



## **SCHOOL POLICY ON FINANCIAL AUDITING AND REPORTS**

<b>Document Type</b>	<b>Policy</b>
Administering Authority	School
Latest Approval/Amendment Date	June,2025
Previous Approval/Amendment Date	March 2024
Approving Authority	Principal-Dr.Thakur. S. Mulchandani
Indicative Time for the next Review	March 2026

<b>SL No.</b>	<b>Content</b>	<b>Page No.</b>
01.	<b>Introduction</b>	1
02.	<b>Purpose</b>	1
03.	<b>Definitions</b>	2
04	<b>Obligations of the Governing Board</b>	3
05	<b>Financial Statements</b>	3
06.	<b>External Auditors</b>	5
07	<b>Compliance</b>	5







## 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 Governing Board of SEPS ensures the timely submission of required financial documentation to ADEK when applying for license amendments, fee increases, and annually upon request by ADEK. This documentation includes:

- The school's audited financial statements.
- The auditor's report.

### 2. Financial Statements

**2.1 Information Required:** SEPS prepares and submits fair, accurate, and complete annual audited financial statements to ADEK in accordance with the International Financial Reporting Standards (IFRS). The financial statements include the income statement, balance sheet, cash flow statement, and all relevant supporting schedules and notes. The submitted financial information includes data and analysis covering, but not limited to, the following:

- Income and expenditure, with a detailed breakdown by category (e.g., tuition fees, transportation, extracurricular income, and operating expenditures).
- Calculated profit or loss for the reporting period.
- Components of per-student operating costs.
- Details of funding activities, including sources of funds received and the application of such funds.
- Loan and financing arrangements, including tenure, duration, annual repayment amounts, interest rates, payments due within the next three months, and any guarantees provided.
- Allocation of corporate or shared overhead costs, where applicable.







- g. Disclosure of related-party transactions, where applicable.
- h. Disclosure of management fees, where applicable.
- i. Any additional information required to enable ADEK to fully assess the school's financial position and sustainability.

### 3 External Auditors

- 3.1 **Auditor Certification:** SEPS ensures that its financial 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:** SEPS ensures that the appointed external auditor is fully independent and has no relationship or connection with the school, its owner, or members of the Governing Board, other than a professional contractual engagement.
  - a. The school informs ADEK in writing of the name and details of the appointed external auditor immediately upon appointment.

### 4. Compliance

This policy is effective at SEPS from the start of the Academic Year 2024/25 (Fall Term). SEPS ensures full compliance with the requirements of this policy by the beginning of the Academic Year 2025/26 (Fall Term).

Approved By:



**Dr. Thakur S. Mulchandani**  
School Director/Principal