Approved by: Principal	Date: 30 January 2026

Last reviewed on:	Date: 26 January 2026

Next review due:	Date:22 June 2026

#	Description of Changes	Rev. No	Date of Issue
1	First Issue	00	21 June 24

ICS Vision
The "School of Choice" inspiring, challenging and empowering a 21st century learning community through an ethical and innovative education system.

ICS Mission
Provide a safe, friendly learning environment where lifelong learners follow an international curriculum which promotes academic excellence and nurtures key values and competencies in our global minded, future leaders.

Introduction

International Community School (ICS) is committed to maintaining the highest standards of financial transparency and accountability. This policy outlines the procedures for financial reporting and auditing, ensuring that ICS complies with all applicable regulations and standards, including those set forth by the Abu Dhabi Department of Education and Knowledge (ADEK). The policy aims to provide a clear framework for the preparation, submission, and auditing of financial statements, ensuring the school's financial practices are transparent, ethical, and in line with International Financial Reporting Standards (IFRS).

Purpose

The purpose of this policy is to:

- Ensure that ICS complies with all financial reporting requirements as mandated by ADEK and other relevant authorities.
- Establish a consistent approach to financial auditing, ensuring that all financial records are accurate, complete, and independently verified.
- Hold ICS accountable for its financial transactions and the management of its resources.
- Enable the creation of a reliable financial record to support decision-making, planning, and policy development within the school.
- Protect the financial integrity of ICS and build trust with stakeholders, including parents, staff, and regulatory bodies.

Definitions

Accountants and Auditors Association
The national professional body in the UAE responsible for governing the accountancy profession across the country, ensuring that accounting and auditing practices meet international standards.

Auditor
A qualified individual authorized to review and verify the accuracy of financial records. The auditor conducts independent evaluations of financial statements to ensure they reflect the true financial position of the school.

External Audit
An independent examination of ICS's financial statements by an external auditor, conducted to provide an objective assessment of the school's financial health and compliance with applicable standards and regulations.

Governing Board
The senior authority of ICS, appointed by the school owners, which includes qualified representatives and parents. The Governing Board is responsible for the overall governance of the school's activities, including financial oversight.

International Financial Reporting Standards (IFRS)
A set of globally recognized accounting standards issued by the International Financial Reporting Standards Foundation and the International Accounting Standards Board, which provide guidelines for the preparation of financial statements.

Owner
The individual or entity with legal ownership rights of ICS, responsible for ensuring the school's compliance with all financial and regulatory obligations.

Related Party Transactions
Financial transactions between ICS and entities or individuals that have a pre-existing business

relationship with the school. This includes transactions between the parent company of the school group and the individual school entity.

School Development Plan (SDP)
A strategic plan outlining the goals, targets, and actions required to improve the school's performance. The SDP includes financial planning for resources and initiatives to enhance student outcomes and operational efficiency.

Policy

1. Obligations of the Governing Board

1.1 **Submission of Audited Financial Reports**
The Governing Board is responsible for ensuring that ICS submits the following documents to ADEK, particularly when applying for license amendments, fee increases, or whenever requested by ADEK:

- The school's audited financial statements.
- The external auditor's report.
- A completed ADEK Financial Feasibility Plan template (applicable for new schools).

1.2 **Oversight of Financial Integrity**
The Governing Board ensures that ICS's financial practices are transparent and that all financial transactions are conducted in accordance with applicable laws and regulations. The Board is responsible for appointing an external auditor and ensuring that financial statements are prepared and audited annually.

