</b>	-4.324	-15.031
<b>Balance of cash and cash equivalents</b>		
Balance at 31 December	12.778	17.102
Balance at 1 January	<u>-17.102</u>	<u>-32.133</u>
	-4.324	-15.031

## Notes to the financial statements for 2016

### **General**

Statistics Netherlands, with offices in The Hague, Heerlen and Bonaire, is an autonomous administrative body (Zelfstandig Bestuursorgaan (ZBO)). Statistics Netherlands has its registered office in The Hague and is registered in the Business Register under no. 51197073. Its duties, authorities and working method are laid down in the Act on Statistics Netherlands (CBS-wet).

Statistics Netherlands is tasked by the Dutch central government with conducting statistical research and publishing the resulting aggregated statistics for the purposes of practical, policy-related and scientific uses.

In 2016 Statistics Netherlands is jointly managed by the Director-General and the Central Commission for Statistics (CCS). Due to changes in the Act on Statistics Netherlands, Statistics Netherlands will be managed solely by the Director-General with effect from 1 January 2017.

The financial statements of Statistics Netherlands are drawn up in accordance with the Autonomous Administrative Bodies Framework Act (Kaderwet ZBO), the Act on Statistics Netherlands, and other agreements concerning the financial statements (some of which are laid down in 'management agreements'). The financial statements of Statistics Netherlands are prepared in accordance with the aforementioned framework and, where possible, based on the same rules as apply under Title 9, Book 2 of the Dutch Civil Code. Based on the Dutch Accounting Standards (Richtlijnen voor de jaarverslaggeving (RJ)), Statistics Netherlands follows the recommendation to also apply the requirements of RJ 640 Not-For-Profit Organisations (Organisaties zonder winststreven), where applicable and not contrary to Title 9, Book 2 of the Dutch Civil Code. In addition, Statistics Netherlands applies the provisions of the Act on Remuneration of Senior Officials in the Public and Semi-Public Sector (WNT).

The financial statements relate to the financial year 2016, which ended on 31 December 2016. The financial statements are presented in euros, which is the functional currency of Statistics Netherlands. All financial information in euros has been rounded to the nearest thousand.

The financial statements have been prepared using the going concern basis of accounting. In response to the budget cuts by the Rutte I and Rutte II administrations, Statistics Netherlands made agreements with the Ministry of Economic Affairs on a future-proof budget for implementing the multi-annual budget while safeguarding Statistics Netherlands's continuity as a going concern.

## ***Accounting policies***

The principles for the valuation of assets and liabilities and determining the result are based on the historical cost convention. Unless stated otherwise, the amounts presented in the financial statements are in thousands of euros.

An asset is recognised on the balance sheet when it is probable that the associated future economic benefits will flow to the entity and the value of the asset can be determined reliably. A liability is recognised on the balance sheet when it is probable that its settlement will result in an outflow of resources embodying economic benefits and the amount at which the settlement will take place can be determined reliably. If a transaction relating to a recognised asset or liability does not lead to a significant change in the economic substance of the asset or liability, the relevant asset or liability is not derecognised. An asset or liability must be derecognised if a transaction results in the transfer to a third party of all or substantially all economic benefits and all or substantially all the risks associated with that asset or liability. An asset or liability is also derecognised when it no longer meets the requirements of probability of the future economic benefits and/or its value can no longer be determined reliably.

Income is recognised in the statement of income and expenditure when an increase in future economic benefits related to an increase in an asset or a decrease in a liability has arisen that can be determined reliably. Expenses are recognised when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be determined reliably. Income and expenses are attributed to the period to which they relate and losses are recognised as soon as they are foreseeable.

The preparation of the financial statements requires that management makes judgements, estimates and assumptions that influence the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised in the period in which the estimate is revised and in the future periods affected by the revision.

The accounting policies with respect to the useful life of the non-current assets and the provisions are in the opinion of management of the most critical importance to the presentation of the financial position and require making estimates and assumptions.

Transactions denominated in foreign currency are translated into euros at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into euros on the balance sheet date at the exchange rate applying on that date. Exchange differences arising from the settlement of monetary items, or from the translation of monetary items denominated in foreign currency, are recognised in the statement of income and expenditure in the period in which they occur.

If Statistics Netherlands judges that an asset has become obsolete or generates significantly lower economic performances than expected, the asset has sustained a permanent impairment loss. This may be the case, for example, when changes in legislation lead to changes in the services provided by Statistics Netherlands, a result of which the asset will no support to the changed services, or will support these to a lesser extent. The actual output may differ from these estimates. Impairment losses are recognised in the statement of income and expenditure. If, in a subsequent period, the recoverable amount of a previously impaired asset increases and this increase can be related objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed and the reversal (up to the amount of the original cost) is recognised in the statement of income and expenditure.

Statistics Netherlands holds financial instruments, which comprise financial fixed assets, receivables, cash and cash equivalents and current liabilities. Upon initial recognition, financial instruments are measured at fair value. For instruments not measured at fair value through the statement of income and expenditure, any directly attributable transaction costs are included in their initial measurement. The financial instruments are measured in accordance with the following principles for the valuation of assets and liabilities. Statistics Netherlands does not use derivative financial instruments (derivatives).

## Principles for the valuation of assets and liabilities

### Assets

#### Non-current assets

##### *Intangible fixed assets*

Statistics Netherlands continually implements development projects. IT development is directly related to the production of statistics. A fixed annual budget is available (approximately EUR 10 million) within which projects are prioritised. The expenditures for IT development are funded from the annual lump sum contribution by the Ministry of Economic Affairs. Where Dutch Accounting Standards with regard to intangible fixed assets appear to support the capitalisation of development project costs, Statistics Netherlands, in line with the method applied by similar organisations, applies a valuation method under which the project development costs are consistently charged directly to the statement of income and expenditure.

##### *Tangible fixed assets*

Tangible fixed assets are stated at cost less cumulative depreciation and any impairment losses. Cost comprises the cost of acquisition or manufacture and additional costs incurred in bringing the assets to their location and in the condition required for their intended use.

Depreciation is calculated as a percentage of the cost of acquisition according to the straight-line method on the basis of the asset's useful life. Land and tangible fixed operating assets are not depreciated, nor are prepayments on tangible fixed assets amortised. The recognition of depreciation charges starts when an asset is available for its intended use and ends upon its decommissioning or disposal. The depreciation period for each asset category is shown in the table below.

<i>Non-current assets</i>	<i>Depreciation period</i>
New-build (modifications of building shell)	5-10 years
IT resources	3-5 years
Plant and equipment	5-10 years
Other fixed operating assets	5 years

##### *Disposal of non-current assets*

Assets available for sale are stated at the lower of their carrying amount and net realisable value.

##### *Financial fixed assets*

Financial fixed assets are stated at the lower of their amortised cost and fair value. Write-downs to lower fair value are recognised in the statement of income and expenditure. Financial assets stated at amortised cost are tested at each reporting date to determine whether there is objective evidence of impairment. The accounting policies for the financial fixed assets are described in the 'Financial instruments' section.

