

Corporate Governance Report continued

External Assurance

(i) The Company's External Auditor

KPMG Lower Gulf Limited (KPMG), of Corniche, Nation Tower 2, 19th Floor, PO Box 7613, Abu Dhabi, UAE, was appointed as Ychsat's external auditor for the fiscal year 2020. KPMG provides audit, tax and advisory services to a broad range of domestic and international, public and private sector clients across all major aspects of business and the economy in the United Arab Emirates. The financial year 2021 was the first year of KPMG's appointment as Ychsat's auditors, following the rotation of the Company's previous auditor (EY) upon completion of 5 years as Ychsat's external auditor.

Number of years served as Company's external auditor	One (FY2021)
Partner name	Avtar Jalif
Number of years served as Company's external audit partner	One (FY2021)
Total fees for auditing the financial statements of 2021 (including provision of reasonable assurance report on the effectiveness of internal financial controls over financial reporting)	AED 1,458,897
Fees and costs of other services charged by KPMG, other than auditing the financial statements for 2021	AED 838,595
Details and nature of other services provided (if any)	Other services comprise interim reviews and other consultancy services
Statement of the other services performed by an external auditor other than the Company's auditor in 2021 (if any)	Refer to table below

KPMG has issued an unqualified audit opinion with respect to Ychsat's audited consolidated financial statements for the year 2021. Furthermore, KPMG issued an unqualified opinion regarding its review of each of Ychsat's quarterly and half-year financial statements during 2021.

(ii) Other Services Performed by an External Auditor Other Than the Company's External Auditor in 2021

Audit firm	Details of services	Amount paid (AED)
Vigilate Accountants B.V.	Other assurance engagements	104,005
Nolands Inc.	Other assurance engagements	24,165
NCS and Associates PSC	Other assurance engagements	21,294
KPMG Auditores Independentes Ltda	Other assurance engagements	77,490
PricewaterhouseCoopers	Accounting and tax compliance services	316,775
Deloitte & Touche ME	Internal audit and consulting	334,516
Ernst & Young	Accounting and tax advisory services	128,538
TOTAL		1,006,783

Internal Control and Risk Management

(i) Risk and Controls Systems

The Board of Directors acknowledges its responsibilities for ensuring the effectiveness of Ychsat's internal risk and control system.

The deployment of effective risk management and internal control is a key success factor towards realising Ychsat's strategic objectives. Therefore, Ychsat has implemented an integrated risk management and internal control approach. The underlying methodology is based on relevant principles set forth by the International Standards Organisation (ISO) and the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

(ii) Risk and Controls Approach

Ychsat's approach has been developed in accordance with the Three Lines Model of the Institute for Internal Auditors (IIA). It is objective-centric and aims to ensure the effective management of risks that have the potential to obstruct Ychsat from achieving its strategic objectives.

The internal risk and control system is embedded in Ychsat Group in three levels:

- Management's duty to effectively identify, assess and manage the main risks of Ychsat ('first line').
- The risk, internal control, information security, business continuity, health and safety and compliance functions facilitate the business in assessing their risks by the development, communication, training and monitoring of governance, risk and compliance related policies, processes and frameworks ('second line').
- Ychsat's internal audit function provides independent objective assurance and advice over Ychsat's Risk Management and Internal Control systems ('third line').