

BOARD OF PUBLIC ACCOUNTANCY	*	BEFORE THE MARYLAND BOARD OF
	*	PUBLIC ACCOUNTANCY
v.	*	
RAVI C. NARAYAN,	*	
Respondent	*	CASE NO.: CPAS-17-0028
	*	
* * * * *		

CONSENT ORDER

This matter comes before the Maryland Board of Public Accountancy (the “Board”) based on a complaint filed by the U. S. Department of Labor (“DOL”) against Ravi C. Narayan (the “Respondent”), a licensed certified public accountant. Upon review and a subsequent investigation, the Board determined that administrative charges against the Respondent were appropriate based on certain alleged violations of the Maryland Public Accountancy Act and related regulations. Prior to the issuance of formal administrative charges, the parties agreed to enter into this Consent Order as a full and final resolution of this matter, with terms as follows:

THE PARTIES AGREE AND STIPULATE:

1. At all times relevant to the matters set forth in this Consent Order, the Respondent was licensed by the Board as a certified public accountant and/or the Board had jurisdiction over the subject matter.

2. The Respondent became licensed in Maryland as a certified public accountant on or about September 4, 1984 (Registration No. 10225). The license was renewed for subsequent periods and is currently due to expire on May 25, 2019.

3. On or about August 18, 2016, the DOL filed a complaint with the Board alleging that the Respondent failed to comply with generally accepted auditing standards (GAAS) as required by the Employee Retirement Income Security Act of 1974 (ERISA) in connection with his filing of a 2014 Form 5500 Annual Return/Report pertaining to an audit of Rao Radiologists Inc. 401(k) Profit Sharing Plan & Trust as of and for the year ended December 31, 2014. Subsequent to the filing of the Annual Return/Report, the DOL performed a review of the Respondent’s workpapers to determine compliance with applicable standards, including but not limited to, the following:

- a. **AU-C Section 200 of the American Institute of Certified Public Accountants (“AICPA”):** Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Generally Accepted Auditing Standards;
- b. **AU-C Section 500 of the AICPA:** Audit Evidence; and
- c. **AU-C Section 230 of the AICPA:** Audit Documentation.

4. Based on its review, the DOL determined that the Respondent failed to comply with GAAS by failing to obtain sufficient audit evidence in multiple and significant areas to support the opinion rendered on the plan's financial statements. These areas included Audit Planning, Internal Controls and Risk Assessments, Benefit Payments, Participant Data and Individual Participant Accounts, and others.

5. Accordingly, the Board concluded that there was an appropriate basis to issue formal charges against the Respondent for violations of the following laws of the State of Maryland and provisions of the Code of Maryland Regulations (COMAR):

Business Occupations and Professions Article, Ann. Code of Maryland

**Section 2-315. Denials, reprimands, suspensions, and revocations -
Grounds; license certificate**

- (a) Grounds --
 - (1) Subject to the hearing provisions of § 2-317 of this subtitle, the Board, on the affirmative vote of a majority of its members, may deny a license to any applicant, reprimand any licensee, or suspend or revoke a license if the applicant or licensee:
 - (xii) violates a rule of professional conduct adopted by the Board.

COMAR 09.24.01.06 Code of Professional Conduct

G. Competence and Technical Standards

- (1) A licensee may not undertake any engagement for the performance of professional services which the licensee cannot reasonably expect to complete with due professional competence, including compliance, where applicable, with §G(2)-(4) of this regulation.
- (4) A licensee in the performance of accounting and review services or management advisory services, consulting, financial planning, or tax services shall conform to the professional standards applicable to these services at the time the services are performed.

I. Other Responsibilities and Practices

- (1) A licensee may not commit any act that reflects adversely on the licensee's fitness to engage in the practice of public accountancy.

6. Based on the above described facts, the Respondent acknowledges and admits that his actions were in violation of Md. Ann. Code, Business Occupations and Professions Article (“BOP”), § 2-315(a)(1)(xii) and COMAR §§ 09.24.01.06(G)(1), 09.24.01.06(G)(4) and COMAR 09.24.01.06(I)(1).

7. As a result of his violations, the Respondent agrees to the following sanctions:

a. The Respondent shall pay a civil penalty in the amount of \$25,000.00 to the Board within 14 days of the date of this Consent Order;

b. The Respondent’s license as a certified public accountant in Maryland shall be suspended for a period of 60 days from the date of this Consent Order; and

c. The Respondent shall take 8 additional continuing professional education (“CPE”) credits in Ethics within 30 days of the date of this Consent Order. Said CPE credits shall be above and beyond the normal statutory and regulatory CPE requirements and shall not be credited toward any future renewal period. The Respondent shall furnish documentary evidence of satisfactory completion of the CPE training to the Board within 30 days of the completion date.

8. The Respondent acknowledges and agrees that, if he fails to comply with the requirements in paragraph 7 of this Consent Order regarding the payment of the civil penalty and/or completion of the required CPE training, the Respondent’s license as a certified public accountant in the State shall be further and automatically suspended until such time as compliance occurs.

9. The Respondent shall abide by the provisions of the Maryland Public Accountancy Act and applicable regulations in all relevant future activities.

10. The Respondent acknowledges and agrees that this Consent Order shall constitute a Final Order of the Board and shall be enforceable as such.

11. The Respondent, by entering into this Consent Order, expressly waives the right to any further written notification of formal administrative charges, an administrative hearing on the charges, any and all further proceedings before the Board to which he may otherwise be entitled in this matter, and any rights to appeal from this Order.

12. The Respondent enters into this Consent Order freely, knowingly, and voluntarily, with the opportunity to seek advice of counsel.

BASED ON THESE STIPULATIONS, IT IS, THIS 2nd DAY OF May, 2017, BY THE MARYLAND BOARD OF PUBLIC ACCOUNTANCY:

ORDERED that the Respondent has violated BOP, § 2-315(a)(1)(xii) and COMAR §§ 09.24.01.06(G)(1), 09.24.01.06(G)(4) and COMAR 09.24.01.06(I)(1);

AND IT IS FURTHER ORDERED that the Respondent shall pay a civil penalty in the amount of \$ 25,000.00 to the Board within 14 days of the date of this Consent Order;

AND IT IS FURTHER ORDERED that the Respondent's license as a certified public accountant in Maryland (Registration No. 10225) shall be suspended for a period of 60 days from the date of this Consent Order;

AND IT IS FURTHER ORDERED that the Respondent shall take 8 additional CPE credits in Ethics in accordance with the provisions of paragraph 7 of this Consent Order which shall be in addition to, and shall not be credited toward, the normal CPE requirements;

AND IT IS FURTHER ORDERED that, if the Respondent fails to comply with the requirements in paragraph 7 of this Consent Order regarding the payment of the civil penalty or completion of the required CPE training, the Respondent's license as a certified public accountant in the State shall be further and automatically suspended until such time as compliance occurs;

AND IT IS FURTHER ORDERED that this matter shall be resolved in accordance with the terms of this Consent Order, and that the same shall be reflected among the records of the Board;

AND IT IS FURTHER ORDERED that this Consent Order shall constitute a Final Order of the Maryland Board of Public Accountancy.

(RESPONDENT'S SIGNATURE
APPEARS ON ORIGINAL DOCUMENT)

Ravi C. Narayan
Respondent

4/25/2017
Date

(BOARD CHAIR'S SIGNATURE
APPEARS ON ORIGINAL DOCUMENT)

Maryland Board of Public Accountancy

5/2/2017
Date

AEF/kmk