



IHO File No. S3/6004

CIRCULAR LETTER 26/2018
05 April 2018

**ADOPTION OF A NEW IHO RESOLUTION ON THE PROCEDURE FOR CONSIDERING
THE ANNUAL FINANCIAL STATEMENT AND THE FORTHCOMING BUDGET
ESTIMATE AND WORK PROGRAMME**

References:

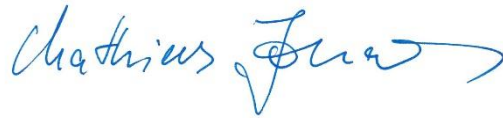
- A. IHO Publication M-1 Basic Documents -*IHO General Regulations*
- B. IHO CL 55/2017 dated 31 October - *Outcome of the 1st Meeting of the IHO Council – Summary Report (version 31 October 2017)*
- C. IHO CL 02/2018 dated 09 January 2018 - *Call for approval of a new IHO Resolution on the Procedure for Considering the Annual Financial Statement and the Forthcoming Budget Estimate and Work Programme, as endorsed by the Council*
- D. Council Circular Letter 10/2017 dated 13 November - *Proposed IHO Resolution on the Procedure for Considering the Annual Financial Statement and the Forthcoming Budget Estimate*

Dear Hydrographer,

1. In accordance with Art. 6. (b) and Art. 6. (g) (i) of the IHO General Regulations (Reference A), and following the instructions of the Council (Reference B, Action C1/16 refers), and the subsequent call for approval in Reference C; Member States were requested to vote on the new IHO Resolution on the Procedure for Considering the Annual Financial Statement and the Forthcoming Budget Estimate and Work Programme. This new IHO Resolution reflects the amendments to the Convention and the other Basic Documents of the IHO that entered into force on 8 November 2016.
2. The Secretariat would like to thank the following 35 Member States who replied to Reference C: Algeria, Argentina, Bangladesh, Belgium, Canada, Chile, Colombia, Croatia, Germany, Greece, Guatemala, India, Ireland, Italy, Latvia, Malaysia, Malta, Mauritius, Mexico, Netherlands, Nigeria, Norway, Papua New Guinea, Peru, Portugal, Qatar, Saudi Arabia, Singapore, Slovenia, Spain, Suriname, Sweden, Turkey, Ukraine and the United States.
3. All 35 Member States approved the new IHO Resolution. One Member State offered comments in addition to its vote. These comments and the outcome of their review by the Secretariat are provided in Annex A to this Circular Letter.
4. In response to Reference D, 13 Member States having a seat at the Council, had already approved the new IHO Resolution.
5. When Reference C was issued, there were 88 Member States of the IHO with three States suspended. In accordance with the provisions of the Convention on the IHO as amended, the minimum number of affirmative votes required was 28. As a result, and taking into account the editorial corrections reported in

the Annex A, the new IHO Resolution on the Procedure for Considering the Annual Financial Statement and the Forthcoming Budget Estimate and Work Programme has been adopted.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Mathias Jonas', with a long horizontal flourish extending to the right.

Dr Mathias JONAS
Secretary-General

Annex A: Member States' comments to IHO CL 02/2018 and responses from the IHO Secretariat.
Annex B: Adopted new IHO Resolution

CHILE (Vote: YES)

We approve the new IHO Resolution on the understanding that “the annual budget estimates and Work Programme provided by the Secretary-General to the Council”, as mentioned in Paragraph 3, will be in accordance with the triennial budget estimates and Work Programme approved by the correspondent Assembly. In case there was any difference, this will have to be duly justified.

The Secretariat confirms Chile’s interpretation.

We consider that a resolution must be precise and that is why we recommend to make the following amendments:

In Paragraph 5, where it is mentioned “*lo antes posible después del final del año en cuestión. Esto no deberá ser normalmente después de finales de marzo del año siguiente*”,

It should read:

... “*como muy tarde a finales de marzo del año siguiente*”.

In Paragraph 6, where it is mentioned: “*En cuanto sea posible, el Secretario..*”

It should read:

... “*lo más tardar en el mes de abril, el Secretario.*”

IHO Secretariat comments:

The Secretariat thanks Chile for the proposed changes of the translation into Spanish. The proposed Spanish wording in paragraph 6, however, would change the intention of the original wording in English and in French. In both IHO official languages the original phrasing of paragraph 6 gives more flexibility to the timely treatment of the provision of financial statements and recommendations through the secretariat. Since the proposed Spanish translation would alter this intention, Chile’s suggestion for the change in paragraph 6 is rejected.

**New IHO Resolution on the
Procedure for Considering the Annual Financial Statement and the Forthcoming Budget
Estimate and Work Programme**

PROCEDURE FOR CONSIDERING THE ANNUAL FINANCIAL STATEMENT AND RECOMMENDATIONS, AND THE FORTHCOMING BUDGET ESTIMATE AND WORK PROGRAMME	02/2018	CL26/2018	
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1 Decision 24.c of the first session of the IHO Assembly ... *confirmed that the Council is empowered to approve the financial statements and any recommendations for the previous year and the budget estimates and the associated annual work programme for each forthcoming year.*

2 This Resolution lays down the procedure to be observed by the Council when considering and approving the annual financial statement and any associated recommendations for the previous year, as well as the budget estimates and the associated annual work programme for each forthcoming year.

Budget Estimates and Associated Annual Work Programme for Forthcoming Year

3 The budget estimates and the associated annual work programme for each forthcoming year shall be provided by the Secretary-General 2 months prior to the Council meeting and included in the agenda of the relevant meeting of the Council and considered and decided upon at that meeting.

4 Prior to the meeting of the Council, the Secretary-General shall submit the budget estimates for the following financial year to the Members of the Finance Committee by correspondence for their information, in accordance with Article 8 (b) of the Financial Regulations.

Annual Financial Statement and Associated Recommendations for Previous Year

5 The audited financial statement and any recommendations for the previous year's accounts shall be provided by the Secretary-General to the Chairs of the Finance Committee and of the Council as soon as practicable after the end of the relevant year. This will normally be not later than the end of March of the following year.

6 As soon as is practicable, the Secretary-General shall chair a meeting of the Chairs of the Finance Committee and of the Council, accompanied by the external auditor and relevant Secretariat staff, to review the previous year's financial statement and any associated recommendations.

7 Upon completion of the meeting, the Secretary-General shall circulate the financial statement for the previous year and any associated recommendations of the Chairs of the Finance Committee and of the Council to the Members of the Finance Committee for comments, and to the Members of the Council for approval.

8 The Members of the Council shall be invited to approve the financial statement and any recommendations through voting by correspondence, following the principles set out in Article IX of the Convention on the IHO. This means that for a decision to be taken, the number of affirmative votes shall be at least one third of the total membership of the Council and at least two thirds of the votes cast shall be in the affirmative. In accordance with IHO Resolution 1/1969 as amended, the period of time allowed for voting shall be two months.

9 The Secretary-General shall inform all Member States of the outcome of the consultation by Circular Letter. If the number of affirmative votes is insufficient, the matter shall be included in the agenda of the next meeting of the Council.