##### *Receivables*

The accounting policies for receivables are described in the 'Financial instruments' section.

The item 'contracts yet to be billed' included under receivables concerns the portion of the paid contracted work yet to be billed based on the progress of work at year-end. The portion of the paid work under these contracts that has been billed in advance is included under other liabilities in the item 'income billed in advance'.

##### *Cash and cash equivalents*

Cash and cash equivalents are stated at nominal value. Unless stated otherwise, cash and cash equivalents are at the free disposal of Statistics Netherlands.

##### *Financial instruments*

After initial recognition, receivables are stated at amortised cost using the effective interest method, less any impairment losses. After initial recognition, non-current and current liabilities and other financial commitments

are stated at amortised cost using the effective interest method. Evidence of impairment of financial assets is considered both at the level of individual assets and on a collective basis. All individually significant financial assets are specifically tested for impairment. Impairment losses and reversals of impairment losses are recognised in the statement of income and expenditure. A financial asset and a financial liability are offset and the net amount is presented on the balance sheet if the entity has a sound legal instrument to settle the financial asset or financial instrument on a net basis and the entity has the firm intention to settle the balance as such on a net basis or simultaneously.

### ***Equity and liabilities***

Under Section 33 of the Autonomous Administrative Bodies Framework Act, an autonomous administrative body must create an equalisation reserve. The difference between the actual income and actual expenditure is credited or debited, as applicable, to the equalisation reserve.

### ***Provisions***

A provision is recognised if:

- the entity has a present legal or constructive obligation as a result of a past event; and
- a reliable estimate can be made of the amount of obligation; and
- if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The provisions for restructuring, unemployment benefits, long-service awards and long-term sickness are stated at nominal value based on best estimates of the expenditures expected to be required to settle the relevant obligations and losses.

The provision for long-service awards represents the estimated present value of the future long-service awards. The calculation is based on the commitments made, the likelihood of the staff concerned remaining, and their age.

This provision concerns future obligations to employees on sick leave whose full or partial incapacity for work is expected to be permanent and who are therefore entitled to up to two years of continued salary payment.

### **Principles for result determination**

#### ***Employee benefits***

Employee benefits are recognised as an expense in the statement of income and expenditure in the period in which the service is rendered or, if the relevant employee benefits have not yet been paid out, as a liability on the balance sheet. If the amounts paid out exceed the employee benefits payable, the surplus is recognised under prepayments and accrued income to the extent that the amounts will be repaid by the relevant employees or settled against future payments by the entity.

The liability in respect of benefits payable during the period of service is stated at the nominal value of the expenditures expected to be required to settle the obligation.

If employee benefits are paid that do not result in the accrual of benefits (such as continuing wage payments during sickness or work incapacity), the expected expenses are accounted for in the period in which these benefits are payable. A provision for long-term sickness benefits is recognised for any obligation at the balance sheet date to continue paying employee benefits to employees who are expected to be permanently unable to perform part or all of their work due to sickness or work incapacity. The provision is stated at the best estimate of the amounts expected to be required to settle the relevant obligation at the balance sheet date. This best estimate is based on the contractual agreements with the employees (collective agreement (CAO) and individual employment contracts). Additions to and releases of provisions are debited and credited, respectively, to the statement of income and expenditure.

#### ***Pensions***

The basic principle is that the pension charge to be recognised for the reporting period is equal to the pension contributions payable to the pension fund for that period. Insofar as payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid at balance sheet date exceed the contributions payable, a deferred asset is recognised to the extent that this prepayment will lead to a refund by the fund or settlement against future contributions payable.

The pension scheme is administered by ABP, the pension fund for employees in the public sector. This is an industry-wide pension fund, and Statistics Netherlands is not obliged to make additional payments in the event of a deficit at the fund, other than paying higher future pension contributions, if applicable.

### ***Termination benefits***

Termination benefits are benefits awarded to employees in return for the termination of their employment contract. A termination benefit is recognised as an expense when the entity has demonstrably committed itself unconditionally to paying the termination benefit. If terminations are part of a restructuring, the costs of the relevant termination benefits are accounted for by creating a restructuring provision. For further information, see the 'Provisions' section.

Termination benefits are measured in accordance with the nature of the benefit. If a termination benefit is an enhancement of post-employment benefits, it is measured using the same accounting policies as applied to pension schemes. Otherwise, termination benefits are measured at the best estimate of the amounts expected to be required to settle the obligation.

### ***Revenue recognition***

Amounts received by Statistics Netherlands for its own account are recognised as revenue. Amounts received by Statistics Netherlands on behalf of third parties are not recognised as revenue. Amounts received in advance (both current and non-current) are accounted for as liabilities and included under accruals and deferred income.

The contribution from the ministry of Economic Affairs is recognised in the statement of income and expenditure in the financial year in which the corresponding (statutory) tasks were performed.

Revenue from paid contracted work is recognised in the statement of income and expenditure when the amount of the revenues can be reliably determined, the collection of the amounts due is probable, the stage of completion of the contract as at balance sheet date can be reliably determined, and the costs already incurred and the costs that (possibly) still have to be incurred to complete the contract can be reliably determined.

If the result of a particular contract for services cannot be reliably estimated, contract revenues are only recognised up to the amount of the costs incurred to provide the services that will be recovered through revenues.

Revenues from paid contracted work are recognised in the statement of income and expenditure in proportion to the stage of completion of the contract at the reporting date. The stage of completion is determined based on the costs incurred up to that date in relation to the estimated costs of completing the entire contract, with any relevant indexation being excluded.

Other operating income is recognised in the statement of income and expenditure after completion of the performed work.

Interest income is recognised in the period to which it relates, based on the effective interest rate for the relevant asset item. Any gain or loss is recognised under financial income or expenses.

### ***Cost recognition***

Costs are recognised in accordance with the aforementioned accounting policies and allocated to the financial year to which they relate. (Foreseeable) liabilities and potential losses arising from events that occurred before year-end are accounted for if they became apparent before the preparation of the financial statements and meet the conditions for the recognition of provisions.

### ***Taxes***

In connection with the introduction of the Modernisation of Liability for Corporation Tax (Government Enterprises) Act (Wet moderniseren vennootschapsbelastingplicht overheidsondernemingen), which applies to financial years starting on or after 1 January 2016, Statistics Netherlands is in discussions with the Dutch Tax and Customs Administration regarding its corporation tax status. Statistics Netherlands takes the position that it is exempt from corporation tax, as income from government tasks is exempt from corporation tax and the activities of Statistics Netherlands qualify as a government task. Statistics Netherlands requested an extension for its corporation tax return for 2016, whereupon the Tax and Customs Administration extended the deadline to 1 March 2018.

CBS was not liable for VAT in 2016, except for income from secondments for a period longer than 1 year.

## **Cash flow statement**

The cash flow statement has been prepared according to the indirect method. Cash flows in foreign currency are translated into euros using the average weighted exchange rates for the relevant periods. Accordingly, in presenting the cash flows, adjustments are made to the reported result for the financial year to account for changes in balance sheet items that do not relate to income and expenses during the financial year and for changes in financing, provisions and working capital.

