



THIS CIRCULAR LETTER REQUIRES YOU TO VOTE

IHO File No. S1/6200/C-1

**COUNCIL CIRCULAR
LETTER 10/2017
13 November 2017**

**PROPOSED IHO RESOLUTION ON THE PROCEDURE FOR CONSIDERING THE
ANNUAL FINANCIAL STATEMENT AND THE FORTHCOMING BUDGET ESTIMATE**

References:

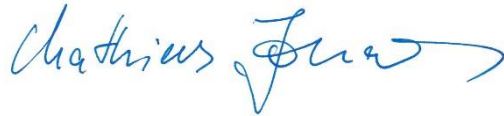
- A. Document IHO C1-2.4 Methodology and timetable to deal with each year's financial statements and adjustments to the basic documents
- B. 1st meeting of the IHO Council IHO C1 – Summary Report (Version dated 31 October 2017)

Dear Hydrographer,

1. Reference A proposed the Council to endorse a new IHO Resolution providing a clear reference statement of the methodology to be used by the Council in its procedure to consider the annual financial statement and the forthcoming budget estimate and Work Programme.
2. The Council tasked the Secretary-General to consider, in accordance with Actions C-1/18 and C-1/19, the suggestions made by the USA on the proposed new Resolution on the methodology and timetable to deal with financial statements (addition of a deadline to paragraph 3 and a modification in paragraph 7 to allow the Council to consider the Finance Committee's recommendations).
3. This reconsideration led to amendments of paragraph 3, order rearrangements in paragraph 5 and 6, and a full revision of paragraph 7 to make it more intuitive and more logical. However, the original intention of paragraph 7 to forward the results of the meeting between the Secretary-General, the Chairs of the Council and the Finance Committee, to both the Finance Committee for comments and the Council for approval in parallel rather than in sequential order, is maintained for reasons of timing. The recommendations on the annual financial report given by the Chair of the Finance Committee usually include the handling of the annual surplus, which is very often allocated to the Capacity Building Fund. These recommendations will be brought forward to the Members of the Council prior to their approval. However, waiting for Members of the Finance Committee's comments, which cannot be expected before end of June, would lead to an undue delay of the Council's approval until the end of August, which is too late to act accordingly in the ongoing fiscal year. The proposed parallel running would enable the Council to take into account the comments of the Members of the Finance Committee (if any) at its annual meeting for the proposed budget for the following year.
4. The revised version of the new IHO Resolution is contained in Annex A including the amendments applied by the Secretariat reflecting the comments made by the Council. Annex B highlights these amendments in track change mode.

5. In accordance with the instructions of the C-1, the Secretary-General is now seeking the endorsement of Council Members and invites them to indicate their decision by returning the Voting Form, provided in Annex C, **by 15 December 2017**.

Yours sincerely,



Dr Mathias JONAS
Secretary-General

- Annex A: Proposed version of the new IHO Resolution on the procedure for considering the annual financial statement and the forthcoming budget estimate (clean version)
- Annex B: Proposed version of the new IHO Resolution on the procedure for considering the annual financial statement and the forthcoming budget estimate (track changes mode version)
- Annex C: Voting Form

**Proposed IHO Resolution on the
Procedure for Considering the Annual Financial Statement and the Forthcoming Budget
Estimate**

PROCEDURE FOR CONSIDERING THE ANNUAL FINANCIAL STATEMENT AND RECOMMENDATIONS, AND THE FORTHCOMING BUDGET ESTIMATE AND WORK PROGRAMME	xx/201X	xx/20xx	
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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 amended¹, the period of time allowed for voting shall be two months.

¹ Subject to the approval by the Council of the proposed revised Resolution 1/1969 (see submission C1-2-2)

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.

**Proposed IHO Resolution on the
Procedure for Considering the Annual Financial Statement and the Forthcoming Budget
Estimate**

PROCEDURE FOR CONSIDERING THE ANNUAL FINANCIAL STATEMENT AND RECOMMENDATIONS, AND THE FORTHCOMING BUDGET ESTIMATE AND WORK PROGRAMME	xx/201X	xx/20xx	
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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 ~~Council Finance Committee~~ and of the ~~Council Finance Committee~~ 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 ~~Council Finance Committee~~ and of the ~~Council Finance Committee~~, 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 ~~of the Secretary-General and the Chairs of the Council and of the Finance Committee~~, 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 ~~Council Finance Committee for comments~~, and to the Members of the ~~Finance Committee Council for approval for their information, together with any particular comments of the Chairs of the Council and of the Finance Committee that they feel should be brought to the attention of the Members of the Council.~~

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 amended², 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.

² Subject to the approval by the Council of the proposed revised Resolution 1/1969 (see submission C1-2-2)

VOTING FORM

(to be returned to the IHO Secretariat by 15 December 2017

E-mail: cl-lc@iho.int

Council Member:	
Point of Contact:	
Contact e-mail:	

PROPOSED IHO RESOLUTION ON THE PROCEDURE FOR CONSIDERING THE ANNUAL FINANCIAL STATEMENT AND THE FORTHCOMING BUDGET ESTIMATE

1. Do you endorse the proposed new IHO Resolution on the Procedure for Considering the Annual Financial Statement and the Forthcoming Budget Estimate?

YES	NO
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2. Do you have any comments or reservations?

YES	NO
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If YES, please provide your comments below:

Comment by Member State

Name/Signature:

Date: