FUTURE LEADERS
International Private School
Madinat Zayed, Muroor Road - Branch 2

Financial Auditing and Reports Policy

Approved By	Board of Trustees
Review Date	August 2026
Next review Date	June 2027

AIAASC
AMERICAN INTERNATIONAL ACCREDITATION ASSOCIATION OF SCHOOLS AND COLLEGES

WASC
ACCREDITING COMMISSION FOR SCHOOLS

As regulator of the school sector in Abu Dhabi, ADEK has a key remit to ensure that schools are transparent in their use of funds and the management of their finances. This policy sets out the basic requirements for financial auditing and reporting by the school.

Purpose

- Ensure that Future Leaders International Private School Branch 2 will comply with financial reporting requirements, in line with International Financial Reporting Standards (IFRS) and the Federal Decree Law No. (18) of 2020 Concerning Private Education.
- Ensure that FLIS Branch 2 holds itself accountable for the exercise of its functions and for its financial transactions.
- Enable the creation of a consistent record and bank of available data on the school sector for policy-making purposes.

Obligations of the Governing Board

Submission of Audited Financial Reports: FLIS Branch 2 will submit the following to ADEK when applying for license amendments, fee increases, and whenever requested by ADEK:

- The school's audited financial statements.
- The auditor's report.
- The completed ADEK's Financial Feasibility Plan Template

Financial Statements

1. Information Required: FLIS Branch 2 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:

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

External Auditors

- Auditor Certification: FLIS Branch 2 will ensure that its accounts are audited by a certified external auditor in compliance with Federal Law No. (12) of 2014 Regarding the Organization of the Auditor's Profession and its amendments.
- Auditor Independence: FLIS Branch 2 will ensure that the auditor is not related or connected to the school, its owner, or the board of trustees in any way, except contractually.
    - FLIS Branch 2 will inform ADEK, in writing, of the name of the auditor immediately after their appointment.