## **Related parties**

Transactions with related parties apply when there is a relationship between the Statistics Netherlands and a natural person or entity that is related to Statistics Netherlands. This includes relationships between Statistics Netherlands and its management officials and key management personnel. Transactions include any transfer of resources, services or obligations, irrespective of whether an amount was billed. There were no transactions with related parties that were not at arm's length. At Statistics Netherlands, transactions with related parties consist solely of the remuneration of the (acting) Director-General and the Central Commission for Statistics, which is explained in more detail in section 9 of the notes.

## Notes to the balance sheet as at 31 December 2016

### 1) Tangible fixed assets

<i>Amounts in thousands of euros</i>	New-build (modifications of building shell)	IT resources	Plant and equipment	Other fixed operating assets	Total
<b>Balance at 31/12/2015</b>					
Cost of acquisition	29.127	22.722	4.354	12.998	69.201
Cumulative depreciation	<u>19.254-</u>	<u>17.099-</u>	<u>2.904-</u>	<u>11.989-</u>	<u>51.246-</u>
<b>Carrying amount at 31/12/2015</b>	<b>9.873</b>	<b>5.623</b>	<b>1.450</b>	<b>1.009</b>	<b>17.955</b>
<b>Change in carrying amount</b>					
Investments	356	1.777	194	177	2.504
Disposals	2.025-	4.577-	374-	94-	7.070-
Depreciation for financial year	2.722-	2.590-	386-	266-	5.964-
Cumulative depreciation on disposals	<u>1.627</u>	<u>4.574</u>	<u>319</u>	<u>94</u>	<u>6.614</u>
<b>Change in carrying amount</b>	<b>2.764-</b>	<b>816-</b>	<b>247-</b>	<b>89-</b>	<b>3.916-</b>
<b>Balance at 31/12/2016</b>					
Cost of acquisition	27.458	19.922	4.174	13.081	64.635
Cumulative depreciation	<u>20.349-</u>	<u>15.115-</u>	<u>2.971-</u>	<u>12.161-</u>	<u>50.596-</u>
<b>Carrying amount at 31/12/2016</b>	<b>7.109</b>	<b>4.807</b>	<b>1.203</b>	<b>920</b>	<b>14.039</b>

This investments mainly concern IT resources and mainly comprise replacement investments.

### 2) Financial fixed assets

#### *Other financial fixed assets*

<i>Amounts in thousands of euros</i>	31-12-2016	31-12-2015
Prepaid compensation of losses due to VAT	3.206	4.773

As Statistics Netherlands is exempt from VAT, the lessor of the newly built premises in The Hague and Heerlen cannot claim back the VAT on its investments in these buildings. Statistics Netherlands has compensated the lessor for this VAT issue by paying EUR 9.2 million in respect of the loss incurred in 2008 on the premises in The Hague and EUR 6.5 million in respect the loss incurred in 2009 on the premises in Heerlen. These amounts are charged to the statement of income as expenditure over a period of ten years, which is the maximum period for offsetting VAT losses. Accordingly, EUR 1.6 million was charged to accommodation costs in 2016 (2015: EUR 1.6 million).

## Current assets

### 3) Receivables

#### Debtors

<i>Amounts in thousands of euros</i>	<b>31-12-2016</b>	<b>31-12-2015</b>
Debtors	4.201	3.602
Bad debt provision	-194	-267
<b>Total</b>	<b>4.007</b>	<b>3.335</b>

The bad debt provision largely relates to receivables from companies that failed to meet obligations to respond and/or on which a judicial and/or administrative penalty has been imposed.

#### Other receivables

<i>Amounts in thousands of euros</i>	<b>31-12-2016</b>	<b>31-12-2015</b>
Ministry of Economic Affairs	4.000	0
Prepaid expenses	3.395	6.565
Contracts yet to be billed	6.521	3.420
Other receivables	32	179
<b>Total</b>	<b>13.948</b>	<b>10.164</b>

In connection with the Rutte II tasking, Statistics Netherlands is still to receive a contribution of EUR 4 million for the budget year 2016 from the Ministry of Economic Affairs.

The 'prepaid expenses' item mostly consist of prepaid maintenance contracts and prepaid rent.

The item 'contracts yet to be billed' included under receivables concerns the portion of the paid contracted work yet to be billed based on the progress of work at year-end.

The other liabilities mostly have maturities of less than one year.

### 4) Cash and cash equivalents

<i>Amounts in thousands of euros</i>	<b>31-12-2016</b>	<b>31-12-2015</b>
Bank balance	12.778	12.206
Deposit account	0	4.896
<b>Total</b>	<b>12.778</b>	<b>17.102</b>

Changes in cash and cash equivalents are presented in the cash flow statement. The bank balance is at the free disposal of Statistics Netherlands.

Statistics Netherlands has a debit limit on the current account with the Ministry of Finance of EUR 10 million.

## 5) Equity

<i>Amounts in thousands of euros</i>	<b>Equalisation reserve</b>
<b>Balance at 1/1/2015</b>	18.166
Result for 2015	-8.216
<b>Balance at 31/12/2015</b>	9.950
Result for 2016	-8.918
<b>Balance at 31/12/2016</b>	1.032

The appropriation of the result (withdrawn from the equalisation reserve) is in accordance with the agreement made with the Ministry of Economic Affairs.

## 6) Provisions

<i>Amounts in thousands of euros</i>	<b>Unemployment benefits*</b>	<i>Subtotal</i>	<b>Restructuring in 2000 **</b>	<b>Long-service awards***</b>	<b>Long-term sickness***</b>	<b>Total</b>
<b>Balance at 31/12/2015</b>	12.792	12.792	209	3.129	152	16.282
Addition in 2016	2.080	2.080	4	0	81	2.165
Withdrawal in 2016	-1.874	-1.874	-68	-416	-101	-2.459
Release	-2.088	-2.088	0	-72	0	-2.160
<b>Balance at 31/12/2016</b>	10.910	10.910	145	2.641	132	13.828

\* The addition to/release of the provision for unemployment benefits is recognised under expenditure ("addition to/release of provisions").

\*\*The addition to/release of the provision for the restructuring in 2000 is payable to/receivable from the Ministry of Economic Affairs.

\*\*\* The addition to/release of the provision for long-service awards/long-term sickness is recognised under wages and salaries.

### **Unemployment benefits**

This provision concerns obligations under the unemployment compensation benefit scheme for civil servants, whereby former employees receive benefits to compensate them for their loss of employment. Statistics Netherlands may be required to grant statutory minimum termination benefits and additional termination benefits if an employee's termination is involuntary. Even if a termination is not part of a restructuring, it can nonetheless qualify as involuntary. This mainly relates to terminations under the General Civil Service Regulations (ARAR), such a dismissal on the grounds of unsuitability or incompetence (under Section 98) or honourable discharge on other grounds (under Section 99), and the expiry of temporary contracts. Statistics Netherlands has opted to self-insure itself for the costs it incurs as an employer in the event of work incapacity. Accordingly, it has made a provision for these costs at the centralised level. An upward adjustment was made to the provision in connection with terminations in 2016 that related to the raising of the state pension (AOW) age. On the other hand, part of the provision was released due to the fact that a number of former employees found a new job or are expected to find a new job within one year.

The table below shows the expected maturities of the unemployment benefit obligations:

<i>Amounts in thousands of euros</i>	<b>2017</b>	<b>2018-2021</b>	<b>&gt; 2022</b>	<b>Total</b>
Unemployment benefits	1.799	4.723	4.388	10.910
<b>Total</b>	<b>1.799</b>	<b>4.723</b>	<b>4.388</b>	<b>10.910</b>

### ***Restructuring in 2000***

The provision was made to cover the cost of the termination of the employment of staff who were designated as candidates for reposting under the restructuring in 2000, but whose employment was not terminated prior to 3 January 2004. The Ministry of Economic Affairs has committed EUR 10.8 million to cover the employment termination costs. The employment termination costs comprise the personnel expenses during the 18-month reposting period and the expected unemployment compensation benefits and other benefits payable by Statistics Netherlands.

The table below shows the expected breakdown for each period of the obligations arising from the restructuring started in 2000:

<i>Amounts in thousands of euros</i>	<b>2017</b>	<b>2018-2020</b>	<b>&gt; 2022</b>	<b>Total</b>
Restructuring in 2000	33	92	20	145
<b>Total</b>	<b>33</b>	<b>92</b>	<b>20</b>	<b>145</b>

### ***Long-service awards***

This provision concerns future obligations for 12.5, 25, 40 and 50-year service awards.

### ***Long-term sickness***

This provision concerns future obligations to employees on sick leave whose full or partial incapacity for work is expected to be permanent and who are therefore entitled to up to two years of continued salary payment (Statistics Netherlands has opted to self-insure itself for these costs).

## 7) Current liabilities

### *Taxes and social insurance contributions*

<i>Amounts in thousands of euros</i>	<b>31-12-2016</b>	<b>31-12-2015</b>
Wage tax and social charges	3.493	3.434
Pensions	1.636	1.577
<b>Total</b>	<b>5.129</b>	<b>5.011</b>

### *Other liabilities*

<i>Amounts in thousands of euros</i>	<b>31-12-2016</b>	<b>31-12-2015</b>
Outstanding expenses	8.242	7.694
Outstanding holiday pay	4.667	4.426
Creditors	4.397	1.282
Advance contribution from project developer	826	1.196
Outstanding days' paid holiday	3.869	3.110
Income billed in advance	5.176	3.027
Year-end bonuses	675	646
Other liabilities	137	705
<b>Total</b>	<b>27.989</b>	<b>22.086</b>

\* Includes an amount of EUR 2.5 million (31/12/2015: EUR 2.5 million) payable to the Ministry of Economic Affairs in connection with the restructuring in 2000.

The outstanding expenses consist mostly of recurring costs for which the invoice was still to be received as at year-end. In addition, these expenses include an amount of EUR 2.5 million (31 December 2015: EUR 2.5 million) payable to the Ministry of Economic Affairs in connection with the restructuring in 2000.

The 'advance contribution from project developer' item concerns one-off contributions received for rental costs for the next ten years, one in 2008 for the office in The Hague and the other in 2009 for the Heerlen office.

The item 'outstanding days' paid holiday' concerns the unused holiday entitlement as at year-end. The unused holiday entitlement increased by EUR 0.7 due to a change in regulations, whereby employees are now entitled to use the statutory holiday entitlement granted to them on 1 January 2016 in 2017 as well.

Year-end bonuses concern the amount reserved in December 2016 for the year-end bonuses that will be paid in November 2017.

The other liabilities mostly have maturities of less than one year.

### **Financial instruments**

As part of its ordinary activities, Statistics Netherlands uses various financial instruments that expose it to market, credit and/or liquidity risks. These financial instruments are stated on the balance sheet.

Statistics Netherlands does not trade in these financial instruments and has procedures and guidelines to limit the size of the risks. If a counterparty defaults on payments due to Statistics Netherlands, any resulting losses are limited to the fair market value of the relevant instruments. Statistics Netherlands does not use derivative financial instruments.

**Treasury policy**

Under the service income and expenditure scheme, Statistics Netherlands has a duty to participate in treasury banking with the Central Accounts Department (Rijkshoofdboekhouding) of the Ministry of Finance. This department is responsible for the accounts of the Dutch treasury.

Treasury banking means that cash items may only be deposited in a current account with the Central Accounts Department and that loans may only be concluded with this department. Statistics Netherlands concludes the contracts and agrees the conditions with the Central Accounts Department in respect of any deposit accounts or loans.

Treasury banking is a way of maintaining a central treasury for public funds. Treasury banking is based on the principle that outflows of public funds from the treasury should be timed to occur only when they are needed to perform a public task. Through treasury financing, Statistics Netherlands maintains a cash flow policy that is as risk-free as possible.

**Credit risk**

Statistics Netherlands is exposed to credit risks on the receivables presented on the balance sheet. As the debtors mostly concern government institutions, the credit risk exposure is limited.

**Liquidity risk**

Statistics Netherlands monitors its liquidity position by means of its multi-annual budget. Statistics Netherlands ensures that it also has sufficient liquidity to meet its obligations. Statistics Netherlands has a debit limit on the current account with the Ministry of Finance of EUR 10 million.

**Fair value**

The fair value of the financial instruments stated on the balance sheet, including receivables, cash and cash equivalents and current liabilities, approximates their carrying amount.

## Off-balance sheet assets and liabilities

### Multi-annual financial obligations

<i>Amounts in thousands of euros</i>	<b>2017</b>	<b>2018-2021</b>	<b>&gt; 2022</b>
Rent for offices in The Hague and Heerlen	6.200	23.600	11.000
<b>Total</b>	<b>6.200</b>	<b>23.600</b>	<b>11.000</b>

#### *Rented premises*

The rental agreement for the office in The Hague has been concluded for a period of 5 to 15 years and expires in 2023. The rental agreement for the office in Heerlen has been concluded for a period of 5 to 15 years and expires in 2024.

Statistics Netherlands is still in discussions with the lessor about compensating the lessor for the loss of income of EUR 1 million in total incurred by the lessor due to the VAT issue relating to the lease extensions in 2013 and 2015.

#### **Finance agreements**

It has been agreed with the Ministry of Economic Affairs that the financial obligations for the period prior to 3 January 2004 are for the account of the Ministry. The actual expenditures made by Statistics Netherlands in relation to these obligations, including the restructuring in 2000, are compensated by the Ministry.

