



## Press release

September 13<sup>th</sup>, 2024

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### **CAft emphasizes the necessity of the improvement process for Aruba's financial management**

**Oranjestad – Aruba's economy is rapidly growing. The image shown by government finance is also a positive one. Since 2022, the budgets have been adopted timely. However, the justification information falls behind, as shown by the fact that both the implementation reports and the annual accounts are submitted late. This undermines Parliament's budgetary right and control function. The CAft applauds the initiated improvement trajectory to durably restore order in financial management. It is of importance that Aruba now makes significant steps and prioritizes the improvement trajectory.**

#### **Budget and justification cycle**

The draft budget for 2025 has been timely submitted to Parliament. For 2025 as well as multiannually, the budget amply meets the central budgetary standard which prescribes a minimum surplus of 1 percent of the gross domestic product. The Cft appreciates these positive results.

However, the implementation and justification process is still lagging behind. Both the implementation reports and the annual accounts are submitted late. Since late 2022, the delay in the submission of implementation reports has risen to three months. The CAft and Parliament are therefore unable to sufficiently assess to which extent the budget is realistic, which means the implementation of their control tasks is hindered.

Aruba is also far behind on the adoption of the annual accounts. The annual accounts for 2019, for example, have not yet been submitted to Parliament. It is therefore unclear when these annual accounts will be adopted.

#### **Improvement trajectory financial management**

Aruba is currently working on a new reporting system and on the improvement of the supervision of the country's income and expenses. The CAft would like to emphasize that the responsibility for due financial management extends beyond the Minister of Finance. Each Minister will have to make efforts to ensure it is implemented at their department. Adequate financial management is important when it comes to ensuring that public resources are adequately used, without wasting or misusing them. Also, it provides Parliament with a better insight into the actual financial standing of the country. This is essential for a reliable government. It is therefore of the utmost importance that Aruba now realizes substantial improvements.

#### **Government entities**

Recently, the Court of Audits of Aruba has identified shortcomings in the management and the supervision of government entities. For many government entities, the justification process is not in order. The government must supervise the justification duty of the government entities more strictly. A lack of transparency and justification may lead to future risks. The CAft has already drawn attention to the



improvement of justification of entities like Serlimar and Arubus N.V. The CAft has reiterated its concerns and urges Aruba to increase financial self-reliance of government entities. Implementation of the National Ordinance on Corporate Governance is of importance in this context. Lastly, the CAft has observed an increase in government services that are carried out remotely without this having been duly substantiated.

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**Photographer:**

Ton Verkuijlen

**Photo caption:**

The Board of financial supervision Aruba consists (from left to right) of the members Marion Agunbero (Aruba), Lidewijde Ongerling (Chair) and Hans Hoogervorst (the Netherlands).

**Note for the editor – not for publication**

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