

BOARD OF PUBLIC ACCOUNTANCY \*

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v.

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CASE NO.: CPAS 10-0032

INES VAN DALEEN THORNBURG,

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Respondent

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**CONSENT ORDER**

This matter comes before the Maryland Board of Public Accountancy (“Board”) as a result of a complaint filed by the Board’s continuing professional education auditor against Ines van Daleen Thornburg (“Respondent”), a licensed certified public accountant. The auditor conducted an audit of the continuing professional education courses claimed by the Respondent in the Respondent’s license renewal application that was filed with the Board on November 25, 2008. Upon a review of the complaint, the Board has determined that administrative charges against the Respondent should be held. In an effort to resolve this matter without a formal hearing, the Respondent and the Board have agreed to enter into this Consent Order as the final settlement of this matter.

THE PARTIES AGREE AND STIPULATE:

1. At all times relevant to the matters set forth in this Consent Order, the Board had jurisdiction over the subject matter and the Respondent.
2. The Respondent became licensed as a certified public accountant (License No. 01-22269) on October 31, 1994.
3. On November 25, 2008, the Respondent filed a license renewal application with the Board for the period November 25, 2008 through November 25, 2010.

4. On the renewal application the Respondent claimed 75 hours of continuing professional education credit hours during the previous license term.

5. The Board's license renewal application requires an applicant to certify to the accuracy of the information contained in the application. This certification states, in pertinent part:

*"I hereby certify, under penalty of perjury, that the information contained herein is true and correct to the best of my knowledge, information, and belief..."*

6. On February 26, 2009, the Respondent provided documents to the Board for audit review of the 75 hours continuing professional education credits that she claimed in the renewal application.

7. On July 16, 2009, the following audit determination was made regarding the Respondent's documentation of the continuing education credits claimed in the Respondent's renewal application as follows:

- a. the Respondent failed to provide documentation to support four (4) hours of continuing professional education in ethics;
- b. the Respondent claimed 75 hours of self study hours; which exceeded the amount of self study that was eligible to be claimed on the renewal application;
- c. the Respondent was credited with 40 hours of continuing professional education credit hours; the 35 excess hours were disqualified;
- d. the amount of continuing professional education hours that was carry forwarded from the Respondent's previous renewal , was five (5);
- e. the Respondent's total continuing professional education hours eligible to be applied to the October 1, 2008 renewal application was 45; and
- f. the Respondent was deficient by 35 continuing professional education hours; include four (4) hours in ethics.

8. Based on the aforementioned facts, the Respondent acknowledges that she has violated Business Occupations and Professions Article Regulation Article §§2-312(a) (2) and (3) Annotated Code of Maryland; and Code of Maryland Regulations COMAR 09.24.02.02 (A) and (B), which state:

**§ 2-312. Continuing education.**

(a) *In general.* - (1) The Board shall adopt regulations that set, in accordance with this section, continuing education requirements as a condition to the renewal of licenses under this subtitle.

(2) A continuing education requirement does not apply to the first renewal of a license.

(3) (i) To qualify for any further renewal of a license under this subtitle, a licensee shall complete, for each 2-year license term, at least 80 hours in programs that the Board approves.

**09.24.02.02 Basic Requirement.**

A. The applicant shall complete a minimum of 80 hours of acceptable continuing education in each 2-year license term after initial renewal.

B. A minimum of 4 hours of the continuing education for each 2-year license term shall be in professional ethics with no carry forward provision for excess hours.

9. Based on the aforementioned violations, the Respondent agrees to pay to the Board a civil penalty of \$1,040.00 upon the Respondent's execution of this Consent Order.

10. The Respondent agrees to the inactivation of the license until such time that the Respondent completes the following hours of continuing professional education:

- a. Eight (8) hours in professional ethics; and
- b. Thirty-one (31) hours in course related subject matter approved by the Board.

11. Upon application for license reactivation or reinstatement for an active license, the Respondent agrees to provide documentation to verify completion of the required continuing professional education hours as set forth Stipulation #10 of this Consent Order, pursuant to the Code of Maryland Regulations, COMAR 09.24.02.01 through .04, which provide:

**COMAR 09.24.02 Continuing Education**

**.01 Citation of Regulations, Applicability, and Purpose.**

A. These regulations may be cited and referred to as the "Accountancy Continuing Education Regulations". The continuing education requirement applies to all persons

licensed under Business Occupations and Professions Article, Annotated Code of Maryland, to practice certified public accountancy in this State.

B. The requirement does not apply to those licensees who have been placed on inactive status. An individual placed on inactive status may not engage in any degree of public practice. The phrase "engaged in the practice of certified public accountancy" is defined in COMAR 09.24.01.01.

C. The public interest requires that certified public accountants provide competent service in all areas of their practice. The State legislature has determined that it is in the public interest to require certified public accountants employed in or engaged in public accounting to comply with the continuing education requirements as a prerequisite to the renewal of a license.

#### **.02 Basic Requirement.**

A. The applicant shall complete a minimum of 80 hours of acceptable continuing education in each 2-year license term after initial renewal.

B. A minimum of 4 hours of the continuing education for each 2-year license term shall be in professional ethics with no carry forward provision for excess hours.

C. Except as provided in Regulation §B of this regulation and Regulation .03G of this chapter, all hours in excess of the 80 hours required for a license term can be carried forward to apply as credit to the 80-hour requirements of the following 2 years.

D. The following standards will be used to measure the hours of credit to be given for acceptable continuing education programs completed by individual applicants:

(1) Only participation hours or the equivalent (and not hours devoted to preparation) will be counted.

(2) Services as teacher, lecturer, or discussion leader in accounting and related subjects qualifying for continuing education credit will be included to the extent that it contributes to the licensee's professional competence. Repetitious presentation, that is, those that are substantially the same subject material, may be included only once in each reporting cycle. Hours allowable in the capacity of teacher, lecturer, or

discussion leader may not exceed 45 hours of the minimum requirements with no carry-over provision for excess hours.

(3) A teacher, lecturer, or discussion leader of a qualifying continuing education program shall receive:

(a) 3 hours of continuing education credit for every hour of presentation for a first-time presentation of a program; and

(b) 1 hour of continuing education credit for every hour of presentation for all subsequent presentations of a program.

E. The Board shall credit acceptable hours of continuing education earned after initial licensure if the credit hours are properly reported on the first renewal application, in accordance with Regulation .04C of this chapter.

F. An applicant shall complete 80 hours of continuing education in compliance with the Board's Accountancy Continuing Education Regulations before receiving a license to practice certified public accountancy if:

(1) The applicant is not licensed as a certified public accountant in another state or jurisdiction; and

(2) The applicant passed the examination more than four years prior to applying to the Board for a license.

### **.03 Programs Which Qualify.**

A. The overriding consideration in determining whether a specific program qualifies is that it shall be a formal program of learning which contributes directly to the professional competence of an individual after this individual has been licensed to practice certified public accountancy.

B. Group Continuing Education Programs.

(1) Group continuing education programs will qualify only if §A of this regulation is met and:

(a) An outline is prepared in advance and preserved for review by this Board, if required;

(b) The program is at least 1 hour (50-minute periods) in length;

(c) The program is conducted by a qualified instructor;

- (d) A record of attendance is preserved;
- (e) The sponsor agrees to admit a member of the Board or of the CPE Advisory Committee on request to monitor the program.

(2) These programs would include:

- (a) Professional development programs of recognized national and state accounting organizations and their chapters;
- (b) Technical sessions at meetings of recognized national and state accounting organizations and their chapters;
- (c) Non-credit short courses at universities and colleges;
- (d) Formal, organized in-firm education programs;
- (e) Programs offered by other recognized professional or industrial organizations.

C. University and college courses taken for academic credit will qualify only if §A of this regulation is met. Credit towards the continuing education requirement will be calculated at 15 hours for each semester hour credit and 10 hours for each quarter hour credit.

D. Other Programs. A program other than a group program will qualify only if:

- (1) The program meets the requirements of §A of this regulation;
- (2) An outline is prepared in advance and preserved for review by the Board, if required;
- (3) The program is at least 1 hour in length (50-minute period); and
- (4) The program provides evidence of satisfactory completion.

E. Peer Reviews.

- (1) A peer review shall qualify if conducted in accordance with Business Occupations and Professions Article, Title 2, Subtitle 4A, Annotated Code of Maryland, and COMAR 09.24.06.

(2) Calculation of Credit for Peer Reviews.

(a) Only an individual in a firm that receives an unmodified peer review may receive credit.

(b) The peer reviewer shall allocate the credit hours among the engagement personnel in attendance at the exit conference for the peer review.

(c) The peer reviewer shall allocate a maximum of:

(i) 8 hours for a report review;

(ii) 12 hours for an engagement review; and

(iii) 16 hours for a system review.