In response to the budget cuts by Rutte I and Rutte II, Statistics Netherlands made agreements with the Ministry of Economic Affairs on a future-proof budget for implementing the multi-annual budget. In order to increase its equity, Statistics Netherlands receives an additional contribution of EUR 12 million. This amount relates to the remainder of the Rutte II tasking, consisting of EUR 4 million in 2016, EUR 2 million in 2017, EUR 4 million in 2018 and EUR 2 million in 2019. Thereafter, the contribution Statistics Netherlands receives from the Ministry of Economic Affairs will be temporarily reduced by EUR 2 million for a period of six years, from 2021 until 2026.

## Notes to the statement of operating income and expenditure for 2016

### 8) Operating income

The operating income is the sum of:

- contribution from the Ministry of Economic Affairs;
- paid contracted work;
- other operating income.

#### *Contribution from Ministry of Economic Affairs (EZ)*

<i>Amounts in thousands of euros</i>	<b>Actual 2016</b>	<b>Budgeted 2016</b>	<b>Actual 2015</b>
Budgetary contribution	142.600	142.600	147.867
Received earlier, but implemented subsequently	385	0	324
Contribution for EU obligation	1.855	2.078	1.500
Payment of receivable from Ministry regarding restructur	0	0	-350
Safety Monitor	0	300	300
Wage adjustment	4.045	3.000	1.657
Price adjustment	246	0	104
Contribution for regulatory burden, IT and Big Data	50	0	0
Budget receivable	4.000	4.000	0
<b>Total</b>	<b>153.181</b>	<b>151.978</b>	<b>151.402</b>

The contribution from the Ministry of Economic Affairs is a budgetary contribution. Statistics Netherlands receives this contribution based on the Multi-Annual Plan for 2014-2018. At the end of this period, Statistics Netherlands must have achieved the work programme. If in any year part of the work programme is not achieved, the relevant funding is carried forward to the next year.

In prior years, Statistics Netherlands received a contribution of EUR 0.8 million from the Ministry of Economic Affairs for making changes in the General Business Register (ABR). This work was mostly performed in the years 2015 and 2016 and will be completed in 2017.

In 2016, Statistics Netherlands received a contribution of 1.9 million in respect of additional statistical work required to new European regulations (EU tranches 14 to 16). This amount is lower than budgeted, as the Ministry of Economic Affairs has stated that it will not ask the Ministry of Finance for financial cover for a long-term claim of EUR 0.2 million arising from the 2013 tranche (only for the 2014 and subsequent EU tranches).

The wage and price adjustment concerns the compensation received for the increase in wages and pension charges due to the new wage agreement (Loonakkoord) regarding the collective agreement for the civil service. This compensation is EUR 1.5 million lower than the actual increase in wages and other personnel expenses. When the budget for 2016 was drawn up, it was not yet known that the pension charges would increase, so this was not taken into account, neither with regard to costs nor with regard to the wage compensation.

In connection with the Rutte II tasking, Statistics Netherlands is still to receive a contribution of EUR 4 million for the budget year 2016 from the Ministry of Economic Affairs.

### ***Paid contracted work***

The following table shows the turnover from paid contracted work per region.

<i>Amounts in thousands of euros</i>	<b>Actual 2016</b>	<b>Budgeted 2016</b>	<b>Actual 2015</b>
The Netherlands	22.802	21.645	21.591
EU countries	4.206	3.800	3.791
Other countries	2.013	1.765	1.761
		0	
<b>Total</b>	<b>29.021</b>	<b>27.210</b>	<b>27.143</b>

The 'paid contracted work' item accounts for the revenues realised from performed activities. This includes contracts to which the government makes a specific financial contribution, as well as revenues from the provision of data and turnover from the sale of Blaise licences (a software system developed by Statistics Netherlands for computerised research methods).

The breakdown of turnover from paid contracted work by type of client is as follows:

<i>Amounts in thousands of euros</i>	<b>Actual 2016</b>	<b>Budgeted 2016</b>	<b>Actual 2015</b>
Government and government-related	21.814	19.195	19.148
Foreign statistical agencies	1.503	1.350	1.347
Research institutions	2.844	4.387	4.376
European Commission and Eurostat	2.196	1.926	1.921
Third parties	664	352	351
<b>Total</b>	<b>29.021</b>	<b>27.210</b>	<b>27.143</b>

### ***Other operating income***

Other operating income mostly consists of revenue from penalty payments and publications.

## **9) Operating expenses**

### ***Wages and salaries***

<i>Amounts in thousands of euros</i>	<b>Actual 2016</b>	<b>Budgeted 2016</b>	<b>Actual 2015</b>
Wages and salaries of own staff	110.957	104.701	103.719
Insourced staff	9.607	12.375	12.104
<b>Total</b>	<b>120.564</b>	<b>117.076</b>	<b>115.823</b>

The cost of wages and salaries was higher than budgeted. This was due to the fact that the compensation received from the Ministry of Economic Affairs for the increase in wages and pension charges as result of the new wage agreement was EUR 1.5 million lower than the actual increase in wages and other personnel expenses. When the budget for 2016 was drawn up, it was not yet known that the pension charges would increase, so this was not taken into account, neither with regard to costs nor with regard to the wage compensation.

In 2016, the average number of full-time employees (FTEs) at Statistics Netherlands was 1,864 (2015: 1,780 FTEs). Four employees worked outside of the Netherlands.

The breakdown by directorate was as follows:

<i>Average number of FTEs per chief directorate</i>	
Economic and business statistics and national :	504
Social and spatial statistics	528
Data collection	267
Corporate services, IT and methodology	416
Other	149
	1.864

### **Remuneration of Director-General and Central Commission for Statistics**

In 2016, the remuneration of the Director-General, consisting of the gross salary, fixed allowances and employer's share of the pension contributions, totalled EUR 179 thousand.

Disclosure pursuant to Act on Remuneration of Senior Officials in the Public and Semi-public Sector (WNT).

<i>Managerial senior officials in 2016</i>		
<b>Amounts in euros</b>	<b>Dr T.B.P.M. Tjin-A-Tsoi</b>	<b>Dr A.H. Kroese</b>
<b>Position(s)</b>	Director-General	Acting Director-General
Term of employment in 2016	1/1 – 31/12	1/1 – 31/12
Size of employment in FTEs	1	1
Former senior official	no	no
(Imputed or explicit) employment contract	yes	yes
<b>Remuneration</b>		
Remuneration	156.654	127.457
Taxable expense allowance	6.458	4.843
Long-term and post-employment benefits	15.754	14.995
<b>Total remuneration</b>	<b>178.866</b>	<b>147.295</b>
Applicable WNT maximum	179.000	179.000
Explanation of any remuneration in excess of maximum	N/A	N/A

<i>Managerial senior officials in 2015</i>		
Amounts in euros	Dr T.B.P.M. Tjin-A-Tsoi	Dr A.H. Kroese
Position(s)	Director-General	Acting Director-General
Term of employment in 2016	1/1 – 31/12	1/1 – 31/12
Size of employment in FTEs	1	1
Former senior official	no	no
(Imputed or explicit) employment contract	yes	yes
<b>Remuneration</b>		
Remuneration	149.136	121.583
Taxable expense allowance	6.458	2.942
Long-term and post-employment benefits	16.005	15.181
<b>Total remuneration</b>	<b>171.599</b>	<b>139.706</b>
Applicable WNT maximum	178.000	178.000
Explanation of any remuneration in excess of maximum	N/A	N/A

The comparative figures for 2015 have been adjusted downwards by EUR 4 thousand compared to the financial statements for 2015; this concerns the long-term and post-employment benefits.

The Central Commission for Statistics (CCS) has several duties relating to Statistics Netherlands and providing statistical information to the government. In 2016, the CCS had seven members and their compensation for 2016 totalled EUR 79 thousand (EUR 75 thousand in remuneration and EUR 4 thousand in tax-free expense allowances). In 2015, the CCS had eight members and their compensation for the year totalled EUR 82 thousand. The compensation of the CCS is charged to the budget of Statistics Netherlands.

*Supervisory senior officials*

CCS members	Position	Remuneration in 2016 in €	Period of appointment	Remuneration in 2015 in €
mr. I. Brakman	Chair of CCS/member of Audit Committee	25.000	from 1/1/2010 until 1/1/2018	25.000
J. van Hall RA RE	Member of CCS/member of Audit Committee	11.300	from 1/4/2014 until 1/1/2018*	11.300
Prof. dr. mr. F. van der Wel RA	Member of CCS/member of Audit Committee	11.300	from 1/1/2013 until 1/1/2017*	11.300
Dr. C.M. Hooymans	Member of CCS	7.000	from 1/1/2012 until 1/1/2020	7.000
Prof. dr. J. Plantenga	Member of CCS	7.000	from 1/1/2009 until 1/1/2017	7.000
Prof. dr. L.H. Hoogduin	Member of CCS	0	from 1/1/2010 until 31/3/2015	2.825
Prof. dr. S. Brakman	Member of CCS	7.000	from 1/1/2013 until 1/1/2017*	7.000
drs. C.W. Wortmann-Kool	Member of CCS	7.000	from 1/6/2014 until 1/6/2018*	7.000

\* eligible for reappointment for a period of four years

The remuneration of the members of the CCS complies with the regulations on the compensation of members of the CCS (Regeling vaststelling schadeloosstelling leden CCS) drawn up by the Minister for Economic Affairs in 2005.

### **Pension and social charges**

<i>Amounts in thousands of euros</i>	<b>Actual 2016</b>	<b>Budgeted 2016</b>	<b>Actual 2015</b>
Pension charges	14.516	12.270	13.715
Social charges	13.865	13.358	12.662
<b>Total</b>	<b>28.381</b>	<b>25.628</b>	<b>26.377</b>

The wage agreement envisaged that the employer's pension contributions would decrease, which would then pay for a significant part of the pay rise under the collective agreement. However, the pension contributions did not decrease (instead, they increased from 1 April 2016), so the actual pension charges were higher than budgeted.

The pension scheme is administered by ABP, the pension fund for employees in the public sector. This is an industry-wide pension fund, and Statistics Netherlands is not obliged to make additional payments in the event of a deficit at the fund, other than paying higher future contributions, if applicable. As at year-end 2016, ABP had a coverage ratio (market value of plan assets expressed as a percentage of the defined benefit obligation pursuant to the principles set by the Dutch Central Bank) of 96.7%. The required coverage ratio as set by the Dutch Central Bank is 128%. If a pension fund falls below the minimum coverage ratio, it must agree a recovery plan with the regulatory authority.

In 2016, the pension scheme had the following characteristics:

Type of pension scheme	Career average scheme
Holiday allowance	8%
Pensionable age	67 years
Pension base	Pensionable salary less offset ('franchise')
Surviving dependants' pension	50% of old-age pension at time of death
Orphans' pension	10% of old-age pension
Offset (2016)	EUR 13,000
Accrual rate	1.875% of pension base

### **Addition to/release of restructuring provision for 2004 through 2011 and provision for unemployment benefits**

The addition to provisions (totalling EUR 2.2 million) less the release of provisions (totalling EUR 2.2 million) is recognised under addition to/release from provisions.

### **Depreciation of tangible fixed assets**

<i>Amounts in thousands of euros</i>	<b>Actual 2016</b>	<b>Budgeted 2016</b>	<b>Actual 2015</b>
Depreciation charges	5.964	6.928	6.375

The depreciation charges concern the depreciation of building-shell modifications and depreciation of IT resources. Depreciation decreased due to further reductions in investment levels.

### **Other operating expenses**

<i>Amounts in thousands of euros</i>	<b>Actual 2016</b>	<b>Budgeted 2016</b>	<b>Actual 2015</b>
Accommodation costs	12.619	13.581	13.127
Other personnel costs	3.099	2.896	3.916
Office costs	4.774	4.898	4.375
Official journeys	3.909	3.536	3.756
External advice	1.954	2.302	2.640
Computerisation	7.031	6.947	6.759
Other costs	3.345	3.295	4.690
<b>Total</b>	<b>36.731</b>	<b>37.455</b>	<b>39.263</b>

In mid-2016, savings on other operating expenses were agreed in connection with the Rutte II budget cuts. This is reflected in the breakdown below, which shows a reduction particularly in the advisory costs, but also in other underlying items (year-end gifts, catering, occupational health services and suchlike).

#### *Accommodation costs*

Accommodation costs include rental as well as energy costs and building-related costs, such as cleaning, security and the operation of the company restaurant. The accommodation costs were lower than in 2015 because a section of the premises in The Hague is no longer leased. The actual costs were lower than budgeted. One of the reasons for this is that the costs in connection with the handover to the lessor of the building section in The Hague that is no longer leased were lower than expected.

#### *Other personnel costs*

Other personnel costs include, among other things, the costs of courses, employment market communications, occupational health services and catering. These costs decreased compared to 2015 due to further cost savings.

#### *Office costs*

Office costs consist of the costs of telecommunications, postage, outsourced printing for publications, and library costs. Office costs increased due to increases in the postage rates.

#### *Official journeys*

The travel and accommodation costs consist of commuting costs and the costs of travel and accommodation in the Netherlands and abroad. These costs increased due to the increase in the number of staff members.

#### *External advice*

Advisory costs include, among other things, the costs of legal advice, tax advice, the costs of outsourcing payroll accounting, annual auditor's fees and the costs of IT advice. These costs decreased due to further cost savings, particularly on IT advisory services.

#### *Computerisation*

This concerns the costs of outsourced administration services, as well as hardware maintenance and licenses. These costs were in line with last year and as budgeted.

#### *Other costs*

The other costs consist of project-related costs, the costs of purchasing raw statistical data and incentives. These costs decreased compared to 2015. This is due to the fact that additional costs were incurred in 2015 for the budget review that is performed once every five years.

