

SQM 2 Compliance Checklist

1. Policy & Governance

- Document firm policy requiring EQRs for listed and high-risk engagements.
- Assign responsibility for oversight of EQR implementation to senior leadership.
- Ensure independence of reviewers is formally assessed and documented.

2. Reviewer Appointment

- Establish criteria for reviewer competence (experience, technical expertise, authority).
- Maintain a roster of eligible reviewers (internal or external).
- Document reviewer assignment for each engagement requiring EQR.

3. Independence & Objectivity

- Perform independence checks before reviewer appointment.
- Document confirmation of no involvement in engagement decision-making.
- Retain signed independence declarations from reviewers.

4. Scope of Review

- Review significant judgments made by the engagement team.
- Assess appropriateness of conclusions reached.
- Verify compliance with ICAI standards, laws, and regulations.
- Review documentation of independence, ethical compliance, and risk assessments.

5. Timing

- Ensure EQR is completed before issuance of the engagement report.
- Document reviewer sign-off confirming all significant matters addressed.

6. Documentation

- Maintain evidence of reviewer appointment, independence checks, and review procedures.
- Retain reviewer's evaluation notes and sign-off.
- Archive documentation for minimum seven years or as per ICAI requirements.

7. Monitoring & Remediation

- Include EQR compliance in firm's monitoring program under SQM 1.
- Perform periodic inspections of EQR files.
- Conduct root cause analysis for deficiencies.
- Implement corrective actions and track remediation progress.

8. Training & Awareness

- Train reviewers on ICAI SQM 2 requirements.
- Conduct workshops for engagement teams on EQR expectations.
- Update staff regularly on regulatory changes impacting EQR.

KUMBHAT AND CO LLP

Chartered Accountants

9. Board Committee Reporting

- Provide annual summary of EQR compliance to the Board Committee.
- Highlight deficiencies, remediation actions, and resource needs.
- Obtain board approval for updates to EQR policy.

ENGAGEMENT REVIEW PARTNERS:

Office	Partner In charge	Reviewer
Chennai 1	KNN	Gaurang/Prashant
Chennai 2	Sunil	Khan/KNN
Coimbatore	Priya	KNN/Sumit
Bangalore 1	Khan	Chandramouleeswaran/Sunil
Bangalore 2	Sheilendra	Venugopal/Sumit
Mumbai	Gaurang	Sheilendra Bhansali/Raju