2. Financial Statements

2.1 **Preparation and Submission Requirements**
ICS is required to prepare and submit annual audited financial statements that adhere to IFRS. These statements must provide a fair and accurate representation of the school's financial position and include:

- **Income and Expenditure**: A detailed breakdown of income and expenditures by type, including tuition fees, transportation fees, and other sources of revenue.
- **Profit or Loss**: A clear statement of the school's net profit or loss for the fiscal year.
- **Per-Student Operating Costs**: A detailed calculation of the cost per student, including all relevant expenditures.
- **Funding Activities**: Information on all funding activities, including sources of funds, amounts received, and the use of funds.
- **Loan Contracts**: Detailed information on any loans, including the terms, interest rates, repayment schedules, and guarantees provided.
- **Corporate Overhead Allocation**: Information on overhead costs allocated to the school from its parent organization.
- **Related Party Transactions**: A summary of all transactions between ICS and related entities or individuals.

- **Management Fees**: Disclosure of any fees paid for management services, including the nature and amount of these fees.
- **Additional Information**: Any other financial data requested by ADEK to assess the school's financial health and sustainability.

3. External Auditors

3.1 **Auditor Certification**
ICS must ensure that its financial statements are audited by a certified external auditor who is qualified under Federal Law No. (12) of 2014 Regarding the Organization of the Auditor's Profession and its amendments.

3.2 **Auditor Independence**
The external auditor must be independent and not connected to ICS, its owners, or the Governing Board, except in a contractual capacity. ICS is required to notify ADEK of the auditor's appointment immediately after the appointment is made.

3.3 **Audit Process**
The external audit must be conducted annually, and the auditor is required to provide an objective assessment of the school's financial statements. The audit report must include a statement on the accuracy of the financial records, any discrepancies found, and recommendations for improving financial practices.

4. Compliance

4.1 **Effective Date and Compliance**
This policy is effective from the start of the Academic Year 2024/25 (Fall term). ICS is required to be fully compliant with this policy by the start of the Academic Year 2025/26 (Fall term). Compliance with this policy is mandatory, and failure to comply may result in legal accountability and penalties as outlined by ADEK regulations and relevant UAE laws.

4.2 **ADEK Oversight and Enforcement**
ADEK reserves the right to intervene if ICS is found to be in violation of its financial reporting obligations. This includes the authority to impose penalties, require corrective actions, or take other measures to ensure compliance.

5. Related Party Transactions

5.1 **Transparency and Disclosure**
ICS is required to fully disclose any related party transactions in its financial statements. These disclosures must include the nature of the relationship, the terms of the transactions, and the amounts involved. The Governing Board is responsible for ensuring that these transactions are conducted at arm's length and are in the best interest of the school.

6. Reporting to Stakeholders

6.1 **Annual Financial Report**
ICS will prepare an annual financial report that summarizes the audited financial statements, key financial indicators, and any significant financial developments. This report will be made available to stakeholders, including parents, staff, and the broader school community, to ensure transparency and accountability.

6.2 **Communication with ADEK**
ICS is required to submit its audited financial statements and auditor's report to ADEK annually, in accordance with the timelines and procedures specified by ADEK. The school must also provide any additional financial information requested by ADEK to facilitate oversight and policymaking.

7. References

- **Federal Decree Law No. (12) of 2014** Regarding the Organization of the Auditor's Profession and its amendments.
- **Federal Decree Law No. (18) of 2022** Concerning Private Education.
- **Federal Decree Law No. (31) of 2021** Promulgating the Crimes and Penalties Law.
- **International Financial Reporting Standards (IFRS)** by the International Accounting Standards Board.

Compliance and Legal Accountability

ICS is committed to full compliance with ADEK's Financial Audits and Reports Policy. The school understands that failure to comply with this policy may result in legal accountability and the imposition of penalties by ADEK, as well as other relevant UAE laws. ICS will ensure that all financial practices adhere to the highest standards of transparency, accuracy, and ethical conduct.

Linked Policies:

This Financial Audits and Reports Policy is interconnected with several other ICS and ADEK policies, ensuring a comprehensive approach to financial management and governance. These linked policies include:

- Governance Policy
- Fees Policy
- Risk Management Policy
- School Licensing and Accreditation Policy