The following amounts were reimbursed to the Director-General, the Acting Director-General and the chief directors for business expenses:

<i>Reimbursed expenses (amounts in euros)</i>	2016	2015
Director-General	3.500	3.408
Acting Director-General	4.477	6.188
Chief Director of Economic and Business Statistics and National Accounts	487	502
Chief Director of Social and Spatial Statistics	411	155
Chief Director of Data Collection	283	439
Chief Director of Corporate Services, IT and Methodology	1.035	669
	<u>10.193</u>	<u>11.361</u>

The following fees of KPMG Accountants N.V. and other member firms of the KPMG network, including VAT, were billed to Statistics Netherlands:

<i>Amounts in thousands of euros</i>	KPMG Accountants N.V. 2016	Other member firms of KPMG network 2016	Total KPMG 2016
Audit of the financial statements	83	0	83
Other audit engagements	4	0	4
Tax advisory services	0	17	17
Other non-audit engagements	0	0	0
	<u>87</u>	<u>17</u>	<u>104</u>

<i>Amounts in thousands of euros</i>	KPMG Accountants N.V. 2015	Other member firms of KPMG network 2015	Total KPMG 2015
Audit of the financial statements	79	0	79
Other audit engagements	7	0	7
Tax advisory services	0	13	13
Other non-audit engagements	0	61	61
	<u>86</u>	<u>74</u>	<u>160</u>

These fees were allocated to the financial year in which the work was performed.

## 10) Financial income and expenses

### *Interest income*

The 'interest income' item concerns the interest received on the balance in the current account with the Ministry of Finance. As the interest rate is virtually nil, the interest income is limited.

## 11) Subsequent events

In addition to the Rutte I tasking and the tasking under the Spring Agreement, Statistics Netherlands has been faced with the Rutte II tasking, which concerns the period from 2016 to 2018 inclusive. The Rutte II tasking was not budgeted for in the Multi-Annual Plan. This tasking comprises a total amount that increases to EUR 12.9 million in 2018. To implement this budget cut, permanent savings will be made, amounting to EUR 0.7 million in 2016 and increasing to EUR 2 million, on costs of materials and non-primary employee benefits. From 2017, the tasking will be implemented mainly by reducing by EUR 7 million the centralised funding for the non-mandatory programme of Statistics Netherlands. In connection with this, Statistics Netherlands approached the ministries involved in 2016 regarding the funding, and it will subsequently perform these activities as paid contracted work. As a result, Statistics Netherlands will be able to continue to provide most of the non-mandatory statistics. A small part of the non-mandatory programme (approximately EUR 1.2 million) has been terminated with effect from 1 January 2017. In response to the budget cuts by the Rutte I and Rutte II administrations, Statistics Netherlands made agreements with the Ministry of Economic Affairs on a future-proof budget for implementing the multi-annual budget. In order to increase its equity, Statistics Netherlands receives an additional contribution of EUR 12 million. This amount relates to the remainder of the Rutte II tasking, consisting of EUR 4 million in 2016, EUR 2 million in 2017, EUR 4 million in 2018 and EUR 2 million in 2019. Thereafter, the contribution Statistics Netherlands receives from the Ministry of Economic Affairs will be temporarily reduced by EUR 2 million for a period of 6 years, from 2021 to 2026.

The Hague, 8 September 2017

Director-General of Statistics Netherlands

Dr T.B.P.M. Tjin-A-Tsoi

## Other information

### Provisions in the articles of association governing the result appropriation

Under Section 33 of the Autonomous Administrative Bodies Framework Act, an autonomous administrative body must create an equalisation reserve. The difference between the actual income and actual expenditure of autonomous administrative body is credited or debited, as applicable, to the equalisation reserve. The result for 2016 has been accounted for in the financial statements in accordance with these provisions.

## **Independent auditor's report**

To: Director-General (hereinafter "management") of Statistics Netherlands

### **Report on the financial statements for 2016 included in the annual report**

#### ***Our opinion***

We have audited the financial statements for 2016 of Statistics Netherlands, based in The Hague.

In our opinion:

—the accompanying financial statements give a true and fair view of the financial position of Statistics Netherlands as at 31 December 2016 and of its result for the year then ended in accordance with the Statistics Netherlands Act, the supplementary management agreements made with the Ministry of Economic Affairs, and the provisions of the Act on Remuneration of Senior Officials in the Public and Semi-Public Sector (WNT);

—the income and expenditure and changes in the balance sheet recognised in these financial statements for 2016 have been recognised lawfully in all material respects in accordance with the provisions of the relevant legislation and regulations, as referred to in the Statistics Netherlands Auditing Protocol of 20 January 2009.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2016;
- 2 the statement of income and expenditure for 2016;
- 3 the cash flow statement for 2016; and
- 4 the notes, comprising a summary of the accounting policies and other explanatory information.

#### ***Basis for our opinion***

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing, the WNT Auditing Protocol Regulation 2016 and the Statistics Netherlands Auditing Protocol of 20 January 2009. Our responsibilities under those standards are described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Statistics Netherlands in accordance with the Regulation on the Independence of Accountants in Assurance Engagements (Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO)) and other Dutch independence regulations that are relevant to this engagement. Furthermore, we have complied with the Regulation on the Code of Ethics for Professional Accountants (Verordening gedrags- en beroepsregels accountants (VGBA)).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Report on the other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the management report;
- the other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information that must be provided pursuant to the Statistics Netherlands Act and the supplementary management agreements made with Ministry of Economic Affairs.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we have complied with the requirements in Dutch Standard 720 and the Statistics Netherlands Auditing Protocol of 20 January 2009. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report and the other information in accordance with the Statistics Netherlands Act and the supplementary management agreements made with the Ministry of Economic Affairs.

### **Description of responsibilities for the financial statements**

#### ***Management's responsibilities for the financial statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Statistics Netherlands Act, the supplementary management agreements made with the Ministry of Economic Affairs and the provisions of the Act on Remuneration of Senior Officials in the Public and Semi-Public Sector.

Management is responsible for ensuring that the income and expenditure and changes in the balance sheet recognised in the financial statements have been recognised lawfully in accordance with the provisions of the relevant legislation and regulations, as referred to in the Statistics Netherlands Auditing Protocol of 20 January 2009.

In this context, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud, and compliance with those relevant laws and regulations.

As part of the preparation of the financial statements, management is responsible for assessing the ability of Statistics Netherlands to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless it has not has no realistic alternative but to cease the entity's operations.

Management must should events and circumstances that may cast significant doubt on the entity's ability to continue as a going concern in the financial statements.

#### ***Our responsibilities for the audit of the financial statements***

Our responsibility is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors or fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could influence the economic decisions of users taken on the basis of these financial statements.

The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

As part of our audit, we have exercised professional scepticism and, where relevant, exercised professional judgment in accordance with Dutch Standards on Auditing, the WNT Auditing Protocol Regulation 2016, the Statistics Netherlands Auditing Protocol of 20 January 2009 and the applicable ethical standards and the independence requirements. Our audit included, among other things:

—identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, as well as the risk of any unlawful recognition of income or expenditure or changes in the balance sheet, designing and performing audit procedures responsive to those risks, and obtaining audit

evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions of transactions, misrepresentations, or the override of internal control;

—obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Netherlands Statistics' internal control;

—evaluating the appropriateness of the accounting policies used and the financial lawfulness criteria applied, as well as evaluating the reasonableness of the accounting estimates made by management and the related disclosures in the financial statements;

—concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events and or conditions that may cast significant doubt on the Statistics Netherlands' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity ceasing to continue as a going concern;

—evaluating the overall presentation, structure and content of the financial statements, including the disclosures contained therein; and

—evaluating whether the financial statements presents the underlying transactions and events in a manner that achieves fair presentation, and whether the income and expenditure and changes in the balance sheet recognised in these financial statements have been recognised lawfully in all material respects.

We communicate with the persons charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control we identify during our audit.

The Hague, 8 September 2017

KPMG Accountants N.V.

W.A. Touw, RA

## **Annexe A. Organisation at 31 December 2016**

### **Director General**

Tjark Tjin-A-Tsoi

### **Deputy Director General**

Bert Kroese

### **Central bureau for policy and management support**

Cecile Schut

### **Chief Information Officer**

Matjaz Jug

### **Blaise**

Harry Wijnhoven (acting)

### **CBS Communication and News**

Mike Ackermans

Cees Buijs (deputy)

### **Corporate services, IT and methodology**

Wim van Nunspeet

Marijke Renaud (deputy)

### **Data collection**

Astrid Boeijen

Jeroen van Velzen (deputy)

### **Economic and business statistics and national accounts**

Hanneke Imbens

Hank Hermans (deputy)

### **Socio-economic and spatial statistics**

Huib van de Stadt

Marleen Verbruggen (deputy)

## Annexe B. Guide

CBS collects data from persons, enterprises and institutions and publishes the results of its research using various methods at the earliest opportunity.

### CBS website ([www.cbs.nl](http://www.cbs.nl))

The current website provides access to the output of CBS research, together with information and key figures about the Netherlands, organised by theme. All the publications are laid out clearly on the website and detailed figures are published in a free databank, StatLine. The website also has an up-to-date publication calendar and product catalogue.

CBS also offers websites for four target groups:

- [www.werkenbijhetcbs.nl](http://www.werkenbijhetcbs.nl);
- [www.cbsinuwbuurt.nl](http://www.cbsinuwbuurt.nl);
- [www.cbsvooruwbedrijf.nl](http://www.cbsvooruwbedrijf.nl);
- [www.cbs.nl/cbsindeklas](http://www.cbs.nl/cbsindeklas).

### YouTube, Twitter, Facebook

In addition to its website, CBS also distributes its output via:

- YouTube (<http://www.youtube.com/statistiekCBS>)
- Twitter (<http://www.twitter.com/statistiekCBS>)
- Facebook ([facebook.com/statistiekCBS](https://www.facebook.com/statistiekCBS))

### Open data

Since 2014, CBS has provided all tables in StatLine as open data in the form of datasets ([http://opendata.cbs.nl/dataportaal/portal.html? la=nl& catalog=CBS](http://opendata.cbs.nl/dataportaal/portal.html?la=nl&catalog=CBS)). There is also a web app that uses open data and which can display all tables in StatLine as graphs or maps (<http://opendata.cbs.nl/Dataportaal/index.html#/CBS/nl/>). This app has been optimised for tablets.

### Corporate news

The CBS Corporate News web app (<https://corporate.cbs.nl>) was launched in 2015 offering topical news items, including new services and products, international developments and events at CBS. It is the digital successor to CBS' paper magazine and aimed at the external contacts. The app has been developed specially for use on tablets, smartphones and desktops. It is simple to filter and review the articles and they can be shared easily on Facebook, Twitter and LinkedIn.

### Innovation portal

CBS presents its services and products under development in the area of innovation on the innovation portal ([www.cbs.nl/innovatie](http://www.cbs.nl/innovatie)). External parties are invited to respond to this if they have additional new ideas, suggestions or recommendations for improvement.

### **Sales of CBS products**

CBS products can be ordered through the Customer Service Department, P.O. Box 4481, 6401 CZ Heerlen, The Netherlands, by telephone on +31 (88) 570 70 70, or by e-mail at: [verkoop@cbs.nl](mailto:verkoop@cbs.nl).

### **Information service**

The central information desk for general questions about CBS and its products can be contacted by telephone on +31 (88) 570 70 70, or by e-mail at [infoservice@cbs.nl](mailto:infoservice@cbs.nl).

### **European Statistical Data Support**

Statistical information about Europe sourced from Eurostat can be requested by telephone on +31 (88) 570 70 70 (option 3) or by e-mail at [esds-nl@cbs.nl](mailto:esds-nl@cbs.nl)

### **CBS Contact Center**

Companies, institutions and the public can contact this central information desk with any questions about CBS questionnaires or other survey material by telephone on +31 (45) 570 64 00, by e-mail at [contactcenter@cbs.nl](mailto:contactcenter@cbs.nl), or by using the contact form on the CBS website [www.cbs.nl/contactcenter](http://www.cbs.nl/contactcenter).

### **Press office**

The central information desk for the media can be contacted by telephone on +31 (70) 337 44 44, or by e-mail at [persdienst@cbs.nl](mailto:persdienst@cbs.nl). There is more information on the CBS website: [www.cbs.nl/nl-nl/over-ons/contact/pers](http://www.cbs.nl/nl-nl/over-ons/contact/pers).

### **Centre for Policy-related Statistics**

The Centre for Policy-related Statistics provides a variety of services:

- Customised research based on existing data.
- Advising customers, such as ministries and public policy and research institutes, large municipalities and other government agencies, on finding, organising and using information required for policy formulation and evaluation.
- Subject to authorisation by the Director General, providing micro-datasets to researchers to perform their own analyses under strict security conditions (catalogue <https://www.cbs.nl/nl-nl/onze-diensten/maatwerk-en-microdata/microdata-zelf-onderzoek-doen/catalogus-microdata>).

The Centre for Policy-related Statistics charges for its services. More information can be obtained by telephone on +31 (70) 337 47 92, on the website at [www.cbs.nl/cvb](http://www.cbs.nl/cvb), or by e-mail at: [maatwerk@cbs.nl](mailto:maatwerk@cbs.nl).

**Published by**

**Statistics Netherlands**

---

**The Hague**

Henri Faasdreef 312, 2492 JP The Hague

P.O. Box 24500, 2490 HA The Hague

Telephone +31 (70) 337 38 00

---

**Heerlen**

CBS-weg 11, 6412 EX Heerlen

P.O. Box 4481, 6401 CZ Heerlen

Telephone +31 (45) 570 60 00

---

**Bonaire**

Bulevar Gobernador Nicolaas Debrot # 67 unit 9

Kralendijk

Telephone + 599 7 178 676

---

**Website**

[www.cbs.nl](http://www.cbs.nl)

---

**Information service**

Telephone +31 (88) 570 70 70

E-mail: [infoservice@cbs.nl](mailto:infoservice@cbs.nl)

Fax: +31 (70) 370 59 94

---

**Published by**

Statistics Netherlands

---