MODEL PRIVATE SCHOOL, ABU DHABI-UAE

FINANCIAL AUDITING AND REPORTS

Review Date:	March 2025		
Next Review Date:	March 2026		
Acting Principal	Mr. I J Nasari		
Signature		***Date:***	30-March-2025
MPS Board of Governors	Haji. Meethalakath Mehmood		
Signature		***Date:***	05-April-2025

Introduction

As part of our commitment to transparency and accountability, Model Private School adheres to the financial regulations and oversight requirements established by the Abu Dhabi Department of Education and Knowledge (ADEK). This policy outlines the school's framework for financial auditing, reporting, and the responsible management of resources in accordance with official standards.

Purpose

- Ensure Compliance: Guarantee that all financial reports and statements are prepared in accordance with International Financial Reporting Standards (IFRS) and Federal Decree Law No. (18) of 2020 on Private Education, along with its subsequent amendments.

- Promote Accountability: Maintain transparency and accountability in all financial operations, ensuring that funds are managed efficiently and responsibly to support the school's educational mission.

- Support Data-Driven Planning: Contribute to a consistent and reliable financial data record that supports strategic decision-making and policymaking within both the school and the wider education sector.

Definitions

Accountants and Auditors Association	The national accountancy body of the UAE that governs the accountancy profession across the UAE.
Auditor	An individual qualified and authorized to review and verify the accuracy of financial records.
External Audit	A process via which an independent external auditor examines the financial statements prepared by the school.
Governing Board	The governing body of a school, appointed by the school owners, and including qualified representatives and parents. The governing board is the senior authority of the school, with responsibility for the overall governance of its activities.
International Financial Reporting Standards (IFRS)	A set of accounting standards issued by the International Financial Reporting Standards (IFRS) Foundation and the International Accounting Standards Board.
Owner	An individual or entity (local or foreign) with legal ownership rights of a school.
Related Party Transactions	Financial transactions including the transfer of resources, services, or obligations between two parties that have a pre-existing business relationship. This includes transactions between the parent company of the school group and the individual school entity.
School Development Plan (SDP)	A strategic plan for improvement, which outlines time-bound targets and goals linked to school improvement priorities. The SDP details actions a school will take to enhance its overall performance, the measures to raise standards and support students' personal development, the resources dedicated to these goals and includes monitoring, evaluation, and accountability for achieving the targets set. The process of creating an SDP involves a collaborative approach which takes account of stakeholder views, alongside outcomes of self-evaluation and external inspections.

Policy

1. Obligations of the Governing Board

1.1 Submission of Audited Financial Reports: The Model Private School will submit the following to ADEK when applying for license amendments, fee increases, and annually upon request by ADEK:

1. The school's audited financial statements.
2. The auditor's report.
3. The completed ADEK's Financial Feasibility Plan template (applicable only for new schools).

2. Financial Statements

2.1 Information Required: Model Private School will prepare and submit fair and accurate annual audited financial statements to ADEK, in a manner that meets the IFRS (with documents on the income statement, balance sheet, cash flow statement, and supporting schedules and notes), including data and statistics illustrating:

1. Income and expenditure with breakdown by various types (e.g., tuition, transportation, extracurricular income, and expenditures, etc.).
2. Calculated profit or loss.
3. Components of per-student operating costs.
4. Information on funding activities (e.g., funds received, source of funds, use of funds).
5. Loan contract details including tenure, duration, annual payments, interest rate, payments due in the next three months, guarantees provided, etc.
6. Corporate overhead allocation, if any.
7. Related party transactions, if any.
8. Management fees, if any.
9. Any other information that enables ADEK to fully consider the school’s financial position.

3. External Auditors

3.1 Auditor Certification: Model Private School will ensure that their accounts are audited by a certified external auditor in compliance with Federal Decree Law No. (41) of 2023 on the Regulation of the Accounting and Auditing Profession.

3.2 Auditor Independence: Model Private School will ensure that the auditor is not related or connected to the school, its owner, or the governing board in any way, except contractually.

1. Model Private School will inform ADEK, in writing, of the name of the auditor immediately after their appointment.

Reviewed and finalized on 25-April-2025

To be implemented AY 2025-2026

Ilyas Jumat Nasari

Principal