(d) Peer review credit hours may not exceed 16 credit hours per individual for any license period.

**.04 Controls and Reporting.**

A. Applicants for license renewal shall provide a certification of compliance with renewal requirements, under Business Occupations and Professions Article, §§2-311 and 2-312, Annotated Code of Maryland, under penalty of perjury, in an appropriate form specified by the Board. The following minimum documentation for qualification shall be retained by the licensee for 4 years from the date of renewal:

- (1) Sponsoring organization;
- (2) Location of course;
- (3) Title of program;
- (4) Topical outline of the course;
- (5) Description of content;
- (6) Dates attended;
- (7) Hours claimed; and
- (8) Information which reflects the expertise of the instructor in the subject matter.

B. The Board, at its discretion, may verify the information and documentation supporting the certification of continuing education credit reported under Regulation .02C of this chapter or §A of this regulation. Upon request, the licensee shall submit to the Board, or its designee, copies of the original documentation supporting the certification provided under §A of this regulation.

C. A continuing education credit earned pursuant to Regulation .02C of this chapter shall be reported on the appropriate form at the time of application for the first renewal of a license.

12. The Respondent shall not claim the continuing professional education credits obtained to satisfy the requirements of this Consent Order in the Respondent's next license renewal application.

13. The Respondent agrees to submit documentation of the continuing professional education hours claimed in the Respondent's next license renewal application.

14. The Respondent agrees that in the event the Respondent fails to reactivate the license after November 25, 2010, the Respondent shall document the continuing professional education hours earned to satisfy the requirements of this Consent Order; and the continuing professional education hours earned to meet the requirements to reinstate the license.

15. The Respondent shall abide by the provisions of the Maryland Public Accountancy Act, § 2-101 et. seq., Business Occupations and Professions Article, Annotated Code of Maryland, and COMAR 09.24.01, et. seq.

16. The Respondent, by entering into this Consent Order, expressly waives the right to have the pending allegations by the Board reduced to written charges, the right to an administrative hearing on the charges and the making of Findings of Fact and Conclusions of Law, and any and all further proceedings before the Board to which the Respondent may be entitled to in this matter, and any rights to appeal from this Order.

17. The Respondent enters into this Consent Order freely, knowingly and voluntarily.

BASED ON THESE STIPULATIONS, IT IS, THIS 14<sup>th</sup> DAY OF September, 2010, BY THE BOARD OF PUBLIC ACCOUNTACY:

**ORDERED** that the Respondent has violated Business Occupations and Professions Article Regulation Article §§2-312(a) (2) and (3) Annotated Code of Maryland; and Code of Maryland Regulations COMAR 09.24.02.02 (A) and (B); and it is further

**ORDERED** that the Respondent is, hereby, reprimanded;

**ORDERED** that the Respondent be assessed a civil penalty of \$1,040.00 for the violation, which amount is payable to the Board in four installments, pursuant to the following payment schedule:

- a) \$290, due on September 1, 2010;
- b) \$250, due on October 1, 2010;



- c) \$250, due on November 1, 2010; and
- d) \$250, due on December 1, 2010.

**ORDERED** that in the event the Respondent fails to remit payment to the Department the amount due on the first day of each month as agreed to in this Consent Order, the Respondent's license shall be suspended until full payment of the remaining balance is received by the Department;

**ORDERED** that the Respondent's complete the continuing professional education credits as set forth in Stipulation #10 of this Order;

**ORDERED** that the Respondent's license is converted to inactive status until such time as the Respondent obtains the continuing professional education required under this Order or fails to renew the license in inactive status by November 25, 2010;

**ORDERED**, that upon an application for license reactivation or license reinstatement, the Respondent will provide to the Board documentation to verify the continuing professional education credits claimed in the application;

**ORDERED** that the Respondent will provide documentation of the continuing professional education credits claimed in the first subsequent renewal of the license following the reactivation or reinstatement of the license after the date of the execution of this Order; and it is further

**ORDERED** that the Board's records and publications reflect the violations, the reprimand and the civil penalty of \$1,040.00 imposed on the Respondent.

(RESPONDENT'S SIGNATURE  
APPEARS ON ORIGINAL ORDER)

Ines van Daleen Thornburg

Date

8/14/10

(BOARD CHAIR'S SIGNATURE  
APPEARS ON ORIGINAL ORDER)

H. Terry Hancock  
